



AN ISO 9001-2008 COMPANY

Hittco Tools Ltd.

**19th
Annual Report
2012-2013**

**19th
Annual Report
2012-2013**

Hittco Tools Ltd.

BOARD OF DIRECTORS	:	Mr. Surendra Bhandari-Chairman Mrs. Madhu Bhandari Mr. Sidharth Bhandari-Managing Director Mr. K. Raghavendra Rao Mr. Rajib Ghosh Roy Mr. Joseph Mathai Mr. Rajeev G. Hassanand Mr. S.R. Satish Mr. N.K. Raghunath Mr. Vikram S Gupta	
COMPANY SECRETARY	:	ALOK JYOTI SAHOO	
STATUTORY AUDITORS	:	M/s. S. Janardhan & Associates	
SECRETARIAL AUDITORS	:	M/s Swamy & Associates, Company Secretaries, Bangalore	
REGISTRAR & TRANSFER AGENTS	:	M/s Cameo Corporate Services Ltd. Subramaniam Building, #1, Club House Road, Chennai-600 002. Ph: 044-28460390	
PLANT	:	Unit-I #78, III Phase, Peenya Industrial Area, Bangalore-560 058.	Unit-II : #SB-162, 3 rd Cross Peenya Industrial Area, Bangalore-560 058.
REGISTERED & CORPORATE OFFICE:		#19, Aliasker Road, Bangalore - 560 052.	
BANKERS	:	HDFC Bank Ltd. IndusInd Bank Ltd. Canara Bank & Kotak Mahindra Bank Ltd.	
NOTE	:	<i>No gift will be given in the AGM</i>	

CONTENTS

NOTICE	1
DIRECTORS' REPORT	3
COTPORATE GOVERNANCE	5
AUDITORS' REPORT	7
BALANCE SHEET	10
PROFIT & LOSS ACCOUNT	11
SCHEDULES	12
CASH FLOW STATEMENT	23
PROXY FORM & ATTENDANCE SLIP	

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of HITTCO TOOLS LIMITED will be held at 11.00 A.M on Monday, the 30th September 2013 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 2013 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. K. Raghavendra Rao who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajeev G. Hassanand who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Joseph Mathai who retires by rotation and being eligible, offers himself for re-appointment.
5. 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

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

“RESOLVED THAT Mrs. Madhu Bhandari who was appointed as an additional Director of the Company by the Board on 27th February, 2013 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 herself for the appointment and in respect of whom notice has been received from a member proposing her 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 modification (s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Sections 16, 31 and 94 and other

applicable provisions, if any, of the Companies Act, 1956, the existing authorised Share Capital of the Company of Rs.6,50,00,000 (Rupees six crores fifty lakhs only) divided into 60,00,000 (Sixty lakhs only) equity shares of Rs.10/- each and 50,000(Fifty Thousand) Cumulative convertible preference shares of Rs.100/- (Rupees Hundred each) be altered by reclassifying into Rs.6,50,00,000/- (Rupees six crores fifty lakhs only) divided into 65,00,000(Sixty Five lakhs) equity shares of Rs.10/- (rupees ten each)

With such rights, privileges and conditions attaching thereto as are provided by the regulations of the Company and to reclassify the shares in the capital for the time being in accordance with the provisions of the Companies Act, 1956.

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

“RESOLVED THAT pursuant to the provisions of section 94 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, if any, the authorised capital of the company be increased from Rs.650,00,000 (Rupees six crores fifty lakhs only) to Rs. 700,00,000 (Rupees Seven crores only) by the creation of 5,00,000 (Five lakhs) equity shares of Rs. 10 (Rupees ten) each ranking for dividend and in all other respects pari passu with the existing equity shares in the company.”

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby altered to read as follows :

V. “The authorised Share Capital of the Company is Rs.7,00,00,000 (Rupees seven crores only) divided into 70,00,000(Seventy lakhs) equity shares of Rs.10/- (rupees ten each).”

