

HITCO TOOLS LTD.



AN ISO 9001-2015 COMPANY

Works : # 78, III Phase, Peenya Industrial Area, Bangalore-560 058. Karnataka. INDIA Tel: 91-80-2839 2265 ,
E-mail : sales@hittco.com Website : www.hittco.com CIN No. L28939KA1995PLC016888

26th June, 2020

To,
Dept. of Corporate Services – Listing,
BSE Limited,
25th Floor, P.J tower, Dalal Street,
Mumbai – 400 001.

Scrip code: 531661
ISIN: INE863C01019

Dear Sir/ Ma'am,

Sub: Financial Results for the Quarter and Year ended 31/03/2020:

The Board of Directors of the Company, at their meeting held today, considered and approved the Audited Financial Results for the Quarter and Year ended 31st March, 2020.

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are hereby enclosing the Audited Financial Results for the Quarter and Year ended 31st March, 2020.

The Audit Report on Financial Results dated 26 June, 2020 is enclosed.

The said Board Meeting commenced at 03:00 PM and concluded at 08:30 PM.

The copies of the above results are also placed on the Company's website- www.hittco.com.

Thanking you,

Yours faithfully,

For HITCO TOOLS LIMITED
For HITCO TOOLS LTD

A handwritten signature in black ink, appearing to read 'Sdl', is written over the typed name.

Surendra Bhandari
MANAGING DIRECTOR
Chairman and Managing Director

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HITTCO TOOLS LTD.



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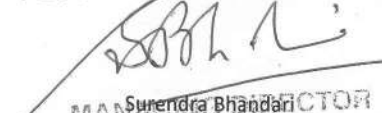
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Balance sheet as at 31st March 2020

Particulars	(Rs. In Lacs)	(Rs. In Lacs)
	As at 31st March 2020	As at 31st March 2019
	Audited	Audited
ASSETS		
Non-current assets		
a)property,plant&equipment	325.79	384.38
b)Other Intangible Assets	4.31	1.27
c)Financial assets		
(i) Other financial Assets	47.28	44.71
d)Other Non current assets	-	-
Total Non current assets	377.37	430.36
Current assets		
a)Inventories	92.58	114.18
b)Financial assets		
i)Trade receivables	167.10	181.43
ii)Cash and cash equivalents	29.79	37.26
c)Other current assets	25.21	21.81
Total current assets	314.67	354.68
Total Assets	692.05	785.04
Equity and Liabilities		
Equity		
a)Equity share capital	632.07	632.07
b)Other equity	(424.98)	(337.65)
Total Equity	207.09	294.42
Liabilities		
Non-Current Liabilities		
a)Financial Liabilities		
i)Borrowings	334.47	354.27
ii) Other Financial Liabilities	29.58	30.84
b) Provisions	26.28	24.98
c)Deferred tax liabilities(Net)	-	-
Total Non current Liabilities	390.34	410.09
Current Liabilities		
a)Financial Liabilities		
i)Borrowings	-	-
ii)Trade payables	56.58	51.26
iii)Other Financial Liabilities	26.48	19.61
b)Other current Liabilities	5.31	1.32
c)Provisions	6.24	8.33
Total Current Liabilities	94.62	80.53
Total Liabilities	484.96	490.62
Total Equity and Liabilities	692.05	785.04

For and on behalf of the board of directors


Surendra Bhandari
 MANAGING DIRECTOR

Director

DIN: 00727912

Place: Bangalore

Date: 26th June 2020

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HITTCO TOOLS LTD
Statement of Standalone Audited Financial Results for the quarter and year ended 31st March 2020

