



AN ISO 9001-2000 COMPANY

# Hittco Tools Ltd.

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**14th**  
**Annual Report**  
**2007 - 2008**

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|------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BOARD OF DIRECTORS</b>                | : | Mr. Surendra Bhandari-Chairman<br>Mrs. Madhu Bhandari<br>Mr. Sidharth Bhandari-Managing Director<br>Mr. C.M. Datta<br>Mr. Sharad Bhandari<br>Mr. K. Raghavendra Rao<br>Mr. Joseph Mathai<br>Mr. Rajeev G. Hassanand<br>Mr. S.R. Satish<br>Mr. N.K. Raghunath |
| <b>COMPANY SECRETARY</b>                 | : | Mr. Ashok Kumar Sahoo                                                                                                                                                                                                                                        |
| <b>STATUTORY AUDITORS</b>                | : | M/s. Sudhakar Hegde & Co.<br>Chartered Accountants, Bangalore                                                                                                                                                                                                |
| <b>SECRETARIAL AUDITORS</b>              | : | M/s Swamy & Associates,<br># 1 /2, 3rd Cross, Rahmath Nagar,<br>R T Nagar Post, Bangalore - 560 032.                                                                                                                                                         |
| <b>FINANCIAL INSTITUTION</b>             | : | M/s KSIIDC Ltd., Bangalore                                                                                                                                                                                                                                   |
| <b>REGISTRAR &amp; TRANSFER AGENTS</b>   | : | M/s Cameo Corporate Services Ltd.<br>Subramaniam Building,#1, Club House Road,<br>Chennai-600 002 Ph: 044-28460390                                                                                                                                           |
| <b>PLANT</b>                             | : | #78, III Phase,Peenya Industrial Area,<br>Bangalore-560 058.                                                                                                                                                                                                 |
| <b>REGISTERED &amp; CORPORATE OFFICE</b> | : | #42, Nandidurga Road, Bangalore- 560 046.                                                                                                                                                                                                                    |
| <b>BANKERS</b>                           | : | HDFC Bank Ltd. & IndusInd Bank Ltd.                                                                                                                                                                                                                          |
| <b>NOTE</b>                              | : | No gift will be given in the AGM                                                                                                                                                                                                                             |

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## Hittco Tools Ltd.

### NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of HITTCO TOOLS LIMITED will be held at 11.30 A.M. on Wednesday, the 13<sup>th</sup> August 2008 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 31<sup>st</sup> March 2008 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. Surendra Bhandari who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Madhu Bhandari who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

#### SPECIAL BUSINESS

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

**"RESOLVED THAT** Mr. Rajeev G. Hassanand who was appointed as an additional Director of the Company by the Board on 19<sup>th</sup> May 2008 under Section 260 of the Companies Act, 1956 and who holds office up to the date of the forthcoming Annual General Meeting and being eligible and offering himself for the appointment and in respect of whom notice has been received from a member proposing his candidature pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company whose place of office is subject to retirement by rotation.

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

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

**"RESOLVED THAT** Mr. S. R. Satish who was appointed as an additional Director of the Company by the Board on 19<sup>th</sup> May 2008 under Section 260 of the Companies Act, 1956 and who holds office up to the date of the forthcoming Annual General Meeting and being eligible and offering himself for the appointment and in respect of whom notice has been received from a member proposing his candidature pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company whose place of office is subject to retirement by rotation.

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

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

**"RESOLVED THAT** Mr. N. K. Raghunath who was appointed as an additional Director of the Company by the Board on 19<sup>th</sup> May 2008 under Section 260 of the Companies Act, 1956 and who holds office up to the date of the forthcoming Annual General Meeting and being eligible and offering himself for the appointment and in respect of whom notice has been received from a member proposing his candidature pursuant to Section 257 of the

Companies Act, 1956, be and is hereby appointed as Director of the Company whose place of office is subject to retirement by rotation.

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

8. 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 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required and / or such other approvals as may be necessary, the Company hereby accords its approval for appointment of Mr. Sidharth Bhandari as Managing Director for a period of five years with effect from 13<sup>th</sup> December, 2007 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 thereto, 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 authorized to take such steps as may be necessary to give effect to this resolution."

9. To consider and if thought fit, to pass, with or without modification (s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 309, 310 and read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the revision of remuneration payable to Mr. Sidharth Bhandari, Managing Director of the Company with effect from 1<sup>st</sup> July 2008, for the remaining period of his tenure as specified and set out in the annexed Explanatory Statement in respect of this resolution.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company on the recommendation of the Remuneration Committee, be and are hereby authorised to revise the remuneration payable (including the perquisites) by way of annual increments or otherwise to Mr. Sidharth Bhandari Managing Director as they deem fit from time to time, as per rules of the Company."

