

Hit Kit

25th Annual Report 2012-13



25th ANNUAL GENERAL MEETING	
Date	30 th September, 2013
Day	Monday
Time	10.00 A.M.
Venue	Rasoi Banquet, Opp. Goregaon Sports Complex, Link Road, Malad (W), Mumbai – 400 064
Book Closure	23.09.2013 to 30.09.2013 (Both days inclusive)

Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anand Agarwal	Chairman & Managing Director
Mr. Amit Khandelwal	Independent Director
Mr. A.B. Sharma	Independent Director

AUDITORS

M/s. S. D. Chandak & Co,
Chartered Accountants

PRACTISING COMPANY SECRETARY

Mr. Virendra G Bhatt

BANKERS

IDBI Bank, Mumbai

STOCK EXCHANGE WHERE SHARES LISTED

BSE Ltd.
PSE Ltd.
ASE Ltd.

REGISTRAR & SHARE TRANSFER AGENTS

Adroit Corporate Service Pvt. Limited
19, Jaferbhoy Industrial Estate,
1st Floor, 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.

Annexure to the Directors' Report

Corporate Governance

I. Mandatory Requirements

Company's philosophy on Code of Governance:

The Management believes that corporate growth, goals, transparency and enhanced stakeholder value are to be achieved only through good Corporate Governance.

CLAUSE 49

Clause 49 of the Listing Agreement entered between a Company and the Stock Exchanges is a benchmark for the compliance practices and rules required to be followed by all listed companies. Clause 49 is the baseline for good governance standards.

At Comfort, we not only adhere to the prescribed corporate governance standards and practices as given in Clause 49 but we constantly strive to adopt the emerging practices. We believe that Corporate Governance is a journey towards sustainable value creation and is always an upward moving target.

We follow high standards of corporate governance practices which inter-alia include:

- ❖ *The Board of the Company comprises majority of Non-Executive Directors representing around 67% of the total composition of the Board*
- ❖ *Out of the Three directors on the Board, two are independent directors which represents around 67% of the total composition of the Board.*
- ❖ *Consistent monitoring and improvement of the human and physical resources.*
- ❖ *Introducing regular checks and audits and continuous improvement in already well defined systems and procedures.*
- ❖ *Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.*

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 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.

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, Compliance of stock exchanges 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.

Attendance, Directorship & Committee Membership

Name of the Director	Category Of directorships @	No. of Board Meetings attended out of 09 held	Attendance at the last AGM	Number of Other Directorship#	Number of other Committee Memberships \$	
					Member	Chairman
Mr. Anand Agarwal	MD	09	Attended	--	1	3
Mr. Amit Khandelwal	NED(I)	09	Attended	---	3	1
Mr. A. B. Sharma	NED(I)	09	Attended	---	3	---

@ Category of Directorship:

MD – Managing 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 holds any shares in the company.

Brief Profile of the Director

As Director of the company:-

Mr. Anand Agarwal, aged 39 years is a Commerce graduate. His vast experience would be a great asset for the company. He is Managing director on the Board of the Company. He is a chairman of the Investor Grievances, Remuneration & Share Transfer Committee. He is a member of the Audit committee. He is not holding any directorship in the public companies as on March 31, 2013. He did not hold any equity shares in the Company as on March 31, 2013.

Mr. Amit Khandelwal, aged 41 years is a B.Com and holds a post graduate degree in M.D.S.E. He is a Software Engineer with areas of specialization in Windows N.T. 4.0, UNIX, Oracle 8, and MS SQL. He is designated as Non-Executive Independent Director on the Company's Board. His qualifications and experience would be a great asset for the company. He is a chairman of the Audit Committee. He is a member of the Investor Grievances, Remuneration & Share Transfer committees. He is not holding any directorship in the public companies as on March 31, 2013. He did not hold any equity shares in the Company as on March 31, 2013.

Mr. A.B. Sharma, aged 64 years is a Resident Indian and he has 27 years experience in office administrative. His qualification and experience would be a great asset for the company. He is not holding any directorship in the public companies as on March 31, 2013. He did not hold any equity shares in the Company as on March 31, 2013. He is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. He is a member of the Audit, Remuneration & Share Transfer committees.

Number of Board Meetings

The Board met Nine times during the financial year 2012-13 on 05th April, 2012, 30th May, 2012, 05th July, 2012, 30th July, 2012, 10th August, 2012, 18th October, 2012, 09th November, 2012, 14th January, 2013 and 31st January, 2013.

Date of the Board Meeting	Total No. of Directors	No. of Directors who attended
05.04.2012	3	3
30.05.2012	3	3
05.07.2012	3	3
30.07.2012	3	3
10.08.2012	3	3
18.10.2012	3	3
09.11.2012	3	3
14.01.2013	3	3
31.01.2013	3	3

Committees of the Board

Audit Committee of Directors

The functioning and terms of reference of the audit committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of section 292A of the Companies Act, 1956 and the listing Agreement with the Bombay Stock Exchange Ltd.

The Company has a Internal Audit Team which submits its report directly to the Audit Committee on a quarterly basis. The Chairman of the Audit Committee attended the last Annual General Meeting held on 30th July, 2012 to answer shareholders queries.

The Audit Committee is responsible for:

- (i) Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.
- (ii) Evaluating the adequacy of internal controls and its effectiveness.
- (iii) Reviewing the financial results of the Company for each quarter/ year before the same are placed at the Board meeting for approval.
- (iv) Providing an avenue for effective communication between the Internal Audit, the Statutory Auditors and the Board of Directors.

Composition and Attendance

Name	No. of Meetings Attended
Mr. Amit Khandelwal	4
Mr. Anand Agarwal	4
Mr. A. B. Sharma	4

Mr. Amit Khandelwal, Chairman of the Audit Committee is well conversant with accounting practices generally followed in India. Other members of the Committee consist of Mr. Anand Agarwal and Mr. A.B. Sharma.

The Chief Financial Officer, the Internal Auditor and the Statutory Auditors are permanent invitees to the audit committee meetings. It has been the practice of the Chairman of the Audit Committee to extend an invitation to the professional Directors to attend all the meetings.

During the year ended March 31, 2013, Four meetings of the Audit Committee were held on the following dates:

(i) May 30, 2012 (ii) August 10, 2012 (iii) November 09, 2012 (iv) January 31, 2013.

