

ANNUAL REPORT 2008-09

HITKIT

Hit Kit Global Solutions Limited

HIT KIT GLOBAL SOLUTIONS LTD. CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anand Agarwal	Whole Time Director
Mr. Amit Khandelwal	Director
Mr. Anoop Mohindra	Director
Mr. Anupam Nandwana	Director (Ceased w.e.f 26.02.2009)

COMPANY SECRETARY

Mrs. Sanam Balani

COMPLIANCE OFFICER

Mr. Bhushan Palande

AUDITORS

Kapil Doshi & Associates
Chartered Accountants

BANKERS

IDBI Bank, Mumbai

REGISTRAR & SHARE TRANSFER AGENTS

Adroit Corporate Service Pvt. Limited
19, Jaferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Andheri (E), Mumbai - 400 059.

REGISTERED OFFICE

401/B, 4th Floor,
Kemp Plaza, Mind Space,
Link Road, Malad (West),
Mumbai - 400 064.

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Directors Report

To

The Members,

The Directors have pleasure in presenting the Annual Report and the Audited Account for the Year ended 31st January, 2009.

Financial Results

The salient features of the Company's financial results for the year under review are as follows:

(Rs.In Lakhs)

Particulars	YEAR ENDED	
	31.01.2009	31.01.2008
Net Sales / Income from Operations	535.66	815.43
Other Income	3.16	NIL
Total Income	538.82	815.43
Operating Profit (before interest, depreciation and tax)	96.62	300.15
Less: Interest and Finance Charges	13.01	16.15
Profit before depreciation and tax	83.61	283.99
Less: Depreciation and amortization	32.24	40.88
Profit before tax	51.37	243.12
Less: Provision for Taxation	10.95	12.07
Profit for the year	40.42	231.05
Profit brought forward	286.20	86.95
Profit available for appropriation	326.62	318.00
APPROPRIATIONS		
General Reserves	32.66	31.80
Balance carried to Balance Sheet	293.96	286.20

Business Performance

During the year under review, company earned lower Gross Income of Rs. 538.82 lakhs as against Rs. 815.43 lakhs in the previous year. After meeting the expenses the company posted Profit Before Tax of Rs. 51.37 lakhs against Rs. 243.12 lakhs in the previous year.

Dividend

In order to conserve resources for future growth, your Directors do not recommend any dividend for the year.

Review of Performance

Kindly refer to Management Discussion & Analysis which forms part of this report.

Retail Software

The Company is engaged in Retail Software development by implementing a comprehensive quality policy to deliver results on time and within budget. We focus on conceptualising and developing Retail Software that are easy to use and easy to operate. Due to the recessionary trend faced by the company, the sales and performance for the last two quarters was on decline, resulting in lower sales and profitability.

Retail Business

During the Year, the company earned revenue from "Retail Business" which is out of selling of cultivation of herbal agricultural produce on Contract farming basis. Due to the recessionary trend faced globally, the sales and performance of your company for the last two quarters was affected resulting in lower sales and profitability. In the circumstance, your company has not renewed the contract farming for the next year.

Deposits and Loans / Advances

Your company has not invited or renewed deposits from the public/shareholders in accordance with Section 58 A of the Companies Act, 1956.

Directors

As per the Articles of Association of the company, Mr. Anoop Mohindra retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

The term of Mr Anand Agarwal as whole time director comes to an end on 15-7-2009. The resolution for his Re-Appointment as the Managing Director of the company for five years from 16-7-2009 to 15-7-2014 is placed before the members for approval.

Due to pre-occupancy, Mr Anupam Nandwana ceased to be director of the company w.e.f 26-2-2009 and the directors place on record the appreciation to the services rendered by him to the company.

Profiles of these Directors, as required by Clause 49 of the Listing Agreements are given in the Section on "Corporate Governance".

Auditors

M/s. Kapil Doshi & Associates, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of ensuing Annual General Meeting as statutory auditors for the financial year 2008-09. The Directors recommend passing of the resolution.

M/s. Kapil Doshi & Associates, Chartered Accountants have confirmed their eligibility and willingness to accept office, if appointed.

Auditors Report

The observations made by the Auditors in their Report are Self Explanatory and need no further elaboration.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act 1956, it is hereby confirmed:

- i) That in the preparation of the Annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii) That the selected accounting policies were applied consistently and the Directors 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 as at 31st January, 2009 and of the profit of the company for the year ended on that day;
- iii) That proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and/or preventing and detecting fraud and other irregularities; and
- iv) That the Annual accounts have been prepared on a going concern basis.

Particulars of Employees

During the year under review there was no employee employed in the financial year who was in receipt of remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956, read with companies (Particulars of Employee) Rules, 1975.

Employee Relations

The Board of Directors of the company places on record its sincere appreciation for the valuable and dedicated services rendered by all the employees of the company and acknowledges the contribution of all the employees to the Company's performance. During the year under review our employee relations continued to be cordial.

Secretarial Compliance Report

As a reflection of your Company's commitment to transparency, the Board is pleased to enclose the Secretarial Compliance Report for the financial year 2008-09 as a part of this Director's Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given as Annexure I to this report.

Management's Discussion and Analysis

A detailed review of the operations, performance and future outlook of the company and its businesses is given in the Management's Discussion and Analysis is attached as Annexure II

Corporate Governance and General Shareholder Information

As required by the Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges, a detailed report on Corporate Governance is attached as Annexure III. The company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors certificate on compliance with corporate governance requirements by the company is attached to the report on corporate governance. General Shareholder Information is attached as Annexure IV.

Acknowledgements

Your directors take this opportunity to sincerely thank the clients, vendors, shareholders, and bankers for their continued support to the company's growth. The Board appreciates every associate of Hit Kit Global Solutions Limited for their continued trust and confidence in the management of the company. Your directors would also like to thank the Government of India, particularly the Ministry of Law & Justice, The Regional Director, DCA, Registrar of Companies, Maharashtra and the State Government and other Government agencies for their continued support extended to the company.

Your Directors also places on record their sincere appreciation of its customers and bankers for their continued Patronage to your Company's growth.

By order of the Board
For Hit Kit Global Solutions Limited

Place : Mumbai
Date : 19.06.2009

Anand Agarwal
Whole time Director

Annexure 'I' to the Directors' Report

Conservation of Energy, etc. u/s 217(1)(e)

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

- | | | |
|--|----------|--|
| <p>A. Details of Conservation of Energy</p> | <p>:</p> | <p>Not applicable to the Company.</p> |
| <p>B. Technology Absorption</p> | <p>:</p> | <p>The details are given below.</p> |
| <p>(a) Research & Development</p> | <p>:</p> | <p>The details are given below.</p> |
| <p>1. Specific area in which R&D work has been done by the Company</p> | <p>:</p> | <p>Research & Development is being carried out in backing to create innovative health care products & retail software for retail market.</p> |
| <p>2. Benefits expected from the R&D work</p> | <p>:</p> | <p>A state-of-the-art R&D forms the driving force in delivering high quality products to meet consumer demand across the country. The challenge is to be able to identify this requirement and direct efforts and investments cutting edge research and development.</p> |
| <p>3. Future plan of action</p> | <p>:</p> | <p>To improve its core competencies in health care products and also software engineering, automation, productivity and other related areas.</p> |
| <p>4. Expenditure on R&D</p> | <p>:</p> | <p>Capital) The development
 Recurring) work is undertaken
 Total) by the concerned
 Total R&D) department. No
 expenditure as a) separate record of
 percentage of total) expenditures
 turnover) incurred on R&D as
) such is maintained.
)</p> |

(b) **Technology Absorption, Adaptation and Innovation**

1. Efforts made towards technology : Benefits derived as a result of the efforts
absorption, adaptation and e.g. product improvement, cost reductions,
innovation product development, import substitution
etc.