**"RESOLVED FURTHER THAT** where during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits as specified and set out in the Schedule XIII of the Companies Act, 1956 as Minimum Remuneration."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

By Order of the Board

Place: Bangalore  
Date: 30th June, 2008

ASHOK KUMAR SAHOO  
COMPANY SECRETARY

### NOTES

1. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of item Nos.5, 6, 7 & 8 set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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 FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 09<sup>th</sup> August 2008 to 13<sup>th</sup> August 2008 (Both days inclusive).

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4. Members who are holding shares in Demat are requested to notify changes, if any, to their respective Depository Participants and those holding in physical form are requested to notify to M/s Cameo Corporate Services Limited, Subramanian Building, # 1, Club House Road, Chennai - 600 002.

**ANNEXURE TO NOTICE**

**Explanatory Statements pursuant to section 173(2) of the Companies Act, 1956.**

**Item No. 5:**

The Board had appointed Mr. Rajeev G. Hassanand, at its meeting held on 19<sup>th</sup> May 2008, as an Additional Director, liable to retire by rotation. Under Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Rajeev G. Hassanand holds office only till the date of the forthcoming Annual General Meeting.

Notice has been received from a member as required under Section 257 of the Companies Act, 1956 proposing Mr. Rajeev G. Hassanand as candidate for the office of Director.

Mr. Rajeev G. Hassanand may be deemed to be concerned or interested in the resolution concerning his appointment.

The Board recommends the resolution for the approval of the members.

**Item No. 6:**

The Board had appointed Mr. S. R. Satish, at its meeting held on 19<sup>th</sup> May 2008, as an Additional Director, liable to retire by rotation. Under Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. S. R. Satish holds office only till the date of the forthcoming Annual General Meeting.

Notice has been received from a member as required under Section 257 of the Companies Act, 1956 proposing Mr. S. R. Satish as candidate for the office of Director.

Mr. S. R. Satish may be deemed to be concerned or interested in the resolution concerning his appointment.

The Board recommends the resolution for the approval of the members.

**Item No. 7:**

The Board had appointed Mr. N. K. Raghunath, at its meeting held on 19<sup>th</sup> May 2008, as an Additional Director, liable to retire by rotation. Under Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. N. K. Raghunath holds office only till the date of the forthcoming Annual General Meeting.

Notice has been received from a member as required under Section 257 of the Companies Act, 1956 proposing Mr. N. K. Raghunath as candidate for the office of Director.

Mr. N. K. Raghunath may be deemed to be concerned or interested in the resolution concerning his appointment.

The Board recommends the resolution for the approval of the members.

**Item No. 8:**

Consequent to resignation of Mr. Surendra Bhandari as Managing Director of the

Company, it has been proposed that Mr. Sidharth Bhandari be appointed for the post of Managing Director. The Board at its meeting held on 12<sup>th</sup> December 2007, on the recommendation of the Remuneration Committee, subject to the approval of the Members and other approvals, if any, have appointed Mr. Sidharth Bhandari as Managing Director.

The salient terms of appointment are as follows:

1. Period of Appointment: 5 (Five) years with effect from 13<sup>th</sup> December 2007.
2. Remuneration:  
Rs.50,000/- per month including all other allowances.
3. Perquisites:

Perquisites will be in addition to the remuneration and will be subject to the conditions that the monetary value shall be restricted to an amount equal to the annual remuneration and will be in accordance with the rules of the Company. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rules, shall be evaluated at actual cost.

Mr. Surendra Bhandari and Mrs. Madhu Bhandari of the other Directors are deemed to be concerned or interested in the Resolution.

The Board recommends the resolution for the approval of the members.

**Item No. 9:**

Mr. Sidharth Bhandari has been appointed as Managing Director of the Company for a period of five years with effect from 13<sup>th</sup> December 2007 by the Board of Directors at its meeting held on 12<sup>th</sup> December 2008 subject to approval of shareholders in this ensuing Annual General Meeting. As the Company made some profits in the year 2007-08, the Board of Directors on their meeting held on 30.06.2008 revised the remuneration, payable to Mr. Sidharth Bhandari, Managing Director of the Company as recommended by the Remuneration Committee with effect from 1<sup>st</sup> July 2008 for the remaining period of his tenure with the following terms; The remuneration payable is as under:

1. Salary: Rs.75,000/- per month including all other allowances
2. Perquisites:

Perquisites will be in addition to the remuneration and will be subject to the conditions that the monetary value shall be restricted to an amount equal to the annual remuneration and will be in accordance with the rules of the Company. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rules, shall be evaluated at actual cost.