Sl.No	Particulars	Quarter ended			Year ended	
		Current 3 Months	Preceding 3 Months	Corresponding 3 Months	Year to date figures	
		31st Mar 2020	31st Dec 2019	31st Mar 2019	Current 31st Mar 2020	Previous 31st Mar 2019
		Audited	Unaudited	Audited	Audited	Audited
1	(a) Revenue from operations	126.65	154.13	166.45	563.78	712.60
2	(b) Other Income	10.83	0.14	0.02	11.19	1.17
3	Total Income	137.47	154.27	166.47	574.97	713.77
4	Expenses					
	(a) Cost of Materials consumed	41.46	53.95	43.71	206.03	252.14
	(b) Purchase of stock in trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in trade	4.35	1.65	1.97	22.47	43.18
	(d) Employee benefit expense	44.54	38.48	47.04	157.95	156.03
	(e) Finance cost	10.25	9.65	13.87	39.19	36.41
	(f) Depreciation and amortisation expense	18.24	18.39	21.82	71.42	70.03
	(g) Excise duty on sale of goods	-	-	-	-	-
	(h) Other Expenses	41.28	41.39	46.31	162.65	154.35
	Total Expenses	160.11	163.51	174.72	659.71	712.15
5	Profit/(Loss) before exceptional items and tax	(22.64)	(9.25)	(8.25)	(84.74)	1.62
6	Exceptional Items	-	-	14.50	-	0.28
7	Profit/(loss) before tax	(22.64)	(9.25)	(22.75)	(84.74)	1.90
8	Tax Expense					
	Current tax	0.31	-	-	0.31	-
	Deferred tax charge/(credit)	22.53	(4.54)	(6.58)	-	(13.51)
	Mat credit	-	-	(5.83)	-	-
9	Net Profit / (Loss) after tax	(45.48)	(4.71)	(10.34)	(85.06)	15.41
10	Other comprehensive income/(expense) net of taxes					
	Items that will not be reclassified to p&l					
	Remeasurement of defined benefit obligation/assets	(2.27)	-	(6.42)	(2.27)	(6.42)
11	Total Comprehensive income	(47.75)	(4.71)	(16.76)	(87.33)	8.99
12	Paid-up equity share capital (Face value of the shares is Rs. 10/- each)	603.60	603.60	603.60	603.60	603.60
13	Earnings per equity share					
	(a) Basic	(0.79)	(0.08)	(0.28)	(1.45)	0.15
	(b) Diluted	(0.79)	(0.08)	(0.28)	(1.45)	0.15

Notes:

- The results have been reviewed by the audit committee and approved by the Board of Directors at their respective meeting held on 26 June 2020.
- The results of the company have been prepared in accordance with Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with companies (Indian Accounting Standard) Rule 2015 and relevant amendment rules thereafter.
- Figures for the current quarter are the balancing figures between the audited figures in respect of full financial year and the published unaudited year to dated figures upto the third quarter of the financial year.
- The Financial results for the quarter ended 31st March 2020, have been prepared in accordance with the recognition and measurement principles laid down in Ind AS-34 "Interim Financial Reporting"
- Uncertainties relating to the global health pandemic from COVID-19
The COVID-19 outbreak and resultant nationwide lockdown imposed by The Union Government of India from 23rd March 2020 has caused nationwide disruption of general life including all businesses alike.
The Company has followed the directions and guidelines issued by the State Government of Karnataka and the Union Government of India, which resulted in shutdown of manufacturing operations. The Company has implemented "work from home" policy for its employees working at registered office. Subsequently the company has resumed its manufacturing operations from 17th April 2020 with due permission from State Government of Karnataka.
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying and recoverability amounts of company's assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.
The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to produce the goods which may require revision of estimations of costs to complete the production because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material and significant based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.
- Due to these unprecedented events, the results of this quarter/ annual profit(loss) may not be comparable to the preceding quarter / annual results
- Previous period figures have been regrouped / reclassified wherever necessary to conform to the current period classification / disclosure.