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 30th July 2012.

Investor Grievances Committee

Terms of Reference of the Investors Grievance Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Limited and the relevant clauses of the Articles of Association of the Company that inter alias include looking into the Investors complaints on transfer and transmission of shares, issue of duplicate share certificates, non receipt of Balance Sheet, non receipt of dividends declared etc. and to ensure expeditious share transfer process.

M/s. Adroit Corporate Service Pvt. Limited is the Registrar and Transfer Agent of the Company and the committee oversees the performance of the Registrar and Transfer Agent and recommends major for overall improvement in the quality of investor services.

Composition and Attendance

Name	No. of Meetings Attended
Mr. Anand Agarwal	4
Mr. Amit Khandelwal	4
Mr. Manish Suryawanshi	4

Mr. Anand Agarwal, Chairman of the Investor Grievances Committee has vast experience and knowledge.

During the year ended March 31, 2013, Four meetings of the Investor Grievances Committee were held on the following dates:

(i) May 30, 2012 (ii) August 10, 2012 (iii) November 09, 2012 (iv) January 31, 2013.

The Company attends to the Investor's grievances / correspondence expeditiously except in the case that are constrained by dispute or legal impediments.

a.	No. of Shareholders complaints received during the year	6
b.	No. of complaints not resolved to the satisfaction of the shareholders.	NIL
c.	No. of pending share transfers as on March 31, 2013	NIL

Mr. Manish Suryawanshi is Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE, PSE and ASE.

Remuneration Committee

Terms of Reference of the Directors Remuneration Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Limited that inter alia include determination of the Company's policy on specific remuneration packages for Directors.

Composition and Attendance

Mr. Anand Agarwal is the Chairman of the Remuneration Committee. Other members of the Committee consist of Mr. Amit Khandelwal.

During the year, no meeting of Remuneration Committee was held.

Remuneration Policy

The terms of reference / role of the Remuneration Committee is to determine the Company's policy on the remuneration package of its Executive Directors and to determine and approve the terms & conditions and remuneration package of its Executive Directors, including revision thereof from time to time, and to deliberate on and decide matters incidental thereto or consequential thereof. The details of remuneration paid to Executive Directors are given separately in the Report.

Annual Remuneration paid / payable to the Managing Director for the financial year ended March 31, 2013 is given as under:

Name of the Director	Salary (inclusive of perquisites) Rs. In Lakhs	Service Contract
Mr. Anand Agarwal Managing Director	NIL	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.

Annual Remuneration paid/payable to the Non- Executive Directors for the financial year ended March 31, 2013 is given as under:

The Non-Executive directors were not paid any remuneration and sitting fees for attending the meetings of the board of directors and/ or committees thereof.

Share Transfer Committee (STC)

Terms of Reference of the Share Transfer Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Limited and pursuant to Article 132 of Articles of Association of the Company that inter alia include approval and registration of transfers and/ or transmissions of equity shares of the Company and do all other acts and deeds as may be necessary or incidental to the above.

Composition and Attendance

Name	No. of Attended	Meetings
Mr. Anand Agarwal	4	
Mr. Amit Khandelwal	4	
Mr. A.B. Sharma	4	

Mr. Anand Agarwal is Chairman of the Committee and other two Directors are Non Executive and Independent Directors.

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

During the year ended March 31, 2013, Four meetings of the Investor Grievances Committee were held on the following dates:

(i) May 30, 2012 (ii) August 10, 2012 (iii) November 09, 2012 (iv) January 31, 2013.

The Share Transfer Committee meet regularly and approves all matters related to shares vis-a-vis transfers, transmission, dematerialisation and re-materialisation of shares etc. In case of share held in physical form, all transfer are completed within 14 days from the date of receipt of complete documents. As at 31.03.2013 there was no Equity Shares pending for transfer. Also there was no demat requests pending with the company as at March 31, 2013.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT:

The Company's has adopted a Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practice (Insider Trading Code) and Ethics for Directors and Senior Management Team with an objective to ensure strict adherence to the Company's best practices and consistently improve upon them. The Code has been posted on the Company's website www.hitkitglobal.com. The Code has been circulated to all the members of the Board and Senior Management Team and they have affirmed compliance of the same.

The declaration signed by the Managing Director is given below:-

I hereby confirm that the Company has obtained affirmation from all the members of the Board and Senior Management that they have complied with the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practice (Insider Trading Code) and Ethics for Directors and Senior Management in respect of the financial year 2012-13.

Anand Agarwal
Managing Director

General Body Meetings:

Location and time of the last 3 Annual General Meetings and Special Resolutions passed by the Company are noted below:

Financial Year	Location	Day and Date	Time	Special Resolution
2009-10	Privilege INN, Opp. Shakti Ford Showroom, Goregaon - Malad Link Road, Malad (W), Mumbai - 400 064	Friday, 30 th July, 2010	10.00 a.m.	No Special Resolution was passed.
2010-11	Privilege INN, Opp. Shakti Ford Showroom, Goregaon - Malad Link Road, Malad (W), Mumbai - 400 064	Saturday, 30 th July, 2011	10.00 a.m.	One Special Resolution was passed.
2011-12	Privilege INN, Opp. Shakti Ford Showroom, Goregaon - Malad Link Road, Malad (W), Mumbai - 400 064	Monday, 30 th July, 2012	10.00 a.m.	No Special Resolution was passed.

All the above resolutions were put to vote by show of hands and were passed unanimously by the members of the company. In the last three years, no Special Resolution has been passed in the AGMs. At the forthcoming Annual General Meeting, there is no Agenda that need approval by Postal ballot.

Subsidiaries:

The Company do not have any subsidiary.

Disclosures

Related Party Transactions:

Except following, the company has no material significant related party transactions with its Promoters, Directors or Managing Directors of the Management or relatives etc that may have potential conflict with the interests of the company at large.

Transaction with Related Parties:		(Rs. In Lacs)	
Name of the Related Party and Nature of Relationship	Nature of Transaction	Transaction Value 2012-2013 (2011-2012)	Balance as at March 31, 2013 (March 31, 2012)
Promoter Company - M/s. Webnet Infoway Ltd.	Advance Given	70.72 (-)	70.72 (-)

Non Compliance by the Company, Penalties, Strictures:

Company has complied with all the requirements of the listing Agreement(s) entered into with the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. There are no penalties or strictures imposed neither on the Company by Stock Exchanges or SEBI or any other statutory authorities relating to the above.

