

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of HITTCO TOOLS LIMITED will be held at 11.00 A.M on Friday, the 28th September 2012 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 2012 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 who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vikram Shyam Gupta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Surendra Bhandari who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if though fit, to pass, with or without modification (s) the following resolution as 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 1st October 2012, for a period not exceeding three years 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 is hereby authorised to revise the remuneration payable (including the perquisites) subject to schedule XIII of the companies Act, 1956 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: 3rd September, 2012

ALOK JYOTI SAHOO
COMPANY SECRETARY

NOTES

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September 2012 to 28th September 2012 (Both days inclusive).
3. 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.

INFORMATION ABOUT DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.

Item No.2

Mr Sidharth Bhandari is 41 year of age and holds BE degree in Industrial Production. He has over 19 year business experience and holding directorship of Indo European Machinery Co. Pvt. Ltd, Specialised Micro Tools Pvt Ltd, Hittco Properties Pvt. Ltd., Hiteec Prints(I) Pvt Ltd, BI Holdings(Bangalore) Pvt Ltd, B.I. Realtors Pvt Ltd, Fotoset Trading Co. Pvt Ltd, Sanctum Décor Pvt. Ltd. and HTC Properties Pvt Ltd.. Mr Sidharth Bhandari is a promoter of the Company and he holds 92,699 shares of the company.

Except Mr.Sidharth Bhandari, Mr. Surendra Bhandari and Mrs

.Madhu Bhandari none of the Directors of the Company is interested in this item of business.

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

Item No.3

Mr Vikram S gupta is 43 year of age and holds Bachelor degree in commerce. He has over 14 year business experience and holding directorship of Nevellos Graffiti Scanning(I) Pvt.Ltd. Mr Vikram S Gupta is not related to any of the Directors of the Company and he holds 1000 shares of the company.

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

Item No.4

Mr Surendra Bhandari is 66 year of age and he has over 42 year business experience and holding directorship of Indo European Machinery Co. Pvt. Ltd, Hittco Properties Pvt. Ltd., Hiteec Prints(I) Pvt Ltd, BI Holdings(Bangalore) Pvt Ltd, Peco Graphics Pvt. Ltd.,B.I. Realtors Pvt Ltd, Fotoset Trading Co. Pvt Ltd, Sanctum Décor Pvt. Ltd. and HTC Properties Pvt Ltd.. Mr Surendra Bhandari is a promoter of the Company and he holds 4,00,100 shares of the company.

Except Mr.Sidharth Bhandari, Mr. Surendra Bhandari and Mrs .Madhu Bhandari none of the Directors of the Company is interested in this item of business.

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

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANY ACT, 1966.

Item No. 6:

Subject to approval of shareholders in this ensuing Annual General Meeting and subject to Schedule XIII of the Companies Act, 1956, the Board of Directors on their meeting held on 01.09.2012 proposed to revise the remuneration, payable to Mr. Sidharth Bhandari, Managing Director of the Company as recommended by the Remuneration Committee with effect from 1st October 2012 for a period not exceeding 3 years with the following terms;

The remuneration payable is as under:

1. Salary: ₹ 2 Lakhs per month including all other allowances
2. Minimum Remuneration

Where in any financial year, the Company has no profit or its profits are inadequate, the remuneration will be treated as minimum remuneration subject to schedule XIII of the Companies Act, 1956. Mr. Sidharth Bhandari, Mr. Surendra Bhandari and Mrs. Madhu Bhandari are deemed to be concerned or interested in the Resolution

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

INFORMATION UNDER SCH.XIII OF THE COMPANIES ACT, 1956

I. GENERAL INFORMATION :

- (1) Nature of industry- manufacturer of cutting tools
- (2) Commencement of commercial production- 1995
- (3) Company has made net profit of ₹ 86.64 lakhs during the year 2011-12.
- (4) Export sales for the year 2011-12 is ₹ 115.88 lakhs

- (5) In the year 2007-08 the Company has issued 6,00,000 equity shares of ₹ 10/- each to a foreign investor.

II. INFORMATION ABOUT THE APPOINTEE :

- (1) Background details- Mr Sidharth Bhandari is 41 years of age and holds BE in Industrial Production. He has over 19 years of business experience.
- (2) Past remuneration- ₹1,25,000/- per month.
- (3) Job profile and his suitability- Working as Managing Director. He is very dedicated and has capability to grow the Company.
- (4) Remuneration proposed- ₹ 2 lakhs per month
- (5) Mr Sidharth Bhandari is a promoter and holding 92,699 equity shares of ₹ 10/- each of the company.