For HITTCO TOOLS LTD

For and on behalf of the board of directors of

HITTCO TOOLS LIMITED

MANAGING DIRECTOR

Director

DIN: 00727912

Place: Bangalore
Date: 26th June 2020

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Regd Off: HTC Aspire, #19 Aliasker Road, Bangalore-560052

Ph: +91 80 40865600/ Website : www.hitco.in/ CIN: L28939KA1995PLC016888

Statement of Segment wise Revenue, Results and Capital Employed for the Quarter and Year Ended 31/03/2020 (Rs. in Lakhs)

Particulars	3 months ended (31/3/2020)	3 months ended (31/12/2019)	3 months ended (31/3/2019)	Current year ended (31/3/2020)	Previous year ended (31/03/2019)
	Audited	Unaudited	Audited	Audited	Audited
1. Gross Segment Revenue					
(a) Cutting tools	137.47	154.27	166.47	574.97	713.77
(b) Unallocated	-	-	-	-	-
Total	137.47	154.27	166.47	574.97	713.77
Less: Inter Segment Revenue	-	-	-	-	-
Net Segment Revenue	137.47	154.27	166.47	574.97	713.77
2. Segment Results (Profit)(+)/ Loss (-) before Interest, tax and other unallocable expenditure net off unallocable income from each segment)					
(a) Cutting tools	(12.39)	0.40	(8.88)	(45.56)	38.31
(b) Unallocated	-	-	-	-	-
Total	(12.39)	0.40	(8.88)	(45.56)	38.31
Less: i) Finance costs	10.25	9.65	13.87	39.19	36.41
Less: ii) other unallocable expenditure net off	-	-	-	-	-
Less: (iii) Un-allocable income	-	-	-	-	-
Total Profit/(loss) Before Tax	(22.64)	(9.25)	(22.75)	(84.75)	1.89
Segment assets					
(a) Cutting tools	692.05	746.44	785.04	692.05	785.04
(b) Unallocated	-	-	-	-	-
(c) Others	-	-	-	-	-
Total segment assets	692.05	746.44	785.04	692.05	785.04
Less : Inter segment asstes	-	-	-	-	-
Add : Unallocable corporate assets	-	-	-	-	-
Total assets	692.05	746.44	785.04	692.05	785.04
Segment Liabilities					
(a) Cutting tools	484.96	491.57	490.62	484.96	490.62
(b) Unallocated	-	-	-	-	-
(c) Others	-	-	-	-	-
Total segment liabilities	484.96	491.57	490.62	484.96	490.62
Less : Inter segment liabilities	-	-	-	-	-
Add : Unallocable corporate liabilities	-	-	-	-	-
Total liabilities	484.96	491.57	490.62	484.96	490.62
Capital Employed (Segment assets - segment liabilities)					
(a) Cutting tools	207.09	254.87	294.42	207.09	294.42
(b) Unallocated	-	-	-	-	-
(c) Others	-	-	-	-	-

For HITCO TOOLS LTD

[Signature]
MANAGING DIRECTOR

Place: Bangalore
Date: 26th June 2020

AN ISO 9001-2015 COMPANY



Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
M/s Hittco Tools Limited
HTC Aspire, No.19,
Ali Asker Road,
Bangalore – 560052

Report on the audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **Hittco Tools Limited** (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matter described in the Basis for Qualified Opinion** section of our audit report, the Statement:

- i). is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii). gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.





Basis for Qualified Opinion

i). The finished goods and work-in progress have been valued at estimated cost. The estimated Cost has been arrived by deducting certain percentage towards margin from the estimated selling price. We are unable to obtain sufficient and appropriate audit evidence about approximation of the estimated cost to the Actual cost as required by the Ind AS - 2 "Inventories" from the records maintained by the company. Consequently, we are unable to determine the impact of the same on the financial statements for the year end 31st March 2020.

ii). Balance confirmations have not been received from Trade receivables, Other Financial assets and Other Financial liabilities against balance outstanding as on 31st March 2020. In the absence of such confirmations, we are unable to comment on the impact arising out of reconciliation/ adjustments, if any, on the financial statements for the year end 31st March 2020.

iii). Confirmation for balances of fixed deposits mentioned below have not been provided for our verification.