Disclosure of Accounting Treatment

Disclosures of accounting treatment wherever applicable have been made in the Audited Financial Accounts for the year ended 31st March, 2013.

Board Disclosures - Risk Management:

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures and they are being reviewed periodically.

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.

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).

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

Quarterly Un-audited / Audited Financial Results were publishes during the Financial year as follows:

Financial Result	Un-Audited / Audited*	Newspapers
Last year Fourth Quarter Ended and Year Ended March	Audited	Free Press Journal / Navshakti
First Quarter Ended June	Un-Audited	Free Press Journal / Navshakti
Second Quarter Ended September	Un-Audited	Free Press Journal / Navshakti
Third Quarter Ended December	Un-Audited	Free Press Journal / Navshakti

* The Board of Directors of the Company approved and took on record the Unaudited / Audited financial results within 45 days of quarter / half year and communicated these results to all Stock Exchanges where the shares of the Company are listed and published in newspapers as indicated above and also put on Company's website www.hitkitglobal.com.

The Company also intimates the stock exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the investor / shareholders. The Financial Results are not being sent to each household of the Shareholders. The Management's Discussion and Analysis on financial and operational performance of the Company and General Shareholders information is provided in the Annual Report.

Auditors' Certificate on Corporate Governance

To the Members of
Hit Kit Global Solutions Limited

We have examined the compliance of conditions of corporate governance by Hit Kit Global Solutions Ltd. ('the Company') for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.

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. 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For S.D. Chandak & Co.
Chartered Accountants
(Firm Registration No.101657W)

S D Chandak
Proprietor
(Membership No.: 32455)

Place: Mumbai
Date: 03.09.2013

Certificate under sub Clause V of Clause 49 of the Listing Agreement

I Anand Agarwal, Managing Director of the Company hereby confirm and certify that

- a) I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2013 and that to the best of my 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;
 - (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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee
- (i) that no significant changes in internal control over financial reporting during the year;
 - (ii) that no changes in accounting policies during the year and have been disclosed in the notes to the financial statements; and
 - (iii) that no instances of significant fraud of which I 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.

Place : Mumbai
Date : 03.09.2013

Anand Agarwal
Managing Director

Directors Report

To The Members,

We have pleasure in presenting herewith our Twenty Fifth Annual Report together with the Audited Account of your Company for the Year Ended March 31st, 2013.

Financial Results

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

Particulars	(Rs. In Lakhs)	
	31.03.2013	31.03.2012
Income from Operations	56.33	88.18
Other Income	NIL	NIL
Total Income	56.33	88.18
Operating Profit before interest, Depreciation and Tax	3.18	23.47
Interest	2.04	3.04
Depreciation	4.95	19.63
Profit / (Loss) before tax (PBT)	(3.81)	0.80
Provision for Taxation	(1.17)	1.99
Profit / (Loss) after tax (PAT)	(2.64)	(1.19)
Profit brought forward	387.21	388.40
Profit available for appropriation	55.46	387.21
APPROPRIATIONS		
General Reserves	NIL	NIL
Surplus carried to Balance Sheet	55.46	387.21

Performance of the Company

During the year under the review, the Company has recorded gross revenue of Rs. 56.33 lakhs as against Rs. 88.18 lakhs in the previous year. After offsetting the expenses the company made a Loss after tax of Rs.2.64 lakhs against Rs. 1.19 lakhs in the previous year.

The Earning per Share (EPS) for the year was Rs. (0.01) as against Rs. (0.01) for previous year.

Dividend

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

Transfer to Reserves

The Company proposes to transfer Rs. NIL (P.Y. NIL) to the General Reserve out of the amount available for appropriations and an amount of Rs.55.46 Lakhs (P.Y. 387.21Lakhs) is proposed to be retained in the Profit and Loss Account.

Changes in Share Capital

During the year, Company has not made any allotment of Equity or preference Shares.

Retail Business

During the year, your Company focused mainly its agri-business value chain. In this objective your company has carried out marketing of vegetables in the vegetable market, which the company has sourced directly from the farmers.

Your company provides its customers with good quality produce that has better shelf life and more consistent quality in keeping the best interest of the consumers. The vision of the company is to generate inclusive growth and prosperity for farmers, vendor partners, small shopkeepers and consumers.

Retail Software

During the year, the company rendered E-Horoscope reports in regional languages to its customers through mobile counters. The company is on the verge of reducing the retailing of software.

Directors

As per the Articles of Association of the company, Mr. A. B. Sharma retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

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

Auditors

M/s. S. D. Chandak & Co., Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of ensuing Annual General Meeting. The directors recommend their re-appointment as the statutory auditors for the financial year 2012-13.

M/s. S. D. Chandak & Co., 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, the Board of Directors hereby states and confirms:

- i) That in the preparation of the Annual accounts for the financial year, the applicable accounting standards have been followed along with the proper explanations relating to material departures;
- ii) That the Company has selected accounting policies described in the notes to accounts, which has been consistently applied except where otherwise stated and made judgements 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 March, 2013 and of the Loss of the company for the year;
- iii) That they have taken proper and sufficient care 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 for preventing and detecting fraud and other irregularities; and
- iv) That the Annual Accounts have been prepared on the historical cost convention as a going concern basis and on accrual 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.

Listing

The Securities of your Company are listed with the BSE Limited, Pune stock exchange Limited and Ahmedabad Stock Exchange limited, and pursuant to Clause 38 of the Listing Agreement, the Annual Listing fees for the year 2013-14 have been paid. The company has also paid the annual custodian fees to NSDL & CDSL for the Securities of the Company held in dematerialized mode with them for the year 2013-14.

Cash Flow Statement

In conformity with the provisions of Clause 32 of the Listing Agreement and requirement of companies Act 1956, the Cash flow Statement for the year ended 31st March, 2013 is annexed hereto

Public Deposits

The company, during the year under review, has not accepted nor renewed any deposits from public, under the Companies (Acceptance of Deposits) Rules, 1975. The Company had no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

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

As your company is not engaged in manufacturing activities, the reporting requirement on these matters is not applicable and Foreign exchange earning & outgo during the year is NIL.