RESOLVED FURTHER THAT THE Article No.4 be and is hereby altered to read as follows “4.The authorised Share Capital of the Company is Rs.7,00,00,000 (Rupees seven crores only) divided into 70,00,000(Seventy lakhs) equity shares of Rs.10/- (rupees ten each).”.

By Order of the Board

ALOK JYOTI SAHOO

COMPANY SECRETARY

Place: Bangalore

Date: 3rd September, 2013

NOTES

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 26th September 2013 to 30th September 2013 (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 K Raghavendra Rao aged 58 years holds Bachelor degree in Commerce. He has over 28 years of experience and holding directorship of Indo European Machinery Co. Pvt. Ltd, Hittco Properties Pvt. Ltd. and HTC Properties Pvt Ltd.. Mr K Raghavendra Rao holds 1000 shares of the company.

Except Mr.K Raghavendra Rao none of the Directors of the Company is interested in this item of business.

Item No.3

Mr Rajeev G. Hassanand is 43 year of age and holds business experience of 15 years and holding directorship of Hittco Properties Pvt. Ltd and Sanctum Decor Pvt.Ltd. Mr Rajeev G. Hassanand is not related to any of the Directors of the Company.

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

Item No.4

Mr. Joseph Mathai, aged 53 years has rich experience of more than 13 years in the Industry. He actively contributes in the policy decisions of the Company. He holds 100 Equity Shares of the Company.

Except Mr. Joseph Mathai 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 Companies Act, 1956.

Item No. 6:

The Board had appointed Mrs. Madhu Bhandari, at its meeting held on 27th February 2013, 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, Mrs. Madhu Bhandari 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 Mrs. Madhu Bhandari as candidate for the office of Director.

Mrs. Madhu Bhandari may be deemed to be concerned or interested in the resolution concerning her appointment.

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

Item No. 7:

In view of proposed expansion plans, your company may have to go in for the increase of equity capital base either by public issue or preferential issue. In order to go in for any such issue, the

authorized capital of the Company should be adequately altered to accommodate the proposed increase of the capital base. The above change proposed will necessitate amendment to the Capital clause of the Memorandum of Association and Articles of Association of the company.

Pursuant to section 16, 31 and 94 of the Companies Act, 1956, the above said amendments should be approved by the General Body by way of a special Resolution. Your directors recommend the proposed resolutions giving effect to the above amendments for your approval.

None of the Directors is interested in the proposed resolution

Item No. 8:

In view of the proposed diversification plans, your Company may have to go in for augmentation of the equity capital base either by making Rights offer or Public offer or both to part finance the proposed projects. In order to go in for any such issue, the authorised capital of the Company should be adequately increased to accommodate the proposed augmentation of the capital base. The above change proposed will necessitate amendment to the Capital Clause of the Memorandum of Association and Articles of Association of the Company. Pursuant to sections 16 and 31 of the Companies Act, 1956 read with section 94 of the said Act, the above said amendments should be approved by the General Body by way of a Special Resolution. Your directors recommend the proposed resolutions giving effect to the above amendments for your approval.

None of the Directors is interested in the proposed resolutions.

Place: Bangalore

Date: 3rd September, 2013

By Order of the Board

ALOK JYOTI SAHOO

COMPANY SECRETARY

DIRECTORS' REPORT

The Members,

Your Directors take pleasure in presenting the 19th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2012-13	2011-12
INCOME:		
Sales	836.82	868.80
Other Income	15.04	10.28
Total (A)	851.86	879.08
EXPENSES:		
Cost of Material Consumed	247.49	263.31
Purchase of Stock-in-trade	5.22	-
Changes in inventories of finished goods, work in progress and stock-in-trade	(74.37)	(46.95)
Employee benefit expenses	222.56	204.41
Other expenses	333.79	287.45
Interest and Financial Charges	18.42	8.47
Exceptional items	36.80	0.51
Total (B)	789.91	717.20
Profit before Depreciation and Tax (C) = (A)-(B)	61.95	161.88
Depreciation and amortisation expenses	58.08	51.24
Tax	68.95	23.99
Profit / (Loss) after Depreciation and Tax	(65.08)	86.65
Earnings Per Share(Basic)	(1.25)	1.68
Earnings Per Share(Diluted)	(1.12)	1.68