Particulars	Amt. in INR
Fixed Deposit-Margin For Bank Guarantee -EPCG	7,62,296
Kotak LC Margin	15,94,901
Total	23,57,197

In the absence of such confirmations, we are unable to comment on the impact arising out of reconciliation/ adjustments, if any, on the financial statements for the year end 31st March 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the





Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Issue of going concern and dependency on automobile sector</p> <p>The Company's revenue is significantly dependent on the automobile sector. The sector is witnessing down turn, along with the present situation of COVID19 pandemic, it has resulted in sinkage of revenue during the financial year 2019-20. The uncertainty of the present situation, in the normal course</p>	<p>Our audit procedures related to and include the following:</p> <p>We enquired about the Management's future plans and its ability to mitigate the present situation on near term basis. Although the Company's revenue has been dependent on automobile sector; the</p>





	<p>of business may cast significant doubt on the Company's ability to continue as a going concern in near term.</p>	<p>Management is confident of its efforts to mitigate the present situation as the Company has an established track record of accessing diverse customer base, across markets in India and abroad. We have additionally sought and studied the company's future business projections submitted by the management to external credit institutions. However, there can be no assurance of the success of management's plans.</p>
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Emphasis of Matter- Corona developments

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Company is confronted with this uncertainty as well, which has been disclosed in the Note 5 to the Ind AS financial results, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.





Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the





economic decisions of users taken on the basis of the Statement. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the





underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For Mishra & Co.,
Chartered Accountants
Firm's Registration No. 012355S

CA Nilamadhab Mishra
Proprietor
Membership No. 223157



UDIN: 20223157AAAAHL4466
Bengaluru
26 June 2020

HITCO TOOLS LTD.



AN ISO 9001-2015 COMPANY

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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Result as on 31/03/2020

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020. [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl No.	Particulars Audited	Audited Figures in Lakhs (as reported before adjusting for qualifications)	Adjusted Figures in Lakhs (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	574.97	574.97
	2	Total Expenditure	659.71	659.71
	3	Net Profit/(Loss)	(85.06)	(85.06)
	4	Earnings Per Share	(1.45)	(1.45)
	5	Total Assets	692.05	692.05
	6	Total Liabilities	692.05	692.05
	7	Net Worth	207.09	207.09
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II Audit Qualification (each audit qualification separately):

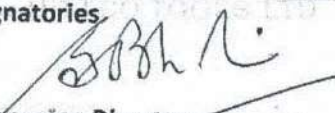


- a. Details of Audit Qualification:
 - Valuation of finished Goods and work in progress are not as per Indian Accounting Standard 2,
 - Non confirmation on fixed deposits and
 - Non confirmation on Trade Receivables
- b. Type of Audit Qualification : Qualified Opinion
- c. Frequency of qualification: Repetitive
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:
 - i. Management's estimation on the impact of audit qualification: Nil
 - ii. If management is unable to estimate the impact, reasons for the same: As per the management valuation of Inventory is Correct. And we have confirmed on the Fixed deposits and Trade receivables.
 - iii. Auditors' Comments on (i) or (ii) above: No such estimated received. AS 2 to be followed for valuation of Inventory.

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III	Signatories 
	Managing Director:
	CFO: sd/-
	Audit Committee Chairman: sd/-
	Statutory Auditor:  
	Place : Bangalore Date: 26/06/2020

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26 June, 2020

To,

Dept. of Corporate Services – Listing,
BSE Limited,
25th Floor, P.J tower, Dalal Street,
Mumbai – 400 001.

Scrip code: 531661
ISIN: INE863C01019

Dear Sir/ Ma'am,

Sub: Intimation under Regulation 30 of SEBI {Listing Obligations and Disclosure Requirements} Regulations, 2015 ('the Listing Regulations') - update on impact of COVID-19 on the Company

Pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular No.SEBI/HO/CFD/CMDI/CIR/2020/84 dated May 20, 2020, and further to our earlier disclosure on the subject dated March 28, 2020, an update relating to the impact of COVID-19 pandemic and the resultant lockdown is given below:

I. Impact on the Business

The outbreak of COVID-19 pandemic and the restrictions imposed by various governments across the globe could slow down the demand for Carbide tools in near future. In particular, the export of products would be impacted for some time as governments across the globe implement social distancing norms and lockdowns as tools for the containment of the pandemic.