Corporate Governance Report

A Certificate from Statutory Auditors Regarding Compliance of the conditions of corporate Governance as per the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges is annexed to the report on Corporate Governance.

The Board of Directors support the concept of Corporate Governance and having regard to transparency, accountability and rationale behind the decisions have made proper disclosures separately under the heading "Corporate Governance".

Management's Discussion and Analysis Statement

The Management Discussion and Analysis for the year 2012-13, as required under Clause 49 of the Listing agreement executed with the Stock Exchanges, are given in separate section forming part of the Annual Report.

Corporate Social Responsibility

Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at company encourages all its employees and other participants to ensure a positive impact and its commitment towards corporate social responsibility.

Company's contribution to the community are in areas of health, education and free distribution of vegetables & fruits to the poor villagers.

Acknowledgements

The Directors thank the Company's employees, customers, vendors, farmer, suppliers, redistribution stockists, retailers, business partners, canteen stores department and others who are associated with the Company as its trading partners for their support to the Company. Your Company looks upon them as partners in its progress and shares with them the rewards of growth.

The Directors also thank to the Securities Exchange Board of India, BSE Limited, Pune Stock Exchange Limited, Ahmedabad Stock Exchange Limited, NSDL, CDSL the Governments of India, State Governments in India and concerned Government Departments / Agencies for their co-operation and last but not the least the members of the Company.

On behalf of the Board
For Hit Kit Global Solutions Limited

Place : Mumbai
Date : 03.09.2013

Anand Agarwal
Managing Director

Annexure to the Directors' Report

Management Discussion and Analysis

The management of Hit Kit Global Solutions Limited presents the analysis of the performance of the company for the year 2012-13 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.

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.

Outlook

The Indian retail sector is still in its nascent stage. The economic liberalisation policies and globalisation had ignited country's economy for faster growth. The simultaneous act of liberalisation of the Indian economy and globalisation triggered an accelerated industrial growth across the spectrum of all market segments in India. Retail industry as a whole is not an exception because it has witnessed advancement into organised trading. Organised retailing refers to marketing activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax for whose business is corporate, who implement management techniques managed by professionals as a firm or limited company or co-operative. Traditional retailing refers to those who operate in unorganised markets. The evolution of organised retailing had been initiated in a big way by the entry of corporate, both domestic and global.

Nature of Business

Retail sector in India is at the crossroads today. A shift between organised and unorganised retail sector is apparent, especially in the vegetable retailing zone. This shift is a call for transfer of consumerism towards organised retailing. The penetration of organized retail in the field of vegetable retailing will face fierce resistance from traditional retailers with their existing strong foothold. This resistance from the traditional vegetable retail cannot be ignored. The most important thing to note is that the traditional retail format supports a larger population and provides direct employments. So there is no way that government or anyone can discount these foundation stones of Indian economy. The role of government and its policy are vital in supporting, improving, and developing traditional vegetable retailers. Vegetables, fruits, and grocery play a vital role for the existence of people and also a very influencing role in the economy. Though fresh fruit, vegetable, and grocery retail has been considered as a very low-margin business, the market potential has attracted Indian business houses and corporate, driving the forays through different models like single-format, multi format or integrated urban-rural models. To attract the global leaders in vegetable retailing, the government allows foreign direct investment in cash-and-carry type business model to the tune of 100 per cent. The joint ventures of domestic Indian companies with the global players are allowed to operate in India.

Company has also retail of E-Horoscope generated out of the Astrology software 'Om Astrosoft' to its customers through mobile counters. The company is also engaged in marketing of PS-Excise software developed by Priti Software.

Segment wise Performance

Retail Business

During the year under review, your Company strategically increased its focus on retail vegetable business thereby sustaining its earnings from Retail of vegetables. The sales turnover has been broad based, competitive and profitable. Your Company has adopted unique retailing strategy of selling its products in retail market, without permanently hiring the retail counters, thereby cutting down the cost of markets.

Software Business

During the year, the company rendered E-Horoscope reports in regional languages to its customers through mobile counters. The company is on the verge of reducing the retailing of software.

Strengths, Risks and Concerns

Strengths

Over few years in retail business, your Company has developed supply chain for retailing vegetables from farmer to whole seller to the consumers.

Risk, Concerns and Risk Mitigation

Risk Management is a critical exercise for all organizations, particularly ones operating in many locations / countries. The main aim of risk management is to identify and analyse the risks through a structured Risk-Benefit Analysis and mitigate those risks which are not beneficial to the organisation.

Financial Performance & Position

The Financials of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India. During the year under the review, the Company has recorded revenue of Rs. 56.33 lakhs as against Rs. 88.18 lakhs in the previous year and Loss after tax for the year of Rs.2.64 lakhs against Rs. 1.19 lakhs in the previous year.

Human Resources/ Industrial Relations

The Company believes that the success of an organization largely depends on the quality of the products it offers in the market and competitive price to the consumers. The company has developed good quality supply chain.

Employee Relations

The Board of Directors take this opportunity to sincerely acknowledge the dedicated services and contribution of all the employees to the Company's satisfactory performance. Your company believes in retaining talents. To enhance the skills of the employees as well as to enable them to face the growing challenges the higher management regularly interacts with it employees. Our employee relations continue to be cordial.

Internal Control Systems and Adequacy

The Company has adequate internal control systems in place commensurate with the size and nature of business which covers all significant areas of the company's operations and reported to the Audit Committee of the Company, for their review in its meetings.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates are 'forward looking statements'. Actual results might differ from those anticipated because of changing ground realities.

Independent Auditor's Report

To the Members of Hit Kit Global Solutions Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Hit Kit Global Solutions Limited ("the Company") which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company *as at* 31st March 2013;
- (ii) in the case of the Statement of Profit and Loss Account, of the 'Loss' for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S. D. Chandak & Co.,
Chartered Accountants
Firm Registration No.101657W

S. D. Chandak
Proprietor
Membership No.32455

Mumbai
28th May, 2013 .