III. OTHER INFORMATION :

- (1) Reasons for inadequate profits are due to depreciation and Interest of financial institutions. The company has repaid all the loans taken from KSIIDC and SBM. The company has increased its production capacity and competent of achieving more profitability in future.
- (2) During the Year 2012-13 the Company will be able to set off all its accumulated losses.
- (3) The Company is Expected to increase the turnover upto ₹ 15 crore per annum and profit upto ₹ 2 crore per annum within two years.

Place: Bangalore
Date: 3rd September, 2012

By Order of the Board
ALOK JYOTI SAHOO
COMPANY SECRETARY

NOTICE TO THE SHAREHOLDERS FOR APPOINTING STATUTORY AUDITOR OF THE COMPANY OTHER THAN RETIRING AUDITOR.

NOTICE

NOTICE is hereby given that the Company has received a Special notice from a member of the Company under Section 225(1) of the Companies Act 1956, proposing to move the following resolution as an ordinary resolution at the forthcoming Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 at 11.00 A.M at "SHANTALA" Conference Hall, Ashraya International Hotel, #149, Infantry Road, Bangalore-560001..

"RESOLVED THAT Messer S.JANARDHAN & ASSOCIATES, Chartered Accountants, Bangalore, be appointed as the Statutory Auditors of the Company in place of the retiring Auditors, Messrs Sudhakar Hegde & Co., Chartered Accountants, Bangalore, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual

General Meeting at a remuneration as may be mutually agreed upon between the Board of Directors and Messrs S.JANARDHAN & ASSOCIATES, Bangalore."

Dated: 3rd September, 2012

For: Hittco Tools Ltd.
By order of the Board

Alok Jyoti Sahoo

Company Secretary

Note:

Special Notice referred to in the notice is open for inspection at the Registered Office of the Company between 11.00 a.m. and 1 p. m. on all working days (except Saturdays) upto the date of the Meeting.

DIRECTORS' REPORT

The Members,

Your Directors take pleasure in presenting the 18th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

(₹ In Lakhs)

Particulars	2011-12	2010-11
Sales	868.80	799.71
Other Income	10.28	7.15
Increase/Decrease in Stock	48.34	-10.10
Operational Expenses	756.56	649.72
Interest and Financial Charges	8.47	6.30
Profit before Depreciation and Tax	162.39	140.74
Depreciation	51.24	42.53
Tax	24.51	19.34
Profit / (Loss) after Depreciation and Tax	86.64	78.87
Earning Per Share(Basic & Diluted)	1.64	1.53

OPERATIONS AND BUSINESS PERFORMANCE

The Company has almost maintained a turnover of ₹ 868.80 lakhs during the year 2011-12 as against ₹ 799.71 lakhs during the previous year 2010-11. The Export Sales for the year 2011-12 was ₹ 115.88 lakhs compared to ₹ 124.34 lakhs during the previous year and contributed 13.34 % of the total sales. The Company's net profit for the year 2011-12 was ₹ 86.64 lakhs as against profit of ₹ 78.87 lakhs in the previous year. The company is competent of achieving more profitability.

DIVIDEND

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

DIRECTORS

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

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 Profit 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 a notice from a shareholder received to appoint statutory auditor other than the retiring auditor.

M/s S. Janardan & Associates, Chartered Accountants, will be appointed as Statutory Auditor of the company subject to approval of the members in Annual General Meeting.

M/s Swamy & Associates, Company Secretaries, have been appointed as Secretarial Auditors of the Company for the year 2012-13.

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 2011-12 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

SIDHARTH BHANDARI

CHAIRMAN

MANAGING DIRECTOR

Place: Bangalore

Date: 3rd September,

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

Form - A

A. Power and Fuel Consumption :	2011-12	2010-11
Electricity		
a) Purchased units	553715	379433
b) Total Amount	3241393	235471
c) Rate/Unit (₹)	5.85	5.89
a) Generator units	51805	43945
b) Total Amount	1120024	950260
c) Rate/Unit (₹)	21.62	21.62

B. Technology Absorption

Measures are taken by the Company for development of own technology

Annexure - B

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

In the financial year 2011-2012 the consumption of HSS Drills & Taps in Indian Market is about ₹ 2000Cr. Production in India by Different manufacturer is ₹ 1800 Cr. Import from other Countries like China, Taiwan & other European Countries is ₹ 200 Crores. The HSS Drills & taps market is growing annually by 7%.