The Company's Operations at its manufacturing plants and other locations had to be temporarily suspended from March 23, 2020 as per the directives of the Government of India and relevant State Governments and keeping in mind the paramount need of safety of the employees. The Operations resumed in a scaled down manner, since third week of April 2020 in accordance with the government guidelines issued from time to time with all safety measures including social distancing being followed and as of now the operations are near normal across all locations / units. After the resumption of the operations, dispatches to customers' have also recommenced. The Management is in constant touch with its customers on the evolving situation and are making all efforts to service their requirements with minimal delays.

II. Ability to maintain operations including the factories/ units/ office spaces

As on date, the Company's Operations have fully resumed at the factory located in Peenya, Bangalore as well as at Registered Office with necessary safety precautions for our employees.

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For the employees at Corporate Office at Bangalore, the Company has adopted work from home policy during the entire duration of the lockdown, and Employees who are attending the office for certain critical tasks, have been advised to follow all safety precautions like mandatory wearing of mask, use of hand sanitizer, social distancing, non-use of air conditioners etc.

III. Schedule, if any for restarting the Operations and steps taken to ensure smooth functioning of Operations

As stated earlier, the Company has resumed its operations across its locations following the Guidelines / Standard Operating Procedures issued by the Central / State Governments and are following the guidelines as issued by the Statutory authorities . The Production levels are being ramped up but there are minor issues like availability of Raw Material and manpower in manufacturing operations, which are being resolved.

The Company has taken all similar safety measures across its locations and making sure the safety measures are being followed by the employees.

IV. Estimation of the future impact of COVID - 19 on the Operation:

The business of the company is domestic and export dependent. Some of the key markets for the Company that are affected by COVID crisis include Singapore, Dubai, Abu Dhabi, Oman, Philippines, South Africa and also supplies to defensive, Aerospace, Railway and Automotive Sectors. The impact on the business of the Company due to the situation created by Covid-19 in the key markets hold some uncertainties for the immediate future, especially with regard to normalcy of ports and other operations in different markets which could impact the level of customer orders. However, the Board and the Management is optimistic of demand gradually coming back to normal levels with the Countries which are under lockdown gradually lifting restrictions.

V. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control

The liquidity position of the Company continues to be good because of adequate cash and liquid investments. The Company is in a position to service its debts as they fall due.

As part of its strategy, the Company continues to drive cost optimization initiatives across various operations of the Company. The cost optimization initiatives include improving efficiency parameters in factory and rationalization of administrative overheads, which will help the Company to tide over the current crisis. While the Company is adversely impacted by the current price environment, the quality product portfolio and the ability to cater to its customers with its niche and differentiated premium products safeguards the Company to a significant extent. The Company has robust internal controls and do not see any impact on the same due to COVID-19.

For HITTCO TOOLS LTD


MANAGING DIRECTOR

AN ISO 9001-2015 COMPANY

HITCO TOOLS LTD.



AN ISO 9001-2015 COMPANY

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VI. Impact of COVID-19 on supply chain

As mentioned above, substantial portion of the Company's products are exported to various countries across the Globe and the Company is heavily dependent on the normalcy of the Port operations. In spite of the disruptions caused by COVID-19 across economies, the Company has fulfilled its obligations and delivered the orders scheduled for the month of April and May till date and do not see any major impact, going forward in this regard.

VII. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business

The Company has been able to fulfill its obligations with its customers and vendors, and do not foresee any significant impact on its Business due to non-fulfillment of the obligations by any Party.

VIII. Any Other update:

The Directors have been closely reviewing with the Management, the impact of COVID19 - if any, on the Company. As mentioned above, the Management is in constant touch with its customers on the evolving situation and are making all efforts to service their requirements with minimal delays. The situation created by Covid-19 continues to hold some uncertainties for the future; however, the Board and the Management are monitoring the situation as it evolves and will take all possible measures to protect the interests of the company and its stakeholders.

IX. Impact on financial statements

The Company has published its financial results for the quarter and year ended March 31, 2020, on June 26, 2020

Thanking you,

Yours faithfully,

For HITCO TOOLS LIMITED

For HITCO TOOLS LTD


MANAGING DIRECTOR

Surendra Bhandari
Chairman and Managing Director

AN ISO 9001-2015 COMPANY