Mr. Surendra Bhandari and Mrs. Madhu Bhandari of the other Directors are deemed to be concerned or interested in the Resolution.

The Board recommends the resolution for the approval of the members.

Place: Bangalore

Date: 30<sup>th</sup> June, 2008

**ASHOK KUMAR SAHOO  
COMPANY SECRETARY**

**DIRECTORS' REPORT**

**FINANCIAL RESULTS**

| Particulars                                | 2007-08      | 2006-07 |
|--------------------------------------------|--------------|---------|
|                                            | Rs. in Lakhs |         |
| Sales                                      | 319.06       | 393.05  |
| Other Income                               | 317.94       | 27.97   |
| Increase/Decrease in Stock                 | -28.51       | -22.93  |
| Operational Expenses                       | 344.25       | 382.64  |
| Interest and Financial Charges             | 5.28         | 7.05    |
| Profit before Depreciation and Tax         | 258.95       | 8.40    |
| Depreciation                               | 35.54        | 33.54   |
| Profit / (Loss) after Depreciation and Tax | 208.38       | (27.48) |

The Members,  
Your Directors take pleasure in presenting the Fourteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2008.

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## Hittco Tools Ltd.

### OPERATIONS AND BUSINESS PERFORMANCE

The Company has almost maintained a turnover of Rs.319.06 lakhs during the year 2007-08 as against Rs.393.05 lakhs during the previous year 2006-07. The Export Sales has been increased to Rs.55.98 lakhs compared to Rs.44.85 lakhs during the previous year and contributed 17.54 % of the total Sales. The Company's net profit for the year 2007-08 was Rs.208.38 lakhs as against loss of Rs.25.14 lakhs in the previous year. The company is competent of achieving more profitability.

### DIVIDEND

Though this year, we have made some profits, the Board is unable to recommend any Dividend for the year under review due to the set off towards accumulated losses of the Company.

### FINANCE

The Company has paid the entire loan amount of Rs. 3.01 Crore against settlement during the year 2007-08. However there is further demand of Rs. 6 lakhs towards settlement as per Karnataka State Industrial Investment & Development Corporation Limited, Bangalore. So we have approached the Hon'ble High Court of Karnataka to sort out the issue. The Company also paid the entire working capital loan of Rs. 78.26 lakhs to State Bank of Mysore under settlement of loan during the year 2007-08 and obtained "No Due Certificate". The Company is fully debt free now.

### DIRECTORS

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

Mr. Surendra Bhandari was resigned from the post of Managing Director on 13th December 2007. Subsequent to his resignation, Mr. Sidharth Bhandari is appointed as Managing Director of the Company for a period of five years with effect from 13th December 2007 subject to approval of the Shareholders in this general meeting.

Mr. Rajeev G. Hassanand, Mr. S.R. Satish and Mr. N.K. Raghunath are being co-opted as additional director of the Company on 19th May, 2008 who holds office up to the date of Annual General Meeting and their appointment needs to be approved by the shareholders for appointment as Independent Directors for compliance with the Listing Agreement.

### DIRECTORS RESPONSIBILITY STATEMENT:

As per the provisions of Section 217(2AA) of the Companies Act 1956, the Directors hereby submit th

1. The Company had followed all the applicable Accounting Standards and there is no material departure from this in the preparation of the annual accounts;
2. The Company had selected the normal 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 at the end of the financial year and of the loss of the Company for that period;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Company had prepared the annual accounts on a going concern basis.

### DEPOSITS

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

### PERSONNEL

No employee of the Company had drawn salary in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### AUDITORS

M/s Sudhakar Hegde & Co., Chartered Accountants, Statutory Auditors, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer for reappointment as Statutory Auditors.

M/s Swamy & Associates, Company Secretaries, # 1/2, 3rd Cross, Rahmath Nagar, R T Nagar Post, Bangalore - 560 032 have been appointed as Secretarial Auditors of the Company for the year 2008-09.

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

The information as required under Section 217(1) (e) of the Companies Act, 1956 is enclosed as Annexure-A to this report.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & analysis report is enclosed at Annexure-B to this report.