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

OPPORTUNITIES AND THREATS

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

SEGMENT-WISE PERFORMANCE

Your Company made Profit ₹ 86.64 lakhs on a turnover of ₹ 868.80 lakhs and other income of ₹ 10.28 lakhs.

	Drill Bits & Taps (in Lakhs)
Net Sales & Operating Revenue	₹ 868.80
PBIT	119.62
Capital Employed	829.91
ROCE (%)	14.41%
PBIT Margins (%)	13.77%

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

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

C. Foreign Exchange Earnings and Outgoing

The Export Sales during the year has contributed 13.34 % of the total Sales.

	2011-12	2010-11
Total Foreign Exchange – Used (₹) :	15593710.08	25333422.17
– Earned (₹):	11558317.00	12433805.70

For and on behalf of the Board of Directors

SURENDRA BHANDARI

SIDHARTH BHANDARI

CHAIRMAN

MANAGING DIRECTOR

Place: Bangalore

Date: 3rd September,

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 is a risk factor.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECTS TO OPERATIONAL PERFORMANCE

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

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

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

For and on behalf of the Board of Directors

SURENDRA BHANDARI

SIDHARTH BHANDARI

CHAIRMAN

MANAGING DIRECTOR

Place: Bangalore

Date: 3rd September, 2012

CORPORATE GOVERNANCE REPORT

PHILOSOPHY

Our Company believes in practicing good Corporate Governance, attaining maximum level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders viz. shareholders, employees, customers, Government, bankers, society at large etc.

BOARD OF DIRECTORS

a) Composition

The present strength of the Board of Directors is Ten (10). Out of Ten Directors Seven Directors (more than 50%) are Non-Executive Directors. Besides, Five Directors (50%) are independent Directors. The composition of the Board is in conformity with the requirement of Clause 49 of the Listing Agreement.

* Mrs. Madhu Bhandari resigned from directorship on 14/11/2011.

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 2011-12 Eleven Board Meetings were held on 15.04.2011, 30.05.2011, 27.06.2011, 15.07.2011, 12.08.2011, 30.09.2011, 24.10.2011, 14.11.2011, 30.01.2012, 15.02.2012, and 23.03.2012 and the maximum gap between any two meetings was

d) Details about Company's Board of Directors :

Name of the Director	Share Holding	Category	Attendance Particulars			Directorships in other Companies	Committee Memberships	
			No of Board Meetings		Last AGM		Memberships	Chairmanships
			Held	Attended	Attended			
1. Surendra Bhandari	4,00,100	Chairman	11	9	Yes	9		2
2. Madhu Bhandari*	70,077	Director	11	2	No	6	-	-
3. Sidharth Bhandari	92,699	Managing Director	11	2	No	10	2	-
4. Rajib Ghosh Roy	0	Wholetime Director	11	8	No	-	-	-
5. K. Raghavendra Rao	1,000	Wholetime Director	11	11	Yes	5	3	-
6. Joseph Mathai	100	Independent Director	11	11	Yes	-	2	-
7. Rajeev G. Hassanand	0	Independent Director	11	11	No	2	-	-
8. S.R. Satish	0	Independent Director	11	11	Yes	-	-	1
9. N.K. Raghunath	1,000	Independent Director	11	8	Yes	-	1	
10. Vikram S Gupta	1,000	Independent Director	11	9	No	1	-	1

* Mrs. Madhu Bhandari resigned from directorship on 14/11/2011.

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 2011-12, the Company did not advance any loan to any of its Directors. The remuneration paid to the Directors for the year 2011-12 is given below :

Name of the Director	Category	Salary	P.F.
1. Surendra Bhandari	Chairman	-	-
2. Sidharth Bhandari	Managing Director	₹ 15,00,000/-	₹ 9,360/-
3. Madhu Bhandari	Director	-	-
4. K. Raghavendra Rao	Wholetime Director	₹ 5,97,000/-	₹ 9,360/-
5. Rajib Ghosh Roy	Wholetime Director	₹ 5,37,000/-	₹ 9,360/-
6. Joseph Mathai	Independent Director	-	-
7. Rajeev G. Hassanand	Independent Director	-	-
8. S.R. Satish	Independent Director	-	-
9. N.K. Raghunath	Independent Director	-	-
10. Vikram S Gupta	Independent Director	-	-

not more than Four Months.