2. Benefits derived as a result of the : The models under development will enable
above efforts the company to offer state-of-the-art retail
software.
A state-of-the-art R&D forms the driving
force in delivering high quality products to
meet consumer demand across the country.
The challenge is to be able to identify this
requirement and direct efforts and
investments cutting edge research and
development

3. Information about imported : Nil
technology

C. Foreign Exchange Earnings and Outgo

1. Initiatives like increasing exports, : The company has not done any exports this
development of new export year.
markets, etc. to increase foreign
exchange

By order of the Board
For Hit Kit Global Solutions Limited

Place: Mumbai
Date : 19.06.2009

Anand Agarwal
Whole time Director

Annexure 'II to the Directors' Report Management's Discussion and Analysis

The management of Hit Kit Global Solutions Limited presents the analysis of the performance of the company for the year 2008-09 and its outlook for the future. This outlook is based on an assessment of the current business environment. It may vary due to future economy and other developments both in India and Abroad.

Financial year 2008-09 proved to be a challenging one for the corporate world. As a result of the grave impact from the global economic slowdown in world, your company has reported a lower profits during the financial year. Due to the recessionary trend faced globally, the sales and performance of your company also got affected resulting in lower sales and profitability.

Although economy has been growing slowly including the retail sector, there were several complex challenges facing this sector. Despite of the challenges your company has remained resilient against adversities and has leveraged opportunities to deliver results.

Software Business

Changing Economic and business conditions, rapid technological innovations are driving corporate all across the globe to render high quality products and services at lower prices. Corporate all over the world are now focusing on their core competencies. Despite of relatively tough market environment, the software industry has survived due to its intrinsic strength. Slow and steady demand for the Software in the domestic market will provide retail opportunities for the Software industry.

Retail Business

Company has entered into the organized retail Market in India which includes Contract farming and selling of speciality Ayurvedic herbal produce. Unfortunately there has been decline in the sales and profit margins. In the circumstances, company has scaled down the operation in this field and wisely decided not to renew the contract farming for the next year. The management has ensured that inventories are also sold out in bulk and the costs have been recovered.

Opportunities

During the year company has entered into retailing of Horoscope and forecast by installing Computer unit which can deliver the horoscope on a click of a button across the counter. This facility is made available over the retail store counter to the prospective customer directly on cash counters. As a business strategy the company has tied up with PRITI SOFTWARES, and has started marketing of new retail software namely PS - Excise Software.

Threats

As regarding threats, the company foresees volatility in dollar-rupee price movement as one of the critical factors for the sustainability of the industry. The other threats being availability of skilled workforce at competitive cost and increase in interest rates can act as hurdle to the growth of industry. To mitigate this risk company tries to outsource freelance software professionals on hourly basis.

Internal Control Systems and Adequacy

The Company has adequate internal control procedure commensurate with the size and nature of its business. During the year under review company has introduced framework for internal controls and adequacy of internal audit. Under this framework various risks facing the company are identified and assessed routinely across all levels and functions these business control procedures ensure efficient use and protection of resources and compliance with policies, guidelines, authorizations and approval procedures. The Board has also constituted an Audit Committee, which meets periodically to review the financial performance and the accuracy of the financial records.

Employee Relations

The Board of Directors takes this opportunity to sincerely acknowledge the dedicated services and contribution of all the employees to the Company's satisfactory performance. Your company encourages innovative thinking and provides excellent career development opportunities. To enhance the skills of the employees as well as to enable them to face the growing challenges, company organizes various types of training and development programmes. Our employee relations continue to be cordial.

Human Resources/ Industrial Relations

The Company believes that the success of an organization largely depends on the quality of its work force and hence has always recognized people and its key work force. Employee relations have remained cordial and peaceful throughout the year.

Cautionary Statement

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax law , litigation, labour relations and other incidental/related factors.

By order of the Board
For Hit Kit Global Solutions Limited

Place: Mumbai
Date: 19.06.2009

Anand Agarwal
Whole time Director

Annexure 'III' to the Directors' Report Report on Corporate Governance

I. Mandatory Requirements

Company's philosophy on Code of Governance:

Corporate Governance refers to various voluntary practises adopted by the management to ensure timely compliance of various laws and regulations and effective control and management. Good Corporate Governance practises enhance value of the shareholders in the long term and enable them to be partners in the company's growth and prosperity.

The Detailed report of implementation of the Corporate Governance Code as embodied in the Clause 49 of the Listing Agreement is as set out under:

Board of Directors

Composition

The Board consists of the qualified and able persons with vast experience in industry, finance management and law. The Company is in full compliance with the Clause 49(I) (A) of the Listing Agreement(s).

The present strength of the Board is 3 Directors and complies with the requirements of clause (49) of Listing Agreement.

Attendance, Directorship & Committee Membership

Name of the Director	Category Of directorships @	No. of Board Meetings attended out of 11 held	Attendance at the last AGM held on 21.07.08	Number of Other Directorship #	Number of other Committee Memberships \$	
					Member	Chairman
Mr. Anand Agarwal	WD.	11	Attended	1	1	3
Mr. Amit Khandelwal	NED (I).	11	Attended	--	3	1
Mr. Anupam Nandwana	NED (I)	NIL Ceased w.e.f. 26-2-2009	Not Attended	--	-	-
Mr. Anoop Mohindra	NED.(I)	5	Attended	-	4	--

@ Category of Directorship:
WD – Whole Time Director, NED (I) – Non Executive Director and Independent.
Includes Alternate Directorships, and Directorships in Private Companies.
\$ As required by the existing Clause 49 of the Listing Agreements entered into with the Stock Exchanges, only Memberships/Chairmanships of the Audit Committee, Remuneration Committee, Investors Grievance Committee and STC of the public companies have been considered.
No Director hold any shares in the company.

ROLE OF INDEPENDENT DIRECTORS

Independent Directors play a key role in the decision-making process of the Board by participating in framing the overall strategy of the Company. The Independent Directors are committed to acting in what they believe to be in the best interest of the Company and its stakeholders.

Board Procedure

The Board meets at least once a quarter to consider and approve the Financial Results and review the operations and Performance of the Company. All the Board meetings are properly scheduled. Notice and Agenda papers containing all the relevant information are circulated to the Directors well in advance of each Board Meeting. All the relevant and necessary information / documents are made available to the Board so as to enable the directors to take informed decisions. The Minutes of each Board / Committee meetings are circulated in draft to all the Directors for seeking their confirmation before the same is recorded in Minutes Book.

Brief Profile of the Director proposed for Re-appointment:

As Director of the company:-

Mr. Anoop Mohindra aged 59 years, is a Non Resident Indian from California, U.S.A and he is a professional consultant in the field of Retail business. His qualifications and experience would be a great asset for the company. He is director on the Board of the Company. He is a member of the committees.

Brief Profile of Whole time Director proposed for Re-appointment as Managing Director:

As Managing Director of the company:-

Mr. Anand Agarwal is Whole Time Director and Chairman of the Company. He is a Commerce Graduate and has wide exposure and expertise in the business fields. Mr Anand Agarwal is a Director on the Board of Webnet Infoways Limited. His qualifications and experience would be a great asset for the company. He is also chairman of Investor Grievance Committee, Remuneration Committee and Share Transfer Committee.