OPERATIONS AND BUSINESS PERFORMANCE

The Company has almost maintained a turnover of Rs.836.82 lakhs during the year 2012-13 as against Rs.868.80 lakhs during the previous year 2011-12. The Export Sales for the year 2012-13 was Rs. 64.60 lakhs compared to Rs. 115.58 lakhs during the previous year and contributed 7.66 % of the total sales. The Company's net loss after tax for the year 2012-13 was Rs.65.08 lakhs as against profit of Rs.86.64 lakhs in the previous year which is due to provision for deferred tax, provision for gratuity and lesser turnover. The company is competent of achieving profitability.

DIVIDEND

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

DIRECTORS

At the ensuing Annual General Meeting, Mr. K. Raghavendra Rao, Mr. Rajeev G. Hassanand and Mr. Joseph Mathai, Directors will retire by rotation and being eligible offer themselves for reappointment.

Mrs. Madhu Bhandari, who was appointed as additional director of the Company on 27th February, 2013 who holds office up to the date of Annual General Meeting and her appointment needs to be approved by the shareholders for appointment as director of the Company.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- The Company had followed all the applicable Accounting Standards and there is no material departure from this in the preparation of the annual accounts ;

- 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 ;
- 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
- 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 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 2013-14.

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 2012-13 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: 3rd September, 2013

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 :	2012-13	2011-12
Electricity		
a) Purchased units	547594	553715
b) Total Amount	3504601	3241393
c) Rate/Unit (Rs.)	6.40	5.85
a) Generator units	50739	51805
b) Total Amount	1198455	1120024
c) Rate/Unit (Rs.)	23.62	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 2012-2013 the consumption of HSS Drills & Taps in Indian Market is about Rs.2000Cr. Production in India by Different manufacturer is Rs.1800 Cr. Import from other Countries like China, Taiwan & other European Countries is Rs.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 Rs. 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 after tax loss Rs. 65.08 lakhs on a turnover of Rs. 836.82 lakhs and other income of Rs. 15.04 lakhs.

	Drill Bits & Taps (in Lakhs)
Net Sales & Operating Revenue	Rs. 836.82
PBIT	22.29
Capital Employed	1164.63
ROCE (%)	1.91%
PBIT Margins (%)	2.67%

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 7.66 % of the total Sales.

	2012-13	2011-12
Total Foreign Exchange –Used (Rs.) :	13,120,156.00	15593710.08
_Earned (Rs.):	6,460,458.00	11558317.00

For and on behalf of the Board of Directors

SURENDRA BHANDARI
CHAIRMAN

SIDHARTH BHANDARI
MANAGING DIRECTOR

Place: Bangalore

Date: 3rd September, 2013

further expansion of the capacities of machines. Its strategic plans are also directed towards meaningful utilization & redeployment of resources depending on the situations and full capacity utilization of existing operations with proactive financial management and with qualitative focus on human resource development.

RISKS & CONCERNS

The rising price of fuel oil and other input materials are a cause of concern for the industry. International disturbances caused by terrorist strikes and sudden unhealthy trends in the international scenario arising out of political uncertainty in the global context are a risk factor.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECTS TO OPERATIONAL PERFORMANCE

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

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

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

For and on behalf of the Board of Directors

SURENDRA BHANDARI
CHAIRMAN

SIDHARTH BHANDARI
MANAGING DIRECTOR

Place: Bangalore

Date: 3rd September, 2013

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.