Quarter		Dates
April - June	1	15 th April 2011
	2	30 th May 2011
	3	27 th June 2011
July – September	4	15 th July 2011
	5	12 th August 2011
	6	30 th September 2011
October – December	7	24 th October 2011
	8	14 th November 2011
January – March	9	30 th January 2012
	10	15 th February 2012
	11	23 rd March 2012

c) Directors' Attendance Record and Directorship held

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

* Mrs. Madhu Bhandari resigned from directorship on 14/11/2011. g) Green Initiative on Corporate Governance.

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

BOARD COMMITTEES

The Company has four Board level Committees – Audit Committee, Remuneration Committee, Share Transfer Committee and Shareholders / Investors' Grievances Redressal 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 31.03.2012 is as follows:

- | | |
|---------------------------|------------|
| 1. Mr. Vikram S Gupts | - Chairman |
| 2. Mr. K. Raghavendra Rao | - Member |
| 3. Mr. Joseph Mathai | - Member |

18th Annual Report 2011-2012

Hittco Tools Ltd.

The Company Secretary is the Secretary of the Committee. The Audit Committee held Six meetings during 2011-12 on 15.04.2011, 30.05.2011, 07.07.2011, 15.07.2011, 14.11.2011 and 30.01.2012.

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

b) Remuneration Committee

The Remuneration Committee comprises of three Directors, viz. Mr. S R Satish, Mr. Joseph Mathai and Mr. N K Raghunatha. Mr. S R Satish is the Chairman of the Remuneration Committee. The Company Secretary is the Secretary of the Committee. The Remuneration Committee held three meetings during 2011-12 on 11.04.2011, 24.06.2011 and 26.07.2011.

c) Share Transfer Committee

The Share Transfer Committee comprises of three Directors, viz. Mr. Surendra Bhandari, Mr. Sidharth Bhandari and Mr. K. Raghavendra Rao. Mr. Surendra Bhandari is the Chairman of the Share Transfer Committee. The Company Secretary is the Secretary of the Committee. The Share Transfer Committee held eleven Meetings during 2011-12 on 28.04.2011, 19.05.2011, 20.06.2011, 15.07.2011, 29.07.2011, 25.08.2011, 19.09.2011, 10.10.2011, 08.11.2011, 28.12.2011 and 31.01.2012.

d) Shareholders / Investors' Grievances Redressal Committee

The Shareholders / Investors' Grievances Redressal Committee comprises of three Directors, viz. Mr. Surendra Bhandari, Mr. Sidharth Bhandari and Mr. K. Raghavendra Rao. Mr. Surendra Bhandari is the Chairman of the Shareholders / Investors' Grievance Committee. The Company Secretary is the Secretary of the Committee. The Shareholders / Investors' Grievance Committee held two meetings during 2011-12 on 28.08.2011 and 10.01.2012.

GENERAL BODY MEETINGS

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

Annual general Meeting			
Year	Date	Time	Location
2008-2009	25.09.2009	12.00 NOON.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2009-2010	07.09.2010	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2010-2011	26.09.2011	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.

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

DISCLOSURES:

(i) Related Party Transactions

There were no material significant transactions with the Directors or the management or relatives that have any potential conflict with interest of the Company at large.

(ii) Compliances by the Company

There was no case of non-compliance by the Company, nor any case of penalties or strictures, imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matter related to capital markets during the last three years.

(iii) CEO/CFO Certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49(V) of the Listing Agreement.

(iv) Non-Mandatory Requirements

The Company has not adopted the non-mandatory requirements as specified in Annexure 1D of clause 49 of the Listing Agreement.

(v) Accounting Treatment

The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

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 2012 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, 2012	28 th September, 2012
Unaudited Financial results for the first quarter ending 30 th June, 2012	12 th August, 2012
Unaudited Financial results for the second quarter ending 30 th September, 2012	By 15 th November, 2012
Unaudited Financial results for the third quarter ending 31 st December, 2012	By 15 th February, 2013
Audited Financial results for the year ending 31 st March, 2013	May, 2013

Book Closure Dates

Tuesday, the 25th September, 2012 to Friday, the 28th September, 2012 (both days inclusive) for requirements of Clause 16 of the Listing Agreement for the financial year 2011-12..

Dividend

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

Listing on Stock Exchanges

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

Stock Code

Stock Exchange	Code
Bombay Stock Exchange Limited	531661

Market Price Data

Monthly Share Price movement during 2011-12 on Bombay Stock Exchange:

No	Date	Highest (₹)	Lowest (₹)
1.	April, 2011	12.40	8.37
2.	May, 2011	12.20	8.11
3.	June, 2011	9.88	7.05
4.	July, 2011	14.14	8.00
5.	Aug, 2011	10.99	6.61
6.	Sep, 2011	9.60	6.95
7.	Oct, 2011	10.25	7.31
8.	Nov, 2011	11.88	7.72
9.	Dec, 2011	8.99	6.60
10	Jan, 2012	11.00	6.87
11.	Feb, 2012	11.23	7.10
12.	Mar, 2012	10.88	7.90

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 2012.