Number of Board Meetings

During the year Eleven (11) Meetings of the Board of Directors were held as follows:

Date of the Board Meeting	Total No. of Directors	No. of Directors who attended
26.02.08	4	3
11.04.08	4	3
24.04.08	4	2
19.05.08	4	2
16.06.08	4	3
08.07.08	4	2
18.07.08	4	2
26.08.08	4	3
28.10.08	4	2
26.11.08	4	3
14.01.09	4	3

Audit Committee of Directors

Audit Committee is constituted in accordance with the provisions of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement to review and monitors the financial reporting process of the company. The present composition of the Audit Committee comprises of Three (3) Directors, out of which two Directors are Non Executive and Independent Directors. The Chairman of the Audit Committee is Non Executive and Independent Director. All the members of the Audit Committee are well qualified with expertise in accounts and financial management.

Composition

Name	Designation	Category
Mr. Amit Khandelwal	Chairman	Non Executive Director and Independent.
Mr. Anoop Mohindra	Member	Non Executive Director and Independent
Mr. Anand Agarwal	Member	Whole time Director

The Non Executive Director and the Heads of Accounts and Internal Audit Departments are permanent invitees to the Audit Committee Meetings. The Statutory Auditors are also invited to attend the Audit Committee Meetings, as and when required. The Company Secretary acts as secretary for the Committee.

The powers and terms of reference of the Audit Committee are as mentioned in the existing clause 49 II (D) of the Listing Agreements entered into with the Stock Exchanges and section 292A of the Companies Act, 1956.

Terms of reference

The terms of reference are briefly described below:

- a. Oversight of the company's financial reporting process and disclosure of financial information.
- b. Recommend the appointment and removal of external auditor, fixation of audit and other fees.
- c. Review with management, the quarterly financial statements before submission to the board.
- d. Review with management, external and internal auditors, the adequacy of internal control system.
- e. Review the adequacy of internal audit function.
- f. Discussions with internal auditors of any significant findings and follow-ups thereon.
- g. Review the findings of any internal investigations by the internal auditors.
- h. Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as has post audit discussion to ascertain any areas of concern.
- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holder, shareholders within (in case of non payment of declared dividends) and creditors.
- k. Committee shall mandatorily review management discussion and analysis of financial condition and result of operation, statement significant related party transaction (as defined by the Audit Committee) submitted by management.

The Audit committee has wide powers to investigate into any activity and seek external legal and professional advice.

Meetings and Attendance during the year

During the financial year ended 31st January 2009, Five meetings of the Audit Committee were held. The details of attendance of the members at the audit committee meetings are as follows:

Members	Attendance at meeting held on				
	26.02.08	19.05.08	08.07.08	26.08.08	26.11.08
Mr. Anand Agarwal	Present	Present	Present	Present	Present
Mr. Amit Khandelwal	Present	Present	Present	Present	Present
Mr. Anoop Mohindra	Present	Absent	Absent	Present	Present

The Minutes of the Audit committee meetings are noted by the Board of Directors at the Board meetings. The Chairman of the Audit Committee was present at the previous Annual General Meeting held on **21st July 2008**.

Investor Grievances Committee

Composition

In order to ensure timely redressal of all the Investor Grievances, Board of Directors has constituted an Investors Grievance Committee. The present composition of the Investors Grievances Committee comprises of 3 members. Chairman of the Investor Grievance Committee is the Whole time Director

Name	Designation	Category
Mr. Anand Agarwal	Chairman	Whole time Director
Mr. Amit Khandelwal	Member	Non Executive Director and Independent.
Mr. Anoop Mohindra	Member	Non Executive Director and Independent

Terms of reference

- a. Review the existing "Investor Redressal System" and suggest measures for improvement.
- b. Receive the report of the Registrar and Share Transfer Agent about investors' grievances and follow up for necessary action taken for redressal thereof.
- c. Suggest improvements in investors relations.
- d. Consider and take on record the certificate from the practicing secretary under the Clause 47 of the Listing Agreement.
- e. Propose to the Board of Directors, the appointment / re-appointment of the Registrar and Share Transfer Agent, including the terms and conditions, remuneration, service charges/fees.
- f. Decide the frequency of audit of the Registrar and Share Transfer Agent and consider the Auditors Report thereon.

The Minutes of investors Grievance Committee Meetings are noted by the Board of Directors at the Board Meetings.

Meetings and Attendance during the year.

During the financial year ended 31st January 2009, three meetings of the Investors Grievances Committee were held:

Members	Attendance at meeting held on		
	26.02.08	19.05.08	26.08.08
Mr. Anand Agarwal	Present	Present	Present
Mr. Amit Khandelwal	Present	Present	Present
Mr. Anoop Mohindra	Present	Absent	Present

Mr. Bhushan Palande, Officer of the company was nominated as the "Compliance Officer" as required by Securities Exchange Board of India (SEBI) Regulations and Listing Agreements entered into with the Stock Exchanges. The Corporate Secretarial Department of the company and then Registrar and Share Transfer Agent, attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Department of Company Affairs, Registrar of Companies, etc.

Continuous efforts are made to ensure that grievances, if any, are more expeditiously redressed to the complete satisfaction of the investors.

Details of complaints received and redressed during the year are given below:

No. of Complaints Received: 2

No. of Complaints Resolved: 2

Pending Complaints : Nil

Shareholders are requested to inform their telephone numbers and email address to facilitate prompt action.

Remuneration Committee

Board of Directors have constituted to Remuneration Committee to work on remuneration policy of the company and decide the method of compensation for the Non Executive Directors. The present composition of the Remuneration Committee comprises of 3 members. Chairman of the Remuneration Committee is the Whole time Director.

Composition

Name	Designation	Category
Mr. Anand Agarwal	Chairman	Whole time Director
Mr. Amit Khandelwal	Member	Non Executive Director and Independent.
Mr. Anoop Mohindra	Member	Non Executive Director and Independent

Terms of reference

- Determine the company's policy on specific remuneration packages for Whole-time Directors / Executive Directors including pension rights and any compensation payment.
- Decide the actual salary, salary grades, overseas allowance, perquisites, retrials, and increment of Whole-time Directors.
- Define and implement the performance linked incentive scheme (including ESOP of the company and for/ or Promoter Company) and evaluate the performance and determine the amount of incentive of the Employees/Directors/ for that purpose.
- Decide the amount of Commission payable to the Directors.
- Periodically review and suggest revision of the total remuneration package of the Directors keeping in view the performance of the company, standards prevailing in the industry, statutory guidelines, etc.

The Minutes of Remuneration Committee Meetings are noted by the Board of Directors at the Board Meetings.

Meetings and Attendance during the year

During the financial year ended 31st January 2009 two meetings of the Remuneration Committee Meetings were held:

Members	Attendance at meeting held on	
	19.05.08	26.11.08
Mr. Anand Agarwal	Present	Present
Mr. Amit Khandelwal	Present	Present
Mr. Anoop Mohindra	Absent	Present

The Chairman of the Remuneration Committee was present at the Annual General Meeting held on 21.07.2008.

Remuneration paid/payable to the Whole time Director for the financial year ended Jan 31, 2009 is given as under:

Name of the Director	Salary(inclusive of perquisites) Rs. In Lakhs	Service Contract
Mr. Anand Agarwal Whole time Director	1.80	Re-appointed as Managing Director, for a period of 5 years from 16.07.2009 to 15.07.2014

Remuneration includes salary, reimbursement of medical expenses & other perquisites

Remuneration paid/payable to the Non- Executive Directors for the financial year ended Jan 31, 2009 is given as under:

The Non-Executive directors were not paid any remuneration except sitting fees for attending the meetings of the board of directors and/ or committees thereof. The details of sitting fees paid to the non-executive director are as under:

Name of the Director	Sitting fees (Rs.)
Mr. Amit Khandelwal	22,000/-
Mr. Anoop Mohindra	10,000/-

Other Committees Constituted by the Board of Directors

Share Transfer Committee (STC)

Share Transfer Committee (STC) has been set up for approving the transfer / transmission / transposition of shares and consolidation splitting, of folios, issue of share certificates in exchange for sub-divided, consolidated, defaced, etc., for ensuring compliance with legal requirements of share transfers and co-ordination with the Registrar and Share Transfer Agent, Depositories, etc.