### CORPORATE GOVERNANCE

A report on Corporate Governance is placed at Annexure-C to this report. Your Company has voluntarily got the Secretarial Audit done for the year 2007-08 as a part of good corporate governance practice and the report of M/s Swamy & Associates, Company Secretaries is placed at Annexure-D to this report.

### SECURITIES

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

### ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

**SURENDRA BHANDARI**  
CHAIRMAN

**SIDHARTH BHANDARI**  
MANAGING DIRECTOR

Place: Bangalore  
Date: 30<sup>th</sup> June, 2008

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**ANNEXURE TO THE DIRECTORS REPORT**

**Annexure - A**

The information required in terms of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are furnished below:

**CONSERVATION OF ENERGY:**

In design and execution, energyconservation measures have been implemented. The efforts toconserve and optimize the use of energythrough improvements in design and operational methods will continue.

**FORM - A**

**A. Power and Fuel Consumption :**

|                                | 2007-08     | 2006-07   |
|--------------------------------|-------------|-----------|
| 1. Electricity                 |             |           |
| a) Purchased units (Lac Units) | 2,64,808    | 3,45,070  |
| b) Total Amount (Lac Rs.)      | 13,56,725   | 16,73,788 |
| c) Rate/Unit (Rs.)             | 5.12        | 4.85      |
| a) Generated units (Lac Units) | 2,11,020    | 2,67,600  |
| b) Total Amount (Lac Rs.)      | 6,99,348.56 | 12,56,947 |
| c) Rate/Unit (Rs.)             | 3.31        | 4.70      |

**Annexure - B**

**MANGEMENT DISCUSSION & ANALYSIS REPORT**

**INDUSTRY STRUCTURE & DEVELOPMENTS**

In the financial year 2007-2008 the consumption of HSS Drills & Taps in Indian Market is Rs.322Cr. Production in India by Different manufacturer is Rs.290 Cr. Import from other Countries like China, Taiwan, & other European Countries is Rs.32Crores. The HSS Drills & taps market is growing annually by 8.7%.

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

**OPPRTUNITIES AND THREATS**

With the vast experience of cutting tool manufacturing experience Company is going to put up new production & trading line of Carbide Drills, End Mills, Reamers which is having a market of Rs. 560Cr. The major boost in Automobile market has increased the sale of Carbide tools in India. The Carbide Tool market is growing annually by 14%, which is much faster than the growth of HSS Tools. The threat perception in the country includes competition of Multi National Company's setting up plant in India & cheap priced tools from Taiwan & China.

**SEGMENT-WISE PERFORMANCE**

Your Company achieved the highest ever net profit of Rs. 208.38 lakhs on a turnover of Rs. 319.06 lakhs and other income of Rs. 317.93 lakhs, due to settlement of loans amount of Rs. 301 lakhs of the Karnataka State Industrial Investment & Development Corporation Limited, Bangalore and Rs.78.26 lakhs to State Bank of Mysore, Bangalore.

| Drill Bits & Taps (in Lakhs)  |            |
|-------------------------------|------------|
| Net Sales & Operating Revenue | Rs. 319.06 |
| PBIT                          | Rs. 228.70 |
| Capital Employed              | Rs. 580.67 |
| ROCE (%)                      | 39%        |
| PBIT Margins (%)              | 72%        |

**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

**FORM - B**

**B. Technology Absorption**

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

**C. Foreign Exchange Earnings and Outgo**

The Export Sales during the year has contributed 17.54% of the total Sales.

|                        | 2007-08   | 2006-07   |
|------------------------|-----------|-----------|
| Total Foreign Exchange |           |           |
| - Used (Rs.)           | 10,20,566 | 71,65,358 |
| - Earned (Rs.)         | 55,97,605 | 44,84,772 |

**For and on behalf of the Board of Directors**

Place: Bangalore      **SURENDRA BHANDARI**      **SIDHARTH BHANDARI**  
Date: 30th June, 2008      **CHAIRMAN**      **MANAGING DIRECTOR**

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, polarization of trade blocks and sudden unhealthy trends in the international scenario arising out of political uncertainty in the global context is a risk factor.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUECY**

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

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

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

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

Human Resources Development is the key for the success of any organization. Keeping this in mind and the targets set, functional and development training needs are identified from multiple sources, primary being, 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**

Place: Bangalore      **SURENDRA BHANDARI**      **SIDHARTH BHANDARI**  
Date: 30th June, 2008      **CHAIRMAN**      **MANAGING DIRECTOR**