



Hit Kit Global Solutions Limited

(Formerly Known as Sun Beam Infotech Ltd.)

REPORTJUNCTION.COM

ANNUAL REPORT 2006 - 07

CONTENTS

<u>Board of Directors</u>	<u>1</u>
<u>Directors' Report</u>	<u>2</u>
<u>Annexure I – Management's Discussion and Analysis</u>	<u>5</u>
<u>Annexure II – Conservation of Energy, etc.</u>	<u>7</u>
<u>Annexure III – Corporate Governance</u>	<u>9</u>
<u>Annexure IV – General Shareholder Information</u>	<u>16</u>
<u>Auditors' Report</u>	<u>20</u>
<u>Financial Statement</u>	<u>24</u>
<u>Cash Flow Statement</u>	<u>33</u>
<u>Balance Sheet Abstract and Company's General Business Profile</u>	<u>34</u>

Board of Directors

Anand Agarwal

Harsh Agarwal

Anupam Nandwana

Amit Khandelwal

Auditors

**Kapil Doshi & Associates
Chartered Accountants**

Bankers

IDBI Bank Ltd., Mumbai

Registered Office

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

Directors' Report

To,
The Members of Hit Kit Global Solutions Ltd.,

The directors hereby present their annual report and Audited Statement of account for the year ended 31st January, 2007.

Financial Results

	(Rs. In Lacs)	
	31/01/2007	31/01/2006
Total revenues	559.13	4159.90
Profit / (Loss) before Interest, Depreciation & Tax	(173.51)	521.53
Interest & Finance Charges	(15.46)	(11.71)
Profit / (Loss) after Interest and Finance Charges but before Depreciation & Tax	(188.97)	509.82
Depreciation	(39.83)	(46.13)
Profit / (Loss) before tax	(228.80)	463.69
Provision for tax	(2.31)	(5.14)
Profit / (Loss) after tax	(231.11)	458.55
Extra Ordinary Items	(123.87)	(390.13)
Profit / (Loss) available for appropriations.	(354.98)	68.42
Transferred to – general reserve	NIL	6.84

Previous figures regrouped / reclassified wherever necessary to confirm to this year's classification.

Dividend

Due to loss during the year, no dividend have been proposed by your directors this year.

Operating Results and Performance

During the financial year 2006-07, your company has incurred a loss of Rs. 354.98 lacs, as the company has valued Software inventory on account of sales return of previous year due to snag in the software at net realizable value in order to reflect the true & fair view of the financial statements of the company in conformity with the Generally Accepted Accounting Principles. The company is making endeavor to technically remove the snag in the software by outsourcing technical expertise.

The company has also diversified its activities into retailing of software products which are yielding high profit margins on low turnover and also the previous year comprises of fifteen months, therefore, previous year's figures are not comparable.

During the year your company has incurred a software development cost of Rs. 123.87 lacs which has been included in the Extra Ordinary Items in the Profit & Loss Account.

Business

The Indian software exports industry demonstrated reasonable growth during the year. Your company's major revenue flows from retailing of software products.

Name change of the Company

The name of the company is changed to "Hit Kit Global Solutions Ltd." w.e.f. 28th March, 2007.

Directors

In accordance with the relevant provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Anupam Nandwana and Mr. Amit Khandelwal are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Corporate Governance and General Shareholder Information

As required by the existing Clause 49 of the Listing Agreements 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**.

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 estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st January, 2007 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.

Auditors

The Statutory Auditors, Mr. Kapil Doshi & Associates, Chartered Accountants, retire at the forth coming Annual General Meeting and being eligible for re-appointment, have given their consent to act as a Auditor of the Company, if appointed. Further they have also furnished a Certificate u/s 224(1B) of the companies act.

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 attached as **Annexure I**.

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo.

Information in accordance with the provision 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 II** to this report.

Particulars of employees

The Board of Directors take this opportunity to sincerely acknowledge the dedicated services and contribution of all the employees to the Company's excellent performance. Our employee relations continue to be cordial.