Composition:

The present composition of STC consists of Three Directors. Chairman of the Committee is Whole time Director and other two Directors are Non Executive and Independent Directors.

Name	Designation for STC	Position
Mr. Anand Agarwal	Chairman	Whole time Director
Mr. Amit Khandelwal	Member	Non Executive Director and Independent.
Mr. Anoop Mohindra	Member	Non Executive Director and Independent

During the Year under review two meetings of the STC were held.

The Minutes of the Meetings of the aforesaid Committees are noted by the Board of Directors at the Board Meetings.

General Body Meetings

Details of venue, date and time of the last 2 Annual General Meetings are given as under:

Financial Year	Venue	Day and Date	Time
2007-08	Juhu Jagruti Hall, Opp. Bhaidas Sabhagriha Bldg., Bhaktivedanta Swami Marg, Vile Parle (W), Mumbai - 400 056.	Monday 21 st July, 2008	10.00 a.m.
2008-09	Kamla Vihar Sports Club, Poisar Gym Khana Road, Kandivali(w), Mumbai 400 067	Wednesday, 22 nd July, 2009	10.00 a.m.

No postal ballot was used / invited at these meetings in respect of special resolutions passed, as none of such resolutions were covered u/s 192A of the Companies Act, 1956.

Subsidiaries:

The Company do not have any subsidiary.

Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics, one each for Directors and Employees of the Company. Both the said Codes have been posted on the Company's website. For the year under review, all Directors and employees of the Company have confirmed their adherence to the provisions of the said Codes.

Insider Trading

Code of Conduct for Prevention of Insider Trading

The Securities and Exchange Board of India (SEBI) has, effective February 20, 2002 introduced amendments to the existing Insider Trading Regulations of 1992, which ordain new action steps by corporates and other market intermediaries for the purposes of prevention of Insider Trading. Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading' (The Code). The Code is applicable to all Directors, Employees and Consultants of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. Bhushan Palande has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

By its terms, all Directors, Employees and Consultants are restricted from dealing in the shares of the Company during 'restricted periods' notified by the Company from time to time. In compliance with the provisions of the said Code, all designated employees have disclosed their dealings in the shares of the Company including disclosures regarding changes in their shareholding during the financial year and position as at the end of the financial year.

Disclosures

a. Disclosures on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, directors, relatives etc.. that may have potential conflict with the interests of the company at large.

During the year under review company has not made any significant related party transactions with its Promoters, Directors or Managing Directors of the Management, their subsidiaries or relatives etc that may have potential conflict with the interests of the company at large.

b. Disclosure of Accounting Treatment

The Financial Statements are prepared by the company in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The Accounting policies are applied by the company consistently.

c. Risk Management:

An analysis of the Company's risks covering business, finance, legal and compliance risks as perceived by the management are being made and reviewed. The Audit Committee of the Board is regularly informed about the business risks and steps taken to mitigate the same.

d. Details on matters related to capital markets, non compliance by the Company, penalties strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

Company has complied with all the requirements of the listing Agreement(s) entered into with the Stock Exchanges as well as SEBI Regulations and Guidelines. No penalties were imposed neither any strictures were passed against the company by the Stock Exchanges, SEBI or any other statutory authority during the year in this regard.

e. Disclosure by the Senior Management

Disclosures have also been received from the senior managerial personnel relating to the financial and commercial transactions in which they or their relatives may have personnel interest. However, none of this transaction have potential conflict with the interest of the company at a large.

f. Mandatory requirements

The Company is in full compliance with all the mandatory requirements of Clause 49 of the Listing Agreement(s) entered into with the stock exchange(s).

II. Non Mandatory Requirements

a. The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee.

b. Since the financial results are published in leading newspapers as well as promptly displayed on the Company's website, the same are not sent to each household of the shareholders.

c. The Company is in the regime of unqualified financial statements.

d. The Company has not adopted Whistle Blower Policy.

e. The Board of Directors comprises of highly qualified professionals possessing wide and varied knowledge and experience in their respective fields, which is considered adequate

for enabling them to discharge their responsibilities as Directors. As such, there is no formal training programme for the Directors.

Means of Communication

a.The Quarterly Results / Half yearly results and Yearly financial results are approved by the board in the proforma prescribed under Clause 41 of the Listing Agreement(s) within one month of the close of the respective period and the same are forthwith sent to the Stock Exchanges and published in the Leading newspapers. The Financial Results are not being sent to each household of the Shareholders.

b.The Quarterly Financial Results of the company are normally published in the leading National English newspapers: Business Standard, Free Press Journal. In addition, the same are published in the following local language (Marathi) newspaper: Lokmat and Navshakti

c.The Company's financial results and official news releases are displayed on the Company's website www.hitkitglobal.com.

General Shareholder's information

Detailed information in this regard is provided in this section 'General Shareholder Information' appearing as Annexure IV to the Directors' Report.

Compliance Certificate from Auditors

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges.

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges and the same is annexed to the Directors' Report and Management Discussion and Analysis. The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges alongwith the Annual Return of the Company.

Declaration

In accordance with Clause 49 (ID) of the Listing Agreement(s), I hereby confirm that the company has obtained from all the Board Members and the designated senior management personnel, confirmation that they have complied the Code of Conduct for Board of Directors and senior management personnel in respect of the financial year 2008-09.

By order of the Board
For Hit Kit Global Solutions Limited

Place : Mumbai
Date :19.06.2009

Anand Agarwal
Whole Time Director

Auditors' Certificate on Compliance with the Conditions of Corporate Governance under Clause 49 of the Listing Agreement

**To the Members of
Hit Kit Global Solutions Limited**

1. We have examined the compliance of conditions of corporate governance by Hit Kit Global Solutions Ltd. ('the Company') for the year ended on 31st January, 2009, as stipulated in clause 49 of the Listing Agreement(s) of the Company with Bombay Stock Exchange Ltd., Pune Stock Exchange Ltd., and The Ahmedabad. Stock Exchange Ltd.

2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance referred to above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

3. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer/Investors Grievances Committees.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kapil Doshi & Associates,
Chartered Accountants

Ritesh Burad
Partner
Membership No. 103781

Place : Mumbai
Date : 19.06.2009

Certification under Clause 49 of the Listing Agreements

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, we, the undersigned hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended January 31, 2009 and that to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing generally accepted accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c) We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors of the Company and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies; and
- d) We have indicated to the Auditors and the Audit Committee :
- (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the Notes to the financial statements; and
 - (iii) that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

By order of the Board
For Hit Kit Global Solutions Limited

Place : Mumbai
Date : 19.06.2009

Anand Agarwal
Whole time Director

Annexure 'IV' to the Directors' Report

General Shareholder Information

Annual General Meeting

The Annual General Meeting of the Members of the Company will be held as per the following details:

Day and Date	Time	Venue
22 nd July, 2009, Wednesday	10:00 a.m.	Kamla Vihar sports Club, Poisar Gymkana Road, Kandivali (W), Mumbai 400 076

Financial Calendar

February to January

Book Closure

The Company's Register of Members and Share Transfer Books will remain close from 18th July, 2009 to 22nd July, 2009 (both days inclusive) for the purpose of the Annual General Meeting.

Dividend

In order to conserve resources for future growth, your Directors do not recommend any dividend for the year under consideration.

Listing on Stock Exchanges

The Company's Equity Shares are listed on the following Stock Exchanges:

a) Bombay Stock Exchange Ltd. (Regional)

Phiroze Jeebhoy Towers, Dalal Street, Mumbai - 400 001 (Stock Code No. 532359)

b) Pune Stock Exchange Ltd.