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	1095	70.19	213965	4.05
05001 – 10000	200	12.82	174862	3.31
10001 - 20000	85	5.45	138628	2.62
20001 - 30000	41	2.63	108574	2.06
30001 - 40000	34	2.18	122493	2.32
40001 - 50000	23	1.47	108673	2.06
50001– 100000	31	1.99	234921	4.45
100001 & above	51	3.27	4179184	79.13
Total	1560	100	5281300	100

Table B: Shareholding Pattern by Ownership

Particulars	No. of Shareholders	% to total shareholders	No. of shares	% to total Shares
Directors, Promoters & their family members	9	0.58	2094021	39.65
Corporate Bodies	86	5.51	1123698	21.28
Individuals	1465	93.91	2063581	39.07
Total	1560	100	5281300	100

Dematerialization of Equity Shares

Trading in equity shares of the Company became mandatory in dematerialized form from 1.10.2000. 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 76.16% of the Equity Shares of the Company are held in the dematerialized form.

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

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

Plant Locations of the Company

Unit-I	Unit-II
#78, III Phase, Peenya Industrial Area, Bangalore - 560 058.	#SB-162, 3 rd Cross, 1 st Stage, Peenya Industrial Area, Bangalore - 560 058.

Address for Correspondence

The Company's Registered Office is situated at:
#42, Nandidurg Road, Bangalore - 560 046.
Tel: 080-41491251 (Extn. 131/138) Fax: 080-41491250
E-mail ID: i) Raghavendra@hittco.com
ii) alok@hittco.in

Our Registrar and Transfers Agent's Address is:

M/s Cameo corporate Services Ltd.
Subramaniam Building, #1 Club House Road, Chennai-600 002.
Tel : 044-28460390 Fax : 044-28460129

Shareholders holding shares in electronic form should address all their correspondence regarding change of address, bank particulars etc. to their respective Depository Participants (DPs) only. There is no need to inform these changes to the Company or its Registrar Transfer Agent..

For and on behalf of the Board of Directors

SURENDRA BHANDARI **SIDHARTH BHANDARI**
CHAIRMAN **MANAGING DIRECTOR**

Place: Bangalore
3rd September, 2012

SECRETARIAL AUDIT REPORT

To
The Members
Hittco Tools Ltd.
Bangalore.

We have examined all secretarial records and the compliance of provisions of the Companies Act, 1956, the regulations, guidelines and the instructions issued by the Securities and Exchange Board of India (SEBI) and the relevant clauses of the Listing Agreement with Stock Exchanges where the shares of Hittco Tools Ltd.(the company) are listed, the Depositories Act, 1996 and bye-laws framed there under from time to time, for the year ended 31st March, 2012 and we report that:

1. Maintenance of Statutory Records:

The Company is maintaining all statutory records and registers as required to be maintained under various provisions of the Companies Act, 1956 and the rules made there under and all the records and entries in the registers are up to date.

2. Filling of Statutory Returns:

The Company is maintaining all statutory records and registers as required to be maintained under various provisions of the Companies Act, 1956 and the rules made there under and all the records and entries in the

registers are up to date.

3. Composition of the Board:

The Board of Directors of the Company comprised of 10 directors; consisting of the Chairman (Non-Executive Chairman), Managing Director (Executive), two executive directors, one non-executive director and five independent directors(Non-Executive) as on 31.03.2012. In terms of clause 49 of Listing Agreement, at least half of the Board should comprise of independent directors.

4. Board Meetings:

During the year, the Board of Directors of the Company met Eleven times 15.04.2011, 30.05.2011, 27.06.2011, 15.07.2011, 12.08.2011, 30.09.2011, 24.10.2011, 14.11.2011, 30.01.2012, 15.02.2012, and 23.03.2012 in respect of which proper notices were given. The proceedings of the meetings including the resolution passed were properly recorded in the Minutes Book maintained by the Company and duly signed..

5. Registrar & Transfer Agent:

The Company has a Registrar & Transfer Agent named Cameo corporate Services Ltd., located at Subramaniam Building, #1 Club House Road, Chennai- 600 002 and all the work related to share in terms of both physical and electronic segments are being handled there.