Annexure to the Auditors' Report

The annexure referred to in our report to the members of Hit Kit Global Solutions Ltd for the year ended 31st March, 2013. We report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) As explained to us, considering the nature of the fixed assets, the same have been physically verified by the management at reasonable intervals during the year in accordance with the verification policy adopted by the company. According to the information and explanations given to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
c) During the year the company has not disposed of any substantial part of its Fixed Assets.
- ii. The company does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
- iii. a) The Company has not granted any loans, secured or unsecured to Companies, Firms or parties covered in the Register maintained under section 301 of the Act.
b) The Company has not taken any loans, secured or unsecured from Companies, Firms or parties covered in the Register maintained under section 301 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of audit.
- v. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) In our opinion and according to the information and explanations given to us, the transactions referred to in (v) (a) above and exceeding the value of rupees five lacs with any party during the year have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The company has not accepted any deposits from public. Accordingly, Paragraph 4(vi) of the Order is not applicable.
- vii. In our opinion, the Company has an internal audit system which is commensurate with its size and nature of its business;
- viii. The Central Government of India has not prescribed maintenance of cost records under section 209(1) (d) of the Act for any of the services rendered by the company. Accordingly, paragraph 4 (viii) of the Order is not applicable.
- ix. 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.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became Payable. The Company does not have any disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
- x. The company does not have any accumulated losses at the end of the financial year but has incurred cash losses in the financial year under report and has not incurred cash losses in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not made any default in repayment of dues payable to any financial institutions, banks during the year.

- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly paragraph 4(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the company is not a chit fund / nidhi / mutual benefit fund / society. Accordingly, paragraph 4(xiii) of the Order is not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, paragraph 4(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, paragraph 4(xv) of the Order is not applicable.
- xvi. The company did not have any term loans outstanding during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable.
- xvii. According to the information and explanations given to us and on examination of the financial statements of the Company, we are of the opinion that, prima facie, short term funds have not been used for long term investment;
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, paragraph 4(xviii) of the Order is not applicable.
- xix. The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4(xix) of the Order is not applicable.
- xx. The Company has not raised any money by public issues during the year. Accordingly, paragraph 4(xx) of the Order is not applicable.
- xxi. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our Audit.

For S. D. Chandak & Co.,
Chartered Accountants
Firm Registration No.101657W

S. D. Chandak
Proprietor
Membership No.32455

Mumbai
28th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013			
	Note No.	Figures as at the end of current reporting year Rs.	Figures as at the end of previous reporting year Rs.
<u>EQUITY AND LIABILITIES</u>			
SHARE HOLDER'S FUNDS			
Share Capital	2	74,000,000	74,000,000
Reserves & Surplus	3	56,924,760	57,188,548
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	4	27,825	159,896
CURRENT LIABILITIES			
Trade payables	5	298,804	9,161
Other current liabilities	6	75,292	61,864
Short-term provisions	7	248,236	233,236
TOTAL		131,574,917	131,652,705
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed assets	8		
Tangible assets		406,308	505,857
Intangible assets		11,800	407,520
Non-current investments		-	-
Long-term loans and advances	9	130,627,293	127,592,030
CURRENT ASSETS			
Trade Receivables	10	14,992	21,905
Cash and cash equivalents	11	45,728	2,604,509
Other current assets	12	468,796	520,884
TOTAL		131,574,917	131,652,705
The accompanying notes are an integral part of the financial statements			
"As per our Report of even date" For S D Chandak & Co., Firm Registration No. 101657W Chartered Accountants		For and on Behalf of the Board Anand Agarwal Managing Director	
S D Chandak Proprietor Membership No. 32455		A B Sharma Director	Amit Khandelwal Director
PLACE : Mumbai DATED : 28.05.2013		PLACE: Mumbai DATED: 28.05.2013	

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013			
Particulars	Note No.	Figues for the current reporting year Rs.	Figues for the previous reporting year Rs.
Revenue from operations	13	5,633,267	8,817,805
Other income		-	-
Total Revenue		5,633,267	8,817,805
Expenses:			
Purchase of traded goods / Cost of Produce		4,501,547	4,873,942
Purchase of Software & Development Cost		125,445	626,469
Employee benefits expense	14	177,666	312,227
Finance costs	15	203,675	304,205
Depreciation and amortization expense	8	495,268	1,962,833
Other expenses	16	510,525	657,579
Total expenses		6,014,126	8,737,255
Profit before tax		(380,859)	80,550
Tax expense:	17		
Current tax		15,000	40,000
Deferred tax (Refer Note 04)		(132,072)	159,896
		(117,072)	199,896
Profit / (Loss) for the year from continuing operations		(263,788)	(119,346)
Profit / (Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations (after tax)		-	-
Profit / (Loss) for the year		(263,788)	(119,346)
Earnings per equity share:	18		
Equity share of par value of Rs. 2/- each			
- Basic		(0.01)	(0.01)
- Diluted		(0.01)	(0.01)
The accompanying notes are an integral part of the financial statements			
"As per our Report of even date"			
For S D Chandak & Co.,		For and on Behalf of the Board	
Firm Registration No. 101657W			
Chartered Accountants		Anand Agarwal Managing Director	
S D Chandak Proprietor Membership No. 32455		A B Sharma Director Amit Khandelwal Director	
PLACE : Mumbai		PLACE: Mumbai	
DATED : 28.05.2013		DATED: 28.05.2013	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013			
		Year Ended	Year Ended
		31.03.2013	31.03.2012
A.	Cash Flow From Operating Activities		
	Profit / (Loss) Before Tax	(380,859)	80,550
	Adjustment for:		
	Depreciation	495,268	1,962,833
	Preliminary Expenses	52,088	45,446
	Interest & Finance Charges	203,675	304,205
	Operating Profit before Working Capital changes	370,172	2,393,034
	Trade and Other receivables	6,913	9,707,326
	Trade Payables	289,643	(75,976)
	Loans & Advances	(2,981,835)	(58,576,625)
	Cash generated from operation	(2,685,279)	(48,945,275)
	Taxes Paid (Last year Provision)	(40,000)	(100,000)
	Net Working Capital Changes	(2,725,279)	(49,045,275)
	Net Cash from Operating Changes	(2,355,106)	(46,652,241)
B.	Cash Flow from Investment Activities:		
	(Purchase) / Sale of Investments	-	48,832,579
	Net Cash used in Investing Activities	-	48,832,579
C.	Cash Flow From Financing Activities:		
	Finance Charges	(203,675)	(304,205)
	Net cash used in Financing activities	(203,675)	(304,205)
	Net Increase in Cash & Cash Equivalents (A+B+C)	(2,558,781)	1,876,132
	Net Increase / (decrease) in Cash & Cash equivalent		
	Opening Balance of Cash & Cash Equivalents	2,604,509	728,376
	Closing Balance of Cash & Cash Equivalents	45,728	2,604,509
	Net Increase / (Decrease) as disclosed above	(2,558,781)	1,876,133
Notes:			
1. Previous Years figures have been regrouped, recast wherever necessary.			
2. The Cash Flow statements has been prepared under the 'Indirect Method' as the set out in Accounting Standard - 3 'Cash Flow Statement' issued by The Institute of Chartered Accountants of India.			
"As per our Report of even date"		For and on Behalf of the Board	
For S D Chandak & Co.,		Anand Agarwal	
Firm Registration No. 101657W		Managing Director	
Chartered Accountants			
S D Chandak		A B Sharma	Amit Khandelwal
Proprietor		Director	Director
Membership No. 32455			
PLACE : Mumbai		PLACE: Mumbai	
DATED : 28.05.2013		DATED: 28.05.2013	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Note : 1**Company Overview**