Shivleela Chambers, Kumthekar Road, 756, Sadashiv Peth, Pune - 411 030

c) Ahmedabad Stock Exchange Ltd.

7, Kamdhenu Complex, Opp. Sahajanand College, Ahmedabad - 380 015

Demat ISIN for NSDL and CDSL: INE 309 B01023

The Company's Shares are actively traded on Bombay Stock Exchange Ltd and are listed under INDONEXT 'S' Group category. The Company has paid the listing fees for the year 2009-10 to the Stock Exchanges where the Company's Shares are listed.

Stock Market Data

The market price of the Company's Shares traded on Bombay Stock Exchange Ltd. During each month of the last financial year i.e. 1st February, 2008 to 31st January, 2009 were as follows:

Month	High (Rs.)	Low (Rs.)
February, 2008	2.95	2.14
March, 2008	2.40	1.34
April, 2008	1.96	1.60
May, 2008	2.00	1.48
June, 2008	1.88	1.27
July, 2008	1.70	1.02
August, 2008	1.49	1.11
September, 2008	1.32	0.90
October, 2008	1.20	0.65
November, 2008	0.88	0.50
December, 2008	0.87	0.51
January, 2009	0.86	0.49

Distribution of Shareholding as on 31st January, 2009.

No .of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares holding
Upto --- 5,000	6,557	89.34	89,33,533	24.14
5,001 -- 10,000	428	5.83	35,10,319	9.49
10,001 – 20,000	179	2.44	26,34,246	7.12
20,001 – 50,000	120	1.63	38,51,900	10.41
50,001 & Above	56	0.76	1,80,70,002	48.84
TOTAL	7,340	100.00	3,70,00,000	100.00

Shareholders' Profile

Categories of Shareholders as on 31st January, 2009.

CATEGORY	No. of shares	% of Capital
Promoter's	61,06,584	16.50
Private Corporate Bodies	54,81,050	14.81
Public (In India)	2,50,96,486	67.83
NRIs/ OCBs	2,02,311	0.55
Clearing Member	1,13,569	0.31
TOTAL...	3,70,00,000	100.00

Registrars and Share Transfer Agent

Adroit Corporate Services Private Ltd. is the Registrar and Share Transfer Agent. Share transfers, dividend payment and all other investor related activities are attended to and processed by Adroit Corporate Services Private Ltd. at the following address:

Adroit Corporate Service Pvt. Limited

19, Jafferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Andheri (E), Mumbai – 400 059

Time: 10:00 a.m. to 5:00 p.m. (Monday – Friday)

Phone: 0091 22 28596060 Fax: 0091 22 28503748

Share Transfer System

Transfer of shares in physical form are processed by Adroit Corporate Services Pvt. Ltd. and approved by the Share Transfer Committee, which usually meets fortnightly. Transfers of shares are affected and Share Certificates are dispatched within a period of 25-30 days from the date of receipt of request, provided the relevant documents are complete in all respects.

Dematerialization of Shares and liquidity

Your company's equity shares are frequently traded in demat segment only, this will result in reduced investors cost of holding Equity shares of Hit Kit Global Solutions Ltd in the electronic mode (Demat) having ISIN No. : INE 309 B01023.As on 31st January, 2009, 99.96% of total Shares of the Company have been dematerialised.We request Shareholders, who still continue to hold Shares in physical form, to dematerialise their Shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialised form. If you need any further information / clarification / assistance in this regard, please contact the Investor Relations Section of the Company.

Outstanding GDRs / ADRs and their impact on Equity:

The Company has not issued any GDRs, ADRs during the year.

Registered Office address

Hit Kit Global Solutions Ltd.

401/B, 4th Floor, Kemp Plaza,
MindSpace, Link Road, Malad (W),
Mumbai – 400 064

Tel no. 91-22-4003 2272 / 6521 2227 Fax: 91-22- 4003 2271

Investor Relation Section

Investors grievances/queries may be addressed to

The Share Department,

Mr. Bhushan Palande,

Hit Kit Global Solutions Ltd.

401/B, 4th Floor, Kemp Plaza,

Mindspace, Link Road,

Malad (W), Mumbai – 400 064.

Tel no. 91-22-4003 2272 / 6521 2227

Fax : 91-22- 4003 2271

E-mail address: hitkit.global@gmail.com

Additional Information

i) Bankers

IDBI Bank

ii) Auditors

Kapil Doshi & Associates., Chartered Accountants.

Exclusive E-mail ID for redressal of investor complaints

In terms of Clause 47 (f) of the Listing Agreement, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is info@hitkitglobal.com.

Investors / Shareholders can send their complaints/grievances to the above e-mail ID and the same will be attended to by the Secretarial Department.

Electronic Clearing Service (ECS facility)

Under ECS facility, shareholders get an option to receive the dividend directly to their bank account rather than receiving the same through dividend warrants. Shareholders holding shares in physical form who wish to avail this facility, are requested to send the ECS mandate to the Company's Registrar and Share Transfer Agent. Shareholders holding shares in electronic form are requested to give the ECS mandate to their respective Depository Participants directly. The ECS mandate form can be obtained from the Company's Registrar and Share Transfer Agent.

Nomination Facility

Section 109A of the Companies Act, 1956 facilitates shareholders to make nominations in respect of shares held by them. Shareholders holding shares in physical form who are desirous of making a nomination are requested to send their requests in Form No. 2B to the Company's Registrar and Share Transfer Agent. Shareholders holding shares in electronic form are requested to give their nomination request to their respective Depository Participants directly. Form No. 2B can be obtained from the Company's Registrar and Share Transfer Agent or downloaded from the Company's website under the Section 'Investor Relations'.

Secretarial Audit Report Regarding Reconciliation of Capital

As stipulated by SEBI, a qualified practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and the total number of shares in physical form.

Auditors' Report

The Board of Directors

Hit Kit Global Solutions Limited

We have audited the attached Balance Sheet of Hit Kit Global Solutions Ltd as at 31st January, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended by the companies (Auditor's Report) (Amendment) Order, 2004) issued by the Company Law Board, in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred in Paragraph '3' above;

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of the books.

The Balance Sheet, Profit and Loss Account dealt with by this report are in Agreement(s) with the books of accounts.

In our opinion, the Balance Sheet, Profit and Loss Account comply with the Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956.

On the basis of written representations received from the directors as on 31st January, 2009 and information given to us, none of the directors is disqualified as on 31st January, 2009 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us the accounts together with the notes thereon give the information required by Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

Hit Kit Global Solutions Ltd.

In case of the Balance Sheet of the state of affairs of the company as at 31st January, 2009

&

In case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

&

In the case of the Cash flow Statement, of the Cash Flows of the Company for the year ended on that date.

For Kapil Doshi & Associates
Chartered Accountants

Ritesh Burad
Partner
Membership No.: 103781

Place : Mumbai
Date : 19.06.2009

Annexure to Auditors' Report

(Referred to in Paragraph 3 of our report on even date of Hit Kit Global Solutions Ltd. as at 31-01-2009)

- 1) In respect of Fixed Assets
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We are informed that no material discrepancies were noticed by the management on such verification.
 - c) During the year, in our opinion, a substantial part of the fixed assets has not been disposed off by the Company.
- 2) In respect of its Inventory
 - a) According to the information and explanations given to us, the management conducted physical verification at reasonable intervals during the period under report.
 - b) In our opinion, and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion, the company has maintained proper records of inventory during the year. Discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt within the books of accounts.
- 3) In respect of Loans Given / Taken

The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly clause (iii) (b) (C) and (d) of the order are not applicable.
- 4) In respect of Internal Control Procedure

In our opinion and according to the information and explanation given to us, there are adequate internal control procedures for the purchase of Inventory, Securities, Fixed Assets and with regards to the sale of Securities commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- 5) In respect of transactions covered u/s 301 of the Companies Act, 1956.

In our opinion and according to the information and explanations given to us, there are transactions made in pursuance of contracts or arrangements that needed to be entered into the Register needed to be maintained u/s 301 of the Companies Act 1956.
- 6) The Company has not accepted any deposits from Public.
- 7) In our opinion, the company's internal audit system is commensurate with the size and nature of its business.
- 8) The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- 9) In respect of Statutory Dues:
 - a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues including Income tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-01-2009 for a period of more than six months from the date they became payable.
 - b) The Company does not have any disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
- 10) The Company does not have accumulated losses at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11) Monitoring of Loans taken from Banks/Financial Institutions etc. Based on our audit procedures and according to the information and explanations given to us, the company has no dues to a financial institution or bank or debenture holders and hence this clause is not applicable.
- 12) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not a chit fund or a Nidhi/or mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (auditors report) Order 2003 is not applicable to the Company.

Hit Kit Global Solutions Ltd.

- 14) The Company is not dealing in or trading in shares, securities, debentures or other investments. Accordingly, the provisions clause 4(xiv) of the Companies (Auditors Report) order, 2003 are not applicable to the Company.
- 15) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or other financial institutions.
- 16) In our opinion and according to the information and explanations given to us, the company has not taken any term loans. Therefore, clause is not applicable to the Company.
- 17) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that, prima facie, no funds raised on short-term basis have been used for long-term investment, and vice-versa.
- 18) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- 19) The Company has not issued any secured debentures during the year.
- 20) The Company has not raised any fund through Public Issue during the year.
- 21) In our opinion and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

As per our report on even date

For Kapil Doshi & Associates
Chartered Accountants

Ritesh Burad
Proprietor
Membership No.: 103781

Place: Mumbai
Date : 19.06.2009

BALANCE SHEET AS AT 31 JANUARY, 2009			
Particulars	Schedule	As at 31.01.2009 (Amount in Rs.)	As at 31.01.2008 (Amount in Rs.)
SOURCES OF FUNDS			
Shareholders' fund			
Share Capital	1	74,000,000	74,000,000
Reserves & Surplus	2	56,010,188	51,968,590
Loans' fund			
Total Sources of Funds.....		130,010,188	125,968,590
APPLICATION OF FUNDS			
Fixed assets			
Gross Block	3	13,832,306	36,410,351
Less : Depreciation		5,860,873	22,881,218
Net Block		7,971,434	13,529,134
Capital WIP		17,658,847	15,312,578
		25,630,281	28,841,712
Investments	4	35,253,630	24,500,000
Current assets, Loans & Advances			
Inventories	5	-	8,212,259
Debtors	6	47,062,319	44,764,753
Cash and bank balance	7	1,820,155	4,189,575
Loans and advances	8	21,680,811	17,229,844
		70,563,285	74,396,431
Less : Current Liabilities & Provision			
Current liabilities	9	1,041,542	1,339,610
Provisions		1,094,638	1,206,800
		2,136,180	2,546,410
Net Current Assets		68,427,105	71,850,021
Miscellaneous expenses (To the extent written-off)	10	699,172	776,857
Total Application of Funds.....		130,010,188	125,968,590
Significant Accounting Policies And Notes to Accounts	13		
As per our Report of even date For Kapil Doshi & Associates Chartered Accountants		For & On Behalf of the Board of Directors Hit Kit Global Solutions Limited	
Ritesh Burad Partner Membership No. 103781		Anand Agarwal Director	Amit Khandelwal Director
Place: Mumbai Date: 19.06.2009		Sanam Balani Company Secretary	

Profit and Loss Account for the year ended 31 January, 2009			
Particulars	Schedule	Year Ended 31.01.2009 Amount (Rs)	Year Ended 31.01.2008 Amount (Rs)
Income			
Income from Operations		53,565,773	81,542,854
Other Income		316,251	-
TOTAL		53,882,024	81,542,854
Expenditure			
Purchase of Software & Development Cost	11	16,881,741	26,823,570
Purchase of traded goods / Cost of Produce		13,544,237	18,605,264
Staff Cost & Other Expenditures	12	5,581,474	8,590,428
(Increase) / Decrease in Inventories		8,212,807	(2,491,384)
Depreciation		3,224,300	4,088,305
Interest & Finance Charges (Net)		1,301,230	1,615,120
TOTAL		48,745,789	57,231,303
Profit / (Loss) before Tax		5,136,235	24,311,551
Less: Provision for Taxation		1,094,638	1,206,800
Profit / (Loss) after Tax		4,041,597	23,104,751
Balance B/F from previous year		28,619,977	8,695,224
Profit Available for Appropriation		32,661,574	31,799,975
Appropriations:			
General Reserve		3,266,157	3,179,997
Surplus carried to Balance Sheet		29,395,417	28,619,977
		32,661,574	31,799,975
Earning per Share [(Basic and Diluted)] (on face value of Rs. 2 per Share)		0.11	0.62
Notes to the financial statements	13		
As per our Report of even date For Kapil Doshi & Associates Chartered Accountants		For & On Behalf of the Board of Directors Hit Kit Global Solutions Limited	
Ritesh Burad Partner Membership No. 103781		Anand Agarwal Amit Khandelwal Director Director	
Place: Mumbai Date: 19.06.2009		Sanam Balani Company Secretary	

Cash Flow Statement for the year ended 31 January 2009			
	Particulars	Year Ended 31/01/09 Amount (Rs)	Year Ended 31/01/08 Amount (Rs)
A.	Cash Flow from Operations		
	Net Profit before tax and Extraordinary items	5,136,235	24,311,551
	Adjustments for :		
	Depreciation	3,224,300	4,088,305
	Preliminary Expenses	77,686	86,317
	Finance Charges	1,301,230	1,615,120
	Operating Profit before working capital changes	9,739,451	30,101,293
	Adjustments for :		
	Inventories	8,212,259	(3,272,773)
	Trade and Other receivables	(2,297,566)	(8,629,441)
	Trade Payables	(298,068)	123,518
	Loans & Advances	(4,450,967)	(5,253,712)
	Cash generated from operations	10,905,109	13,068,885
	Income tax (last year provision)	(1,206,800)	(231,000)
	Cash flow before Extraordinary Items	9,698,309	12,837,885
	Net Cash from Operating Changes	9,698,309	12,837,885
B.	Cash Flow from Investing Activities		
	(Purchase) / Sale of Fixed Assets	2,333,400	-
	Capital Working Progress	(2,346,269)	-
	(Purchase) / Sale of Investments	(10,753,630)	(10,900,000)
	Net Cash used in Investing Activities	(10,766,499)	(10,900,000)
C.	Cash from Financing Activities		
	Finance Charges Paid	(1,301,230)	(1,615,120)
	Net cash received from financing activities	(1,301,230)	(1,615,120)
	Net Increase in Cash & Cash Equivalents (A+B+C)	(2,369,420)	322,765
	Notes to the Cash Flow Statement for the year ended 31st January, 2009		
1	Previous Years figures have been regrouped, recast wherever necessary		
2	Cash & Cash Equivalent at the end of the Year:		
	Opening Balance of Cash & Cash Equivalents	4,189,575	3,866,809
	Closing Balance of Cash & Cash Equivalents	1,820,155	4,189,575
	Net Increase / (Decrease) as disclosed above	(2,369,420)	322,766
	As per our Report of even date For Kapil Doshi & Associates Chartered Accountants		For & On Behalf of Board of Directors Hit Kit Global Solutions Limited
	Ritesh Burad Partner Membership No. 103781	Anand Agarwal Director	Amit Khandelwal Director
	Place: Mumbai Date: 19.06.2009	Sanam Balani Company Secretary	

Schedules To The Balance Sheet As At 31st January,2009		
Particulars	As At 31.01.2009 (Amount in Rs.)	As At 31.01.2008 (Amount in Rs.)
Schedule 1		
Share Capital:		
Authorised		
4,50,00,000 Equity shares of Rs.2/- each (P.Y. 4,50,00,000 Equity Shares of Rs.2/- each)	90,000,000	90,000,000
	90,000,000	90,000,000
Issued, Subscribed and Paid up		
3,70,00,000 Equity shares of Rs.2/- each fully paid (out of which 19,92,300 Equity Shares of Rs.2/- each allotted on Preferential Issue basis.) (P.Y. 3,70,00,000 Equity Shares of Rs.2/- each)	74,000,000	74,000,000
Per Balance Sheet	74,000,000	74,000,000
Schedule 2		
Reserves and Surplus		
General Reserve		
As per Last Balance Sheet	12,836,713	9,656,716
Add: Transfer from P & L	3,266,157	3,179,997
	16,102,871	12,836,713
Profit & Loss Account		
Balance in P& L Account	29,395,417	28,619,977
Share Premium Account	5,976,900	5,976,900
Forfeiture Reserve Account	4,535,000	4,535,000
Per Balance Sheet	56,010,188	51,968,590

DEPRECIATION AS PER COMPANIES ACT 1956

Schedule 3

Fixed Assets (At Cost)

Particulars	Gross Block (COST)				Depreciation				Net Block	
	Cost As at 01.02.2008	Additions	Deductions	As at 31.01.2009	As at 01.02.2008	for the year	on Deductions	As at 31.01.2009	As At 31.01.2009	As At 01.02.2008
Generator	95,000	-	-	95,000	61,710	6,014	-	67,723	27,277	33,292
Furniture & Fixture	417,080	17,388	-	434,468	131,193	27,502	-	158,695	275,773	285,887
Office Equipment, etc.	508,133	-	-	508,133	78,167	52,541	-	130,708	377,425	429,966
Computer	23,784,666	-	22,595,433	1,189,233	20,053,711	1,256,469	20,244,645	1,065,535	123,698	3,730,956
Computer Software	11,605,472	-	-	11,605,472	2,556,437	1,881,775	-	4,438,212	7,167,260	9,049,035
Total	36,410,351	17,388	22,595,433	13,832,306	22,881,218	3,224,300	20,244,645	5,860,873	7,971,434	13,529,134
January 31,2008	36,410,351	-	-	36,410,351	18,792,912	4,088,305	-	22,881,218	13,529,134	17,617,440

Schedules To The Balance Sheet As At 31st January,2009		
Particulars	As At 31.01.2009 (Amount in Rs.)	As At 31.01.2008 (Amount in Rs.)
Schedule 4		
Investment		
Others Investment	35,253,630	24,500,000
Per Balance Sheet	35,253,630	24,500,000
Schedule 5		
Inventories		
Inventories	-	8,212,259
Per Balance Sheet	-	8,212,259
Schedule 6		
Sundry debtors		
Trade Debtors (Unsecured, Considered good Unless Otherwise Specified)		
More than Six Months	30,631,125	-
Less than Six Months	14,080,406	44,764,753
Other debts	2,350,788	-
Per Balance Sheet	47,062,319	44,764,753
Schedule 7		
Cash and bank balance		
Cash in hand	293,877	393,154
Bank balance with scheduled bank in current a/c	1,526,278	3,796,421
Per Balance Sheet	1,820,155	4,189,575
Schedule 8		
Loans and Advances		
Loans and Advances	21,680,811	17,229,844
Per Balance Sheet	21,680,811	17,229,844
Schedule 9		
Current Liabilities		
Sundry creditors	485,784	850,159
Other liabilities	555,758	489,451
Per Balance Sheet	1,041,542	1,339,610
Schedule 10		
Miscellaneous expenditure		
(To the extent not written off)		
Miscellaneous expenditure	776,857	863,175
Less: Written off during the year	77,686	86,317
Per Balance Sheet	699,172	776,857

Schedules To The Profit And Loss Account For The Year Ended 31st January, 2009		
Particulars	As At 31.01.2009 (Amount in Rs.)	As At 31.01.2008 (Amount in Rs.)
Schedule 11		
Software development expenses		
Software Development, Consultancy & Services	16,881,741	26,823,570
Per Profit And Loss Account	16,881,741	26,823,570
Schedule 12		
Administrative, Selling & General Expenses		
Administrative salaries	1,046,401	1,402,703
Travel & Conveyance	362,185	725,943
Printing & Stationery	282,564	905,491
Rent	180,000	180,000
Rates and taxes	189,345	218,957
Communication Charges	116,245	98,966
Power and electricity	378,744	958,288
Bank charges	23,560	20,532
Auditors Remuneration	35,000	35,000
Listing fees/Annual custodial fees	91,328	126,195
Transportation, Freight Charges	323,743	402,000
Sundry expenses	9,612	512,055
Security Service Charges	96,000	78,000
Postage & Courier Charges	322,857	439,668
Meeting & Seminar	36,758	22,758
Statutory Compliance Expenses	75,874	66,227
Director Remuneration	212,000	180,000
Website Expenses	12,593	23,000
Professional / Legal charges	546,204	714,657
News Publication Charges	177,793	596,427
Repairs & Maintenance	96,220	141,750
Sales Promotion & Marketing Expenses	888,762	655,494
Misc. expenditure written-off	77,686	86,317
Per Profit And Loss Account	5,581,474	8,590,428
As per our Report of even date		
For Kapil Doshi & Associates Chartered Accountants	For & On Behalf of the Board of Directors Hit Kit Global Solutions Limited	
Ritesh Burad Partner Membership No. 103781	Anand Agarwal Director	Amit Khandelwal Director
Place: Mumbai Date: 19.06.2009	Sanam Balani Company Secretary	

Schedule Forming Part of the Accounts for the Year Ended 31st January 2009

Schedule 13

Nature of Operation

The Company is engaged in Retail Software development and marketing. The company has entered into the organized retail Market in India which includes Contract farming and selling of speciality Ayurvedic herbal produce.

Notes to the Accounts and Significant Accounting Policies

A. Significant Accounting Policies

1) Basis of Presentation

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India and are in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 1956.

2) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

3) Revenue Recognition:

A. Revenue from Activity:

a. The company generally follows mercantile system of accounting and recognises significant terms of income and expenditure on accrual basis.

b. Revenue from professional services consists primarily of revenues earned from services performed on a "time and material" basis and related revenue is recognised as the services are performed. The Company also performs time-bound fixed-price engagements, under which revenue is recognised using the percentage-of-completion method of accounting, unless work completed cannot be reasonably estimated. The cumulative impact of any revision in estimates of the percent complete is reflected in the period in which the changes become known. Provision for estimated loss on such engagements is made during the year in which the loss becomes probable and can be reasonably estimated.

4) Equipment and Depreciation (Fixed Assets)

a. Assets are stated at actual cost less accumulated depreciation. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, finance charges and other incidental expenses incurred during the construction/installation stage.

b. Depreciation has been provided for on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended by the Central Government's Notification No. GSR Nodf. 756(E) dated 16.12.1993.

5) Investments

Investments are stated at cost of acquisition.

6) Inventories

Inventories are valued at Cost.

7) Software Development Expenses

Software Development Expenses includes the cost of subcontracting consultancy and services. The software development expenses of internally developed software are charged to the Profit & Loss account for the year, in which the software development is completed and are shown as extra ordinary items.

8) Borrowing Cost

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as a part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged against revenue.

9) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to their Profit and Loss Account in the period in which an asset is identified as Impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10) Research and Development

Expenditure incurred on Research & Development is charged to revenue and fixed assets in the year it is incurred as per nature of expenses.

11)Taxation

Provisions for current tax are made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable /virtual certainty that the asset will be realised in future.

Provision for Income Tax includes provision for current Tax & Deferred Tax liabilities / Assets.

12)Provision, Contingent Liabilities and Contingent Assets.

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13)Retirement Benefits

Liability for payment of Gratuity is accounted for on cash basis and future liability on accruing basis has, however, not been actuarially determined.

14)Earning Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15)Dues to Small Scale industrial undertaking.

As at January 31st, 2009 and January 31st 2008, the company has no outstanding dues exceeding Rs. 1 lakhs for more than 30 days to Small Scale Industrial Undertaking.

There are no Micro and Small Enterprises to whom the company owes dues, for more than 45 days as at January 31st 2009. This information as required to be disclosed under the micro , Small and Medium Enterprises development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available to the company.

B. NOTES TO ACCOUNTS**1. Contingent Liabilities -**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past vents and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statement.

2. Gratuity

Liability for payment of Gratuity is accounted for on cash basis and future liability on accruing basis has, however, not been actuarially determined.

3. Miscellaneous Expenditure

Miscellaneous Expenditure is written-off @ 10% per annum.

4. Segment Reporting

The Company operates in multi segments of "Software Solutions" and "Retail Business". The segment wise bifurcations as per Clause 41 are under:

SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (Rs. In Lakhs)

Sr. No.	Particulars	Figures for the current year ended Jan 31, 2009	Figures for the Previous year ended Jan 31, 2008
1.	Segment Revenue (net sales/income from each segment should be disclosed under this head).		
	a. Segment - Retail Business	284.22	283.23
	b. Segment - Software Solutions	251.44	532.20
	Total	535.66	815.43
	Less: Inter segment revenue	NIL	NIL
	Net sales/income from operations	535.66	815.43
2.	Segment Results (Profit (+)/Loss (-) before tax and interest from each segment)*		
	a. Segment - Retail Business	65.65	94.31
	b. Segment - Software Solutions	11.57	171.81
	Total	77.22	266.12

	Less: (i) Interest	13.01	16.15
	(ii) Other Un-allocable expenditure net off un-allocable income.	9.94	6.85
	Total Profit Before Tax	54.27	243.12
3.	Capital Employed (Segment assets-Segment liabilities).		
	a. Segment – Retail Business	614.40	447.62
	b. Segment – Software Solutions	409.71	610.19
	c. Un-allocable & Corporate	278.90	201.88
	Total	1303.01	1259.69

5.Related Party Disclosure

As required by the Accounting Standard 18 "Related Party Disclosure" are Given below:-

a. Promoter Company, having sole management control.

Webnet Infoways Limited

b. Long Term Investor named as promoter,

Efforts & Results Technologies Pvt. Limited

c. Key Management Personnel

Mr. Anand Agarwal (Whole Time Director)

Transaction with Related Parties (Amt. in Rs.)

Sr. No.	Nature of Transaction	Key Management Personnel
1	Salary (inclusive perquisites)	
	Mr. Anand Agarwal	1,80,000/- (pa)

6.Foreign Currency Transactions –

No foreign Currency Transactions are done by the company during the year under report.

7.Other information

a) The Company is engaged in the development of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of Part II of Schedule VI of the Companies Act, 1956.

b) Remuneration to the auditors (Including Service Tax)

	31.01.2009 (Rs.)	31.01.2008 (Rs.)
Audit Fees	15,000/-	15,000/-
Taxation Matters	5,000/-	5,000/-
Company Law matters	15,000/-	15,000/-

c) Remuneration to the Directors

Remuneration Paid/Payable Particulars To Directors and other Chief Managerial Person:

As per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

The number of employees employed for the whole year drawing salary of Rs. 24,00,000/- per annum or more is NIL and the number of employees employed for part of the year drawing salary of Rs. 1,00,000/- per month or more is also NIL.

	31.01.2009 (Rs.)	31.01.2008 (Rs.)
Managing Director	NIL	NIL
Director (whole Time)	1,80,000/-	1,80,000/-

d) Income from I.T. Activities represents the sales of software rendered and it is stated net of sales return.

e) Since the company has diversified its activities and it is making continuous efforts for the effective retailing of software products, previous year figures are not comparable.

8. In the Opinion of Board of Directors, all the Current Assets, Loans and Advances have a value on realization in the ordinary course of Business which may be less than the amount at which they are stated and all the known liabilities as at the end of year have been provided for. However no devaluation of Assets have been done during the year.

9. Earnings Per Share

Calculation of Earning per share – Basic and Diluted

	Year Ended 31 st January 2009		Year Ended 31 st January 2008	
	Basic	Diluted	Basic	Diluted
Earnings				
Net Profit Attributable to equity shareholders (Rs.In Lakhs)	40.42	40.42	231.05	231.05
Shares	37000000	37000000	37000000	37000000
Earnings Per share of face value of Rs. 2/-	0.11	0.11	0.62	0.62

10. Quantitative Information:

As per the legal opinion obtained by the management, the provisions of clause 3 (ii) of Schedule VI of Part II of Companies Act, 1956 are not applicable to the company and as such no quantitative details are given.

11. Liabilities and Assets:

Balances group under Sundry Debtors, Sundry Creditors, and Loans and Advances are subject to conformation from respective parties.

12. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

13. Sundry Creditors (due to SSI Units) :

As per the information available with the company, the sundry creditors do not include any amount due to SSI exceeding Rs.1.Lakhs outstanding for more than 30 days.

14. Previous years figures have been regrouped or rearranged wherever necessary.

15. Figures have been rounded off to nearest rupee wherever applicable.

Signatures to Schedules 1 to 13

As per our Report of even date

For, **Kapil Doshi & Associates**
Chartered Accountants

By Order of the Board
Hit Kit Global Solutions Limited

Ritesh Burad
Proprietor
Membership No. 103781

Anand Agarwal **Amit Khandelwal**
Director Director

Place: Mumbai
Date : 19.06.2009

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956			
Balance Sheet Abstract and Company's General Business Profile			
I. Registered Details			
Registration No.	49929	State Code	11
Balance Sheet Date	31 (Date) 01 (Month) 2009 (Year)		
II. Capital Raised During the Year			
(Amount in Rs. Thousands)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
III. Position of Mobilisation and Deployment of Funds			
(Amount in Rs. Thousands)			
Total Liabilities	130,010	Total Assets	130,010
Sources of Funds			
Paid-up Capital	74,000	Reserves & Surplus	56,010
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	7,971	Investments	35,254
Net Current Assets	68,427	Misc. Expenditure	699
Accumulated Losses	NIL	Capital work in progress	17,659
IV. Performance of Company			
(Amount in Rs. Thousands)			
Turnover	53,882	Total Expenditure	48,746
Profit & Loss before Tax	5,136	Profit & Loss after Tax	4,042
Earning Per Share in Rs.*	0.11	Dividend Rate %	NIL
* Earning per share has been computed by dividing profit after tax by the total number of issued equity shares as at the year end.			
V. Names of Three Principal Products/Services of the Company:-			
Item Code no. (ITC Code):	85249009		
Product Description)	Computer Software		
For & On Behalf of Board of Directors			
Hit Kit Global Solutions Limited			
Anand Agarwal		Amit Khandelwal	
Director		Director	
Sanam Balani			
Company Secretary			
Place: Mumbai			
Date: 19.06.09			



Hit Kit Global Solutions Limited

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