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

Public Deposits

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

Acknowledgements

The Directors are grateful to the customers, suppliers and employees of the Company for their co-operation and assistance during the year.

On behalf of the Board of Directors
For Hit Kit Global Solutions Limited

Place : Mumbai
Date : 28/06/2007

Anand Agarwal
Whole time Director

Annexure 'I' 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 2006-07 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.

Overview :

The Financial Statements have been prepared in compliance with the requirements of the companies act, 1956 and Generally Accepted Accounting Principles (GAPP) in India. The Management of the company accepts responsibility for the integrity and objectivity of this financial statements as well as for the various estimates & judgments used therein. The estimates and judgments relating to financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and loss for the year.

Industry Overview :**Market Outlook**

The global market for corporate IT services is forecasted to grow from USD 606 Billion in the year 2004 to USD 728 Billion in the year 2007 (CAGR of 6%). Out of this the share of offshore IT services is projected to grow from USD 18 Billion in the year 2004 to USD 51 Billion in the year 2007 (CAGR of 42%). (source Gartner).

Industry Outlook – IT – ITES Domestic.

The domestic revenue of the Indian IT-ITES industry grew by 23% from USD 3.9 billion in the FY 2003-04 to USD 4.8 billion in FY 2004-05. The domestic revenue is forecasted to grow by 25% and reach USD 6 billion in the FY 2005-06. In the long term the domestic revenue is expected to reach between USD 13 to 15 billion in the year 2009. (source Nasscom).

Company Outlook

During the financial year 2006-07, your company has incurred a loss of Rs. 354.98 lacs, as the company has valued Software inventory on account of sales return of previous year due to snag in the software at net realizable value in order to reflect the true & fair view of the financial statements of the company in conformity with the Generally Accepted Accounting Principles. The company is making endeavor to technically remove the snag in the software by outsourcing technical expertise.

The company has also diversified its activities into retailing of software products which are yielding high profit margins on low turnover and also the previous year comprises of fifteen months, therefore, previous year's figures are not comparable.

During the year your company has completed the development of Retail Software.

Your Company have started marketing of retail software products and these products have been well received in the market.

Future outlook of Software Industry

With the growth in the Indian economy and the corresponding per capita income, the growth rate for the Software industry are expected to remain high. In continuation with last year's trend, barring the abnormal circumstances, the company will be making endeavour to consolidate the financial position.

Opportunities And Threats

Rising demand for the Software development in the overseas market will provide more impetus and opportunities for the growth of the Software industry.

Internal Control Systems and Adequacy

The Company has adequate internal control procedure commensurate with the size and nature of its business. 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.

Human Resources/ Industrial Relations:

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

On behalf of the Board of Directors
For Hit Kit Global Solutions Limited

Place : Mumbai
Date : 28/06/2007

Anand Agarwal
Whole time Director

Annexure 'II' 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

- A. Details of Conservation of Energy** : Not applicable to the Company.
- B. Technology Absorption** : The details are given below.
- (a) Research & Development**
1. Specific area in which R&D work has been done by the Company : This year Company has not done any Research & Development.
2. Benefits expected from the R&D work : -----
3. Future plan of action : To improve its core competencies in software engineering, automation, productivity and other related areas.
- 4s. Expenditure on R&D : a) Capital)
b) Recurring)
c) Total)
d) Total R&D)
expenditure)
as a)
percentage of)
total turnover)
- NIL

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(b) Technology Absorption, Adaptation and Innovation

1. Efforts made towards technology absorption, adaptation and innovation : Web enabling technologies are being used to develop Software programs, Internet, Intranet and E-commerce solutions.

2. Benefits derived as a result of the above efforts : The models under development will enable the company to offer state-of-the-art Astrology based software along with Web-enabled Services.



3. Information about imported technology : Nil

C. Foreign Exchange Earnings and Outgo

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

On Behalf of the Board of Directors
For Hit Kit Global Solutions Limited

Place : Mumbai
Date : 28/06/2007

Anand Agarwal
Whole time Director