Hit Kit Global Solutions Limited ("the company") is engaged in retail software marketing. The Company is engaged in selling of farms and vegetable produce in the market.

Significant Accounting Policies**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 generally accepted accounting principles, applicable Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act, 1956.

Use of Estimates

The preparation of financial statements in conformity with the GAAP (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 year. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises of material cost, freight, duties, taxes, interest and other incidental expenses related to acquisition and installation.

Depreciation / Amortization

Depreciation has been provided for on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Impairment

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

Investments

Long term investments are stated at cost of acquisition.

Inventories

Inventories are valued "at lower of cost and net realizable value".

Revenue Recognition

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

Revenue from Software & Retail Business consists primarily on account of sale of goods and is recognised on delivery to the clients.

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 year of time to get ready for intended use. All other borrowing costs are charged against revenue.

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.

Taxation

Tax liability is estimated considering 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.

Cash Flow Statement

Cash Flow Statement has been prepared in accordance with indirect method prescribed in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

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.

Earning Per Share

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

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

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.

Note : 2

SHARE CAPITAL

Particulars	as at 31-03-2013	as at 31-03-2012
Authorised 4,50,00,000 Equity Shares of Rs. 2/- (Prev. Yr. 4,50,00,000 Equity Shares of Rs.2/- each)	90,000,000	90,000,000
Issued, Subscribed and Fully Paid up 3,70,00,000 Equity Shares (Previous year : 3,70,00,000) of Rs. 2/- each fully paid up	74,000,000	74,000,000
	74,000,000	74,000,000

a. Terms/Rights attached to Equity shares

The Company has one class of issued shares referred to as equity shares having a par value of Rs. 2/- each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors, if any, is subject to the approval of shareholders in Annual General Meeting. All shares rank equally with regards to the Company's residual assets.

b. The reconciliation of the number of shares outstanding as at March 31, 2013 and March 31, 2012 is set out below:

Particulars	As at 31.03.2013	As at 31.03.2012
Number of shares at the beginning of the year	37,000,000	37,000,000
Number of shares at the end of year	37,000,000	37,000,000

c. The details of shareholder holding more than 5% shares as at March 31, 2013 is set out below :

- i) Webnet Infoways Ltd : 44,14,184 shares ; 11.93% (previous year : 44,14,684 shares ; 11.93%) and
- ii) Glimmer Mercantile Pvt. Ltd : 19,92,300 shares ; 5.38% (previous year : 19,92,300 shares ; 5.38%)

Note : 3**RESERVES AND SURPLUS**

Particulars	as at 31-03-2013	as at 31-03-2012
Securities Premium :		
As per last Account	5,976,900	5,976,900
General reserve		
Opening balance	12,490,858	16,232,641
Less: Transfer to Surplus	-	3,741,783
	<u>12,490,858</u>	<u>12,490,858</u>
Surplus		
Opening balance	38,720,790	38,840,136
Add: Net Profit / (Loss) after tax transferred from statement of P & L	(263,788)	(119,346)
Amount available from appropriation	38,457,002	38,720,790
Less: Reclassified to Rev Reserves	32,910,473	-
Amount transferred to General Reserves	-	-
Closing Balance	<u>5,546,529</u>	<u>38,720,790</u>
Rev Reserves		
Reclassified from P & L	32,910,473	-
TOTAL	<u><u>56,924,760</u></u>	<u><u>57,188,548</u></u>

Note : 4**DEFERRED TAX LIABILITIES (NET)**

Opening Balance	159,896	-
Difference between book and tax depreciation	(132,072)	159,896
TOTAL	<u><u>27,825</u></u>	<u><u>159,896</u></u>

The net increase during the year in the deferred tax liability Rs.(1,32,072/-) (previous year Rs. 1,59,896/-) has been debited to the statement of Profit & Loss.

Note : 5**TRADE PAYABLES:**

Particulars	as at 31-03-2013	as at 31-03-2012
Trade Payables	298,804	9,161
TOTAL	<u><u>298,804</u></u>	<u><u>9,161</u></u>

There are no Micro, Small and Medium Enterprises in respect of whom the Company dues are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

Note : 6**OTHER CURRENT LIABILITIES**

Provision for Expenses	70,000	40,000
Withholding and other Taxes payable	5,292	21,864
	<u><u>75,292</u></u>	<u><u>61,864</u></u>

Note : 7**SHORT TERM PROVISIONS:**

Provision for Income Tax	248,236	233,236
	<u><u>248,236</u></u>	<u><u>233,236</u></u>

Schedule 8 : Fixed Assets and Depreciation

Description of Assets	Gross Block				Depreciation/Impairment			Net Block		(Rupees)
	As at 31.03.12	Additions	Deletions	As on 31.03.13	As at 31.03.12	For the year	Deductions	As on 31.03.13	As on 31.03.13	
a. Tangible Assets										
Generator	95,000	-	-	95,000	86,761	6,014	-	92,775	2,226	8,239
Furniture & Fixture	434,468	-	-	434,468	245,779	27,502	-	273,281	161,187	188,689
Office Equipment	638,620	-	-	638,620	329,691	66,033	-	395,724	242,896	308,929
Sub Total	1,168,088	-	-	1,168,088	662,231	99,549	-	761,780	406,308	505,857
b. Intangible Assets										
Computer Software	9,764,828	-	-	9,764,828	9,357,308	395,720	-	9,753,028	11,800	407,520
Sub Total	9,764,828	-	-	9,764,828	9,357,308	395,720	-	9,753,028	11,800	407,520
TOTAL ASSETS	10,932,916	-	-	10,932,916	10,019,539	495,268	-	10,514,807	418,109	913,377
Previous Year	10,932,916	-	-	10,932,916	8,056,706	1,962,833	-	10,019,539	913,377	-

Note: 09LONG TERM LOANS AND ADVANCES

	as at 31-03-2013	as at 31-03-2012
Unsecured, considered good		
Capital Advance	127,304,324	127,304,324
Less: Transferred to CWIP	58,155,567	-
	<u>69,148,757</u>	<u>127,304,324</u>
CWIP		
Transferred from Capital Advance	58,155,567	-
Other Deposits	150	10,450
Other Loans and advances:		
- Others	3,045,563	-
- Advance Income Taxes	277,256	277,256
	<u>130,627,293</u>	<u>127,592,030</u>

Note: 10TRADE RECEIVABLE

Unsecured, considered good		
Outstanding for a period exceeding six months from due date	14,992	21,905
Others	-	-
	<u>14,992</u>	<u>21,905</u>

Note: 11CASH AND CASH EQUIVALENTS

Balances with bank		
In current Account	19,374	40,255
Cash on Hand	26,354	2,564,254
	<u>45,728</u>	<u>2,604,509</u>

Note: 12OTHER ASSETS:

Miscellaneous Expenses	520,884	566,330
Miscellaneous Expenses W/Off	(52,088)	(45,446)
	<u>468,796</u>	<u>520,884</u>

Note: 13REVENUE FROM OPERATIONS:

	Year Ended 31-03-2013	Year Ended 31-03-2012
Income from Operation		
Retail Business	5,330,530	7,166,240
Software Sales	302,737	1,651,565
	<u>5,633,267</u>	<u>8,817,805</u>

	Year Ended 31-03-2013	Year Ended 31-03-2012
Note : 14		
EMPLOYEE BENEFITS EXPENSE:		
Salaries and Wages	170,300	178,483
Director Remuneration	-	129,700
Staff welfare expenses	7,366	4,044
	<u>177,666</u>	<u>312,227</u>
Details of Director Remuneration		
Shri. Anand Agarwal - Managing Director		
Salaries and Allowances	-	129,700
Total	<u>-</u>	<u>129,700</u>

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

Note : 15		
FINANCE COSTS:		
Other finance charges	203,675	304,205
	<u>203,675</u>	<u>304,205</u>

Note : 16		
OTHER EXPENSES:		
Electricity Expenses	-	7,570
Rent Rates and Taxes	-	145,200
Auditor's Remuneration:		
Statutory Audit Fee	30,000	30,000
Legal and Professional Charges	37,446	72,347
Travelling	8,252	39,084
Listing Fees	51,358	27,575
Advertisements	124,288	15,786
Directors' sitting Fee	-	20,000
Communication Expenses	15,774	42,587
Repair to :		
- Machinery	-	6,668
Postage and Courier	7,180	14,400
Printing & Stationery	2,300	12,067
ROC Expenses	-	5,500
Miscellaneous Expenses	233,927	218,795
	<u>510,525</u>	<u>657,579</u>

Note : 17		
TAX EXPENSES:		
Current Tax:		
Income Tax	15,000	40,000
Deferred Taxes	(132,072)	159,896
	<u>(117,072)</u>	<u>199,896</u>

Note : 18		
EARNINGS PER SHARE		
Profit / (Loss) after tatation as per	-	-
Profit & Loss Accounts	(263,788)	(119,346)
Number of equity shares outstanding	37,000,000	37,000,000
Basic & Diluted Earnings per share in rupee	(0.01)	(0.01)
(Face value of Rs. 2/- per share)		

Note : 19

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

Note : 20

Liabilities and Assets : The balance in parties accounts are subject to confirmation and reconciliation, if any. In the opinion of the management all current liabilities and current assets including sundry debtors and loans and advances in the normal course of business would be realized the value at least to the extent stated in the Balance Sheet.

Note : 21**Foreign Currency Transactions :**

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

Note : 22

Contingent Liabilities : 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 statement.

Note : 23

Segment Accounting in terms of AS 17 issued by the Institute of Chartered Accountants of India : The Company operates in single segment in "Retail Business".

Note : 24

As required by the Accounting Standard 18 "Related Party Discloser" are given below:

A. List of Related Parties**i) Promoters:**

Webnet Infoways Limited

ii) Key Management Personnel & their relatives :

Shri. Anand Agarwal (Managing Director)

B. Transaction with Related Parties : (Previous year figures in italics)**i) With related party referred to in A (i) above :**

- Advance Given : Rs. 70,72,000/-

ii) With related party referred to in A (ii) above :

- Remuneration : Rs. NIL (Rs. 1,29,700/-)

C. Rs. 70.72 L. Balances were outstanding at the end of the C.Y. (P.Y.:Rs. NIL) from / to the Related Parties in A(i) above:

Note : 25**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.

Note : 26

The company prepares and presents its financial statement as per Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of the revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statement for the financial year ended 31st March, 2012 have been prepared as per requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped/reclassified and presented to conform to the current year's classification. Figures have been rounded off to nearest rupee wherever applicable.

"As per our Report of even date"

For S D Chandak & Co.,
Firm Registration No. 101657W
Chartered Accountants

For and on Behalf of the Board

Anand Agarwal
Managing Director

S D Chandak
Proprietor
Membership No. 32455

A B Sharma
Director

Amit Khandelwal
Director

PLACE : Mumbai
DATED : 28.05.2013

PLACE : Mumbai
DATED : 28.05.2013

Shareholders' Information

AGM: Date, time and venue	Monday, 30 th September, 2013 at 10.00 a.m. at Rasoi Banquet, Opp. Goregaon Sports Complex, Link Road, Malad (W), Mumbai – 400 064		
Financial Year	01st April, 2012 to 31st March 2013		
Date of Book Closure	23 rd September, 2013 to 30 th September, 2013 (both days inclusive)		
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	<ol style="list-style-type: none"> 1. BSE Ltd., P J Towers, Dalai Street, Mumbai – 400 001 Tel: 22721233 / 34 2. Pune Stock Exchange Ltd., Shivleela Chambers, Kumbhkar Road, 756, Sadashiv Peth, Pune – 411 030 3. Ahmedabad Stock Exchange Ltd., 7, Kamdhenu Complex, Opp. Sahajanand College, Ahmedabad – 380 015 		
Payment of Annual Listing Fees to Stock Exchanges	The Company has paid the listing fees for the year 2013-14 to the Stock Exchanges where the Company's Shares are listed.		
Stock Code	The Company's Stock Code is 532359		
Bombay Stock Exchange Stock Market Price Data (in Rs./ per share) *: The Company's scrips are not traded at Pune and Ahmedabad Stock Exchange during the financial year. Therefore, no market data has been given of these exchange.	Month	High (Rs.)	Low (Rs.)
	April, 2012	0.81	0.69
	May, 2012	0.80	0.66
	June, 2012	0.74	0.66
	July, 2012	0.66	0.60
	August, 2012	0.66	0.57
	September, 2012	0.57	0.38
	October, 2012	0.37	0.32
	November, 2012	0.33	0.29
	December, 2012	0.63	0.34
	January, 2013	0.71	0.50
	February, 2013	0.48	0.39
	March, 2013	0.38	0.31
Registrars and Share Transfer Agent	Adroit Corporate Service Pvt. Limited 19, Jaferbhoy Industrial Estate, 1 st Floor, 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	<p>99.96% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Adroit Corporate Services Pvt. Ltd. At the above mentioned address.</p> <p>Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The directors, Compliance officer and the Company Secretary are severally empowered to approve transfer.</p>		

Shareholding Pattern as on 31 st March, 2013	CATEGORY		No. of shares	% of Capital	
		Promoter's		44,14,184	11.93
	Private Corporate Bodies		81,77,724	22.10	
	Public (In India)		2,41,66,281	65.31	
	NRIs/ OCBs		2,38,654	0.65	
	Clearing Member		3,157	0.01	
	TOTAL		3,70,00,000	100.00	
Distribution of Shareholding as on 31 st March, 2013.	No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares holding
	Upto -- - 500	2,342	34.23	7,46,025	2.02
	501 - 1000	1,744	25.49	16,75,961	4.53
	1001 - 2000	1,011	14.78	18,15,277	4.91
	2001- 3000	423	6.18	11,72,761	3.17
	3001- 4000	191	2.79	7,22,809	1.95
	4001- 5000	390	5.70	19,17,222	5.18
	5001- 10000	391	5.71	32,20,172	8.70
	10001 and above	350	5.12	2,57,29,773	69.54
	TOTAL	6,842	100.00	3,70,00,000	100.00
	Dematerialization of Shares and liquidity	<p>The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.96% of the Company's equity share capital are dematerialised as on March 31st, 2013.</p> <p>The Company's equity shares are regularly traded on the BSE Limited, in dematerialised form.</p> <p>Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE309B01023.</p>			

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.
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 Corporate Governance. The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges along with the Annual Return of the Company.
Outstanding GDRs / ADRs and their impact on Equity:	The Company has not issued any of these instruments.
Legal Proceedings	As at March 31, 2013, there was no litigation against the Corporation or any of its managing / whole-time directors, for any of the alleged offences under the enactments specified in Part I of Schedule XIII to the Companies Act, 1956.
Voting Rights	All the shares issued by the Corporation carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of 'One Member-One Vote'. If majority of members raise their hands in favour of a particular resolution, it is taken as passed, unless a poll is demanded. The fundamental voting principle in a company, in case voting takes place by a poll, is 'One Share-One Vote'. On a poll being taken, any decision arrived thereat is final, thus overruling any decision taken on a show of hands. No poll has been demanded at any general meeting of the members of the Corporation. No business has been transacted through postal ballot.
Control of the Corporation	The Corporation is neither owned nor controlled, directly or indirectly, by any person, entity or government and also does not owe allegiance to any promoter or promoter group. To the best of its knowledge and belief, the Corporation does not have any arrangement, the operation or consequence of which might directly or indirectly result in a change in its ownership, control or management. Further, during the year under review, the Corporation has not received any disclosure under Regulation 8 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
Folio Consolidation	Shareholders holding shares under more than one folio may write to the registrar to consolidate their folios. In case of joint holdings even if the order of names are different, shareholders can have them transposed without payment of stamp duty by sending a letter duly signed by all the shareholders. This will facilitate safekeeping and save cost at the time of dematerialisation. The above would be

	subject to verification of the signature(s) of the concerned shareholders.
Nomination Facility	Every shareholder in a company may at any time, nominate in the prescribed manner, a person to whom his shares in the company shall vest in the event of his death. Individual shareholders holding shares either singly or jointly can make a nomination. If the shares are held jointly, all the shareholders may jointly nominate any individual person as their nominee. Nomination stands automatically rescinded on transfer / dematerialisation of the shares. Shareholders holding shares in single name are advised to nominate any individual by submitting the prescribed nomination form i.e. Form 2B, in duplicate, to the registrar. Shareholders holding shares in demat form are requested to contact their DP.
Website	Information regarding the Corporation can also be accessed on its website, www.hitkitglobal.com . The 'investors' section on the website of the Corporation contains an array of information on investor services, financials, corporate profile, shareholding pattern, disclosures made to stock exchanges.
Address for Correspondence	Hit Kit Global Solutions Ltd. 401/B, 4th Floor, Kemp Plaza, Mindspace, Link Road, Malad (W), Mumbai – 400 064. Tel no. 91-22- 6561 4984 Fax : 91-22- 6561 4984 E-mail address: hitkit.global@gmail.com Designated e-mail address for investor services: info@hitkitglobal.com Website: www.hitkitglobal.com

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