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 2012-13 Ten Board Meetings were held on 15.04.2012, 31.07.2012, 10.07.2012, 03.09.2012, 08.10.2012, 31.10.2012, 15.01.2013, 07.02.2013, and 11.02.2013 and the maximum gap between any two meetings was not more than Four

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	10	8	Yes	9	-	2
2. Madhu Bhandari	70,077	Director	10	3	No	6	-	-
3. Sidharth Bhandari	92,699	Managing Director	10	4	No	10	2	-
4. Rajib Ghosh Roy	0	Wholetime Director	10	7	Yes	-	-	-
5. K. Raghavendra Rao	1,000	Wholetime Director	10	10	Yes	5	3	-
6. Joseph Mathai	100	Independent Director	10	10	Yes	-	2	-
7. Rajeev G. Hassanand	0	Independent Director	10	10	No	2	-	-
8. S.R. Satish	0	Independent Director	10	10	Yes	-	-	1
9. N.K. Raghunath	1,000	Independent Director	10	7	No	-	1	-
10. Vikram S Gupta	1,000	Independent Director	10	9	No	1	-	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 2012-13, the Company did not advance any loan to any of its Directors. The remuneration paid to the Directors for the year 2012-13 is given below :

Name of the Director	Category	Salary	P.F.
1. Surendra Bhandari	Chairman	-	-
2. Sidharth Bhandari	Managing Director	Rs 15,00,000/-	Rs.10,620/-
3. Madhu Bhandari	Director	-	-
4. K. Raghavendra Rao	Wholetime Director	Rs.7,13,400/-	Rs.10,620/-
5. Rajib Ghosh Roy	Wholetime Director	Rs.6,51,900/-	Rs.10,620/-
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	-	-

Months.

Quarter		Dates
April - June	1	15th April 2012
	2	30th May 2012
July – September	3	10th July 2012
	4	31st July 2012
	5	03rd Sept 2012
October – December	6	08th Oct 2012
	7	31st October 2012
January – March	8	15th January 2013
	9	07th February 2013
	10	11th February 2013

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.

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 31.03.2013 is as follows:

Mr. Vikram S Gupts	-	Chairman
Mr. K. Raghavendra Rao	-	Member
Mr. Joseph Mathai	-	Member

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2012-2013**

Hittco Tools Ltd.

The Company Secretary is the Secretary of the Committee. The Audit Committee held six meetings during 2012-13 on 13.04.2012, 30.05.2012, 10.07.2012, 30.07.2012, 30.10.2012 and 06.02.2013.

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 2012-13 on 10.04.2012, 20.06.2012 and 27.07.2012.

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 2012-13 on 28.04.2012, 19.05.2012, 20.06.2012, 15.07.2012, 29.07.2012, 25.08.2012, 19.09.2012, 10.10.2012, 08.11.2012, 28.12.2012 and 31.01.2013.

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 2012-13 on 17.08.2012 and 09.01.2013.

GENERAL BODY MEETINGS

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

Annual general Meeting			
Year	Date	Time	Location
2009-2010	07.09.2010	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2010-2011	26.09.2011	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
2011-2012	28.09.2012	11.00 A.M.	"SHANTALA" Conference Hall, Ashraya International Hotel, # 149, Infantry Road, Bangalore-560 001.
Extraordinary General Meeting			
2012-13	05-11-2012	11.00 A.M.	Registered Office

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 Monday, the 30th September 2013 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, 2013	30 th September, 2013
Unaudited Financial results for the first quarter ending 30 th June, 2012	12 th August, 2013
Unaudited Financial results for the second quarter ending 30 th September, 2012	By 15 th November, 2013
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

Thursday, the 27th September, 2013 to Saturday, the 30th September, 2013 (both days inclusive) for requirements of Clause 16 of the Listing Agreement for the financial year 2012-13.

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 2012-13 on Bombay Stock Exchange:

No	Date	Highest (Rs.)	Lowest (Rs.)
1.	April, 2012	10.70	8.67
2.	May, 2012	10.19	7.35
3.	June, 2012	8.43	6.92
4.	July, 2012	8.09	6.81
5.	Aug, 2012	7.95	6.51
6.	Sep, 2012	7.30	6.28
7.	Oct, 2012	8.22	6.23
8.	Nov, 2012	7.89	6.50
9.	Dec, 2012	7.39	6.25
10.	Jan, 2013	7.15	6.47
11.	Feb, 2013	6.99	4.22
12.	Mar, 2013	4.34	3.65

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.