

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anand Agarwal	Chairman & Managing Director
Mr. Amit Khandelwal	Independent Director
Mr. Anoop Mohindra	Independent Director

AUDITORS

Ritesh Burad & Co,
Chartered Accountants

BANKERS

IDBI Bank, Mumbai

STOCK EXCHANGE WHERE SHARES LISTED

Bombay Stock Exchange Limited
Pune Stock Exchange Limited
Ahmedabad Stock Exchange Limited

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, 2010.

Financial Results

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

	(Rs. In Lacs)	
Particulars	31.01.2010	31.01.2009
Net Sales / Income from Operations	131.96	535.66
Other Income	NIL	3.16
Total Income	131.96	538.82
Operating Profit before interest, Depreciation and Tax	29.51	96.62
Interest	1.60	13.01
Depreciation	16.72	32.24
Profit before tax (PBT)	11.19	51.37
Provision for Taxation	1.34	10.95
Net profit for the Year	9.85	40.42
Profit brought forward	293.95	286.20
Profit available for appropriation	303.80	326.62
APPROPRIATIONS		
General Reserves	0.98	32.66
Surplus carried to Balance Sheet	302.82	293.96

Performance of the Company

During the year under review, the income from operation was Rs. 131.96 lakhs as against Rs. 538.82 lakhs earned in the previous year. After offsetting the expenses the company earned a Net Profit of Rs. 9.85 lakhs against Rs. 40.42 lakhs achieved during the corresponding period of the previous year. The directors are optimistic about the future of the company.

The Earning per Share (EPS) (based on weighted average number of shares) for the year was Rs. 0.03 as against Rs. 0.11 achieved during the corresponding period of 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 has transferred Rs. 0.98 Lakhs during the year (P.Y. Rs 32.66 Lakhs) to the General Reserve and have also retained an amount of Rs.302.82 Lakhs during the year (P.Y.293.96 Lakhs) in the Profit and Loss Account.

Retail Business

During the year, your Company focused its attention on building a strong & healthy relationship in the agri-business value chain. In this objective your company has commenced marketing of vegetables which the company sources directly from farmers. Your company provides its customers with high 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 concentrated its activities in Retail of E-Horoscope i.e. 'Om Astrosoft' by implementing comprehensive quality policy to deliver results on time and within budget. The company started E-Horoscope reports in regional languages to its customers through counters, spread across the retail outlets. The astrology software application is very user-friendly, and even a trainee operator can generate the reports. Our main focus is on the customer demanded for various Astro services like complete horoscope, horoscope with remedies, Gem recommendation, Numerology, Marriage compatibility etc. The company also further developed its marketing of PS-Excise software by tieing up with Priti Software. Due to the recessionary trend, the sales of retail software for the last two quarters was on decline, resulting lower sales and profitability.

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. Amit Khandelwal 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".

During the year Mr Anupam Nadwana ceased to be director due to his resignation. The directors place on record their appreciation for the services provided by him to the company.

Auditors

M/s. Ritesh Burad & 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 2010-11.

M/s. Ritesh Burad & 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 January, 2010 and of the profit 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.

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 2009-10 as a part of this Director's Report.

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 and Management's Discussion and Analysis Statement

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis statement.

Appreciation and Acknowledgements

Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.

The Board place on record their appreciation for the support and co-operation your Company has been receiving from its farmer, suppliers, redistribution stockists, retailers, business partners, canteen stores department and others who are associated with the Company as its trading partners. Your Company looks upon them as partners in its progress and shares with them the rewards of growth. It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, co-operation with each other, consistent with consumer interests.

Directors also take this opportunity to thank all investors, clients, vendors, banks, regulatory, government authorities, stock exchanges and shareholders for their continued support to the company.

On behalf of the Board
For Hit Kit Global Solutions Limited

Place : Mumbai
Date : 25.06.2010

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 2009-10 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 global economy suffered a slowdown all over the world; afflictions that started as financial sector issues in the US spread fast to the real sectors of the economy across the globe. Although India's domestic economy grew strongly for the whole year, many sectors like automotives, capital goods, retails, consumer durables and realty decelerated significantly towards the second half of the year.

Another major issue we had to contend with during the year was unprecedented volatility in the price of commodities, driven largely by the swings in petroleum crude prices. Severe and continued rise during the year, the precipitous fall towards the later part of the year, and the associated uncertainties in material price movements needed very careful examining by the management.

Nature of Business

The Company is engaged in business of Retail of E-Horoscope generated out of the Astrology software 'Om Astrosoft' to its customers through counters spread across the retail outlets. The company is also engaged in marketing of PS-Excise software of Priti Software. The Company's also carrying its business in agri-business value chain and has commenced marketing fruits, vegetables and staples.

Segment wise Performance

A. 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.

B. Software Business

In addition, during the year under review, the Company has tie up with freelancers astrologers who provide guidance based on the Hindu system of astrology and they calculate the entire chart and the planets that need to be harmonized and provide customers appropriate predictions/remedies, if required.

Strengths, Risks and Concerns

A. Strengths

Over last two years in retail business, your Company has developed supply chain for retailing vegetables from farmer or whole seller to the consumers. In IT business, company provides with one of the most accurate and personalized astrology analysis based on OM ASTROSOFT. The interpretation of the E-horoscope is generally made by the freelancers astrologers giving edge over competitors.

B. 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 review, revenue of your Company was Rs. 131.96 lakhs as against Rs. 538.82 Lacs in the previous year and Net Profit for the year of Rs. 9.85 lakhs against Rs. 40.42 lacs 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.

Annexure to the Directors' Report Report on 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.

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 8 held	Attendance at the last AGM held on 22.07.09	Number of Other Directorship#	Number of other Committee Memberships \$	
					Member	Chairman
Mr. Anand Agarwal	MD	8	Attended	1	1	3
Mr. Amit Khandelwal	NED (I).	8	Attended	--	3	1
Mr. Anoop Mohindra	NED.(I)	3	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 holds 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, 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.

Brief Profile of the Director proposed for Re-appointment:

As Director of the company:-

Mr. Amit Khandelwal 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 director on the Board of the Company. He is a member of the committees.

Number of Board Meetings

During the year 8 (Eight) Meetings of the Board of Directors were held as follows: 26.02.2009, 13.04.2009, 18.05.2009, 19.06.2009, 15.07.2009, 28.08.2009, 10.10.2009 & 16.11.2009.

Date of the Board Meeting	Total No. of Directors	No. of Directors who attended
26.02.2009	3	3
13.04.2009	3	2
18.05.2009	3	2
19.06.2009	3	3
15.07.2009	3	2
28.08.2009	3	2
10.10.2009	3	2
16.11.2009	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 22nd July, 2009 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	5
Mr. Anoop Mohindra	5
Mr. Anand Agarwal	3

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 Managing Director and Executive Directors to attend all the meetings. During the year ended January 31, 2010, five meetings of the Audit Committee were held on the following dates:

- (i) February 26, 2009 (ii) May 18, 2009 (iii) June 19, 2009 (iv) August 28, 2009 and (v) November 16, 2009

Mr. Amit Khandelwal, Chairman of the Audit Committee has financial and accounting background and