AN ISO 9001-2008 COMPANY

Hittco Tools Ltd.

23RD Annual Report 2016-2017

BOARD OF DIRECTORS	:	Mr. Surendra Bhandari-Chairman Cum Managing Director Mrs. Madhu Bhandari Mr. Sidharth Bhandari Mr. Rajib Ghosh Roy Mr. Rajeev G. Hassanand Mr. S.R. Satish Mr. N.K. Raghunath Mr. Vikram S Gupta Mr. B S Prakash
COMPANY SECRETARY	:	Mr. Krishna Jayakumar
STATUTORY AUDITORS	:	M/s. Mishra & Co.
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	:	**HSS & Carbide Unit** #78, III Phase, Peenya Industrial Area, Bangalore-560 058.
REGISTERED & CORPORATE OFFICE:		HTC Aspire, #19, Ali Asker Road, Bangalore - 560 052.
BANKERS	:	Kotak Mahindra Bank Ltd., IndusInd Bank Ltd., State Bank of India & HDFC Bank Ltd.
NOTE	:	***No gift will be given in the AGM***

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NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of **HITTCO TOOLS LIMITED** will be held at 11.00 A.M on Friday, the 29th September 2017 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 2017 and Profit and Loss Account for the year ended on that date along with the Reports of Directors and Auditors thereon.

2. To Regularize appointment of Additional Director, Mr. Biligere Shekar Prakash (DIN: 07507383)

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

   "**RESOLVED THAT** pursuant to Sections 160 & 161 of the Companies act, 2013 and any other applicable provisions if any, Mr. Biligere Shekar Prakash (DIN: 07507383), who was appointed as an Additional Director on March 4th ,2017 be and is hereby appointed as a Director of the Company who is not liable to retire by rotation."

   "**RESOLVED FURTHER THAT** Mr. Surendra Bhandari, Managing Director of the Company, be and is hereby severally authorized to file relevant forms with the Registrar of Companies, Karnataka, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment"

3. To appoint a Director in place of Mr. Satish Ramarao Shimoga (DIN: 01536009) who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Rajeev G Hassanand (DIN: 02192261) who retires by rotation and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the resolution passed by members at the AGM held on 30th September, 2015, the appointment of M/s Mishra & Co Chartered Accountants, (Firm registration no. 012355S), as Statutory Auditor of the Company to hold office from the conclusion of the 21st AGM of the Company till the conclusion of the 26th AGM be and is hereby ratified and the Board of Directors be and is hereby authorized to fix remuneration payable to him for the financial year ended 31st March, 2018."

By order of the board
Sd/-
Krishna Jayakumar
Company Secretary & Compliance Officer

Place: Bangalore
Date: 1st September, 2017

IMPORTANT NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FIXED FOR HOLDING THE MEETING.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. Explanatory statement pursuant to section 102 of the Companies Act, 2013, relating to the special business to be transacted at the Meeting is annexed hereto.

4. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, name of companies which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under SEBI (Listing Obligation And Disclosure Requirement) Regulations,2015 with the Stock Exchanges, are annexed hereto.

5. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.

6. Members/Proxies are requested to deposit the attendance slip duly filed in and signed for attending the Meeting. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers for identification

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of Meeting.

9. The Register of Member of the Company will remain closed from 23rd September, 2017 to 29th September, 2017 (both days inclusive).

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Member holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.

11. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

12. Due to security reasons mobile phones, camera, bags and other accessories are not allowed to be carried inside the meeting premise.

13. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least Seven days in advance of the Annual General Meeting.

14. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or Share Transfer Agent, the details of such folios together with the shares certificates for consolidating their holding in one folio. A consolidated share certificates will be returned to such members after making requisite changes thereon.

15. The Notice for the Annual General Meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days in business hour up to the date of Annual General Meeting. The above said shall also be available on the Company's website at www.hittco.in and on the website of the CDSL: www.cdslindia.com

16. Business to be transacted at the meeting may be transacted through electronic voting

17. System and company is providing facility for voting by electronic means.

18. Mr. P Swamy, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

19. The Scrutinizer shall within a period of three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer report of the votes cast in favor or against, if any, forthwith to the whole Time Director and in his absence to the Company Secretary of the Company.

20. The result of voting shall be declared by the Chairman of the meeting on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hittco.com and on the website of the CDSL: www.cdslindia.com within two days of passing of the resolution at the 23rd Annual General Meeting of the Company

21. The results will also be communicated to stock exchange where the shares of the company are listed.

VOTING THROUGH ELECTRONIC MEANS:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 25th September, 2017 at 9.00 A.M and ends on 27th September, at 5:00 P.M 2017. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders/Members.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of Hittco Tools Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & entering the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Item No. 2: Mr. Biligere Shekar Prakash (DIN: 07507383) as Director of the company.

The Board at its meeting held on March 4th 2017 appointed Mr. Biligere Shekar Prakash as Additional Director respectively with effect from such Board meeting dates pursuant to Section 161 of the Companies Act,2013. Hence, they will hold office up to the date of the ensuing Annual General Meeting.

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

The Board considers that their association would be of immense benefit to the Company and it is desirable to avail their services as Director. Accordingly, the Board recommends the resolution No. 2, in relation to appointment of Mr. Biligere Shekar Prakash as Director, for the approval by the shareholders of the Company

None of the Directors are interested on the above Resolution.

ANNEXURE TO THE NOTICE

Information required to be furnished as per the Companies Act and SEBI (LODR) Regulation:

As required under Companies Act and SEBI (LODR) Regulation, 2015, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:

Name of Director	**Mr. Satish Ramarao Shimoga**	**Mr. Rajeev G Hassanand**
DIN	01536009	02192261
Date of Birth	11.02.1965	30.05.1972
Date of Appointment	19.05.2008	19.05.2008
Qualification	Bachelor Degree in Commerce	Bachelor Degree in Mechanical Engineering
Expertise in specific functional areas	He possesses around 25 years' experience in Accounting & Administrative Capabilities.	He possesses around 21 years' experience in Various Business.
List of other Companies in which Directorship held (excluding in Foreign companies)	NIL	One
Chairman/Member of Committees the Board of Directors of the Company.	3	3
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	NIL	NIL

By order of the board

Sd/-
Krishna Jayakumar
Company Secretary & Compliance Officer

Place: Bangalore
Date: 1st September, 2017

DIRECTORS' REPORT

To
The Members,

Your Directors take pleasure in presenting the 23rd Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	2016-17	2015-16
INCOME:		
Sales	605.29	724.41
Other Income	19.17	17.56
Total (A)	**624.46**	**741.97**
EXPENSES:		
Cost of Material Consumed	239.18	251.81
Purchase of Stock-in-trade	-	-
Changes in inventories of finished goods, work in progress and stock-in-trade	21.72	44.24
Employee benefit expenses	141.16	209.85
Other expenses	142.11	185.01
Interest and Financial Charges	31.14	32.60
Exceptional items	-	-
Total (B)	**575.31**	**723.51**
Profit before Depreciation and Tax (C) = (A) - (B)	**49.15**	**18.46**
Depreciation and amortization expenses	104.00	140.51
Tax	(12.45)	(9.52)
Profit / (Loss) after Depreciation and Tax	**(42.40)**	**(112.53)**
Earnings Per Share(Basic)	(0.70)	(1.78)
Earnings Per Share(Diluted)	(0.70)	(1.78)

OPERATIONS AND BUSINESS PERFORMANCE:

The Company turnover reduced to Rs.605.29 lakhs during the year 2016-17 as against Rs.724.41 lakhs during the previous year 2015-16. The Export Sales for the year 2016-17 was Rs. 9.24 lakhs compared to Rs. 10.28 lakhs. The Company's net loss after tax for the year 2016-17 is reduced to Rs.42.40 lakhs as against loss of Rs. 112.53 lakhs in the previous year which is due to provision for Depreciation, Deferred Tax, Provision for Gratuity and lesser turnover. The company is competent of achieving profitability.

DIVIDEND:

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

TRANSFER TO RESERVES
Your company has not made any transfer to reserve during the financial year 2016-2017.

DIRECTORS:
Mr. Joseph Kavalam Mathai resigned on 12th August 2016 due to personal reasons.

Mr. Biligere Shekar Prakash (DIN: 07507383), was appointed as an Additional Director on March 4th 2017. Your Directors recommend his appointment as a Director.

At the ensuing Annual General Meeting, Mr. Satish Ramarao Shimoga and Mr. Rajeev G Hassanand, Directors will retire by rotation and being eligible offer themselves for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors state that:

a) In the preparation of the annual account for the year ended March 31,2017, the applicable accounting standard read with the requirements set out under schedule III to the Act, have been followed and there are no material departures from the same.

b) The Directors have selected such accounting policies and applied then consistently and made judgments and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31,2017 and the profit of the company for the year ended on that date.

c) The Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual account on a going concern basis.

e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and

f) The Director have devised proper system to ensure compliance with the provision of all applicable laws and that such system is adequate and operating effectively.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the company during the year. There was no significant and material order passed by regulator or court or tribunal impacting the going concern status and company operation in future. There was no material change and commitment affecting the financial position of the company occurring between 31 March, 2017 and the date of the report.

DEPOSITS:

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

PROSPECTUS:

Your company is expected to maintain a reasonable rate of growth and your director positively view the prospectus for the current year with confidence.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE REPORT

During the year under review, no company have become or ceased to be company's subsidiaries, joint ventures or associate companies. A report on the performance and financial position of each of the subsidiary, associated and joint venture companies as per the companies Act, 2013 is not applicable.

PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURE

No employee of the Company had drawn salary in excess of the limits specified under Section 197(12) of the Companies Act, 2013 and the rule 5 of the company (Appointment and Remuneration of managerial personnel) rules 2014 and read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS AND AUDITORS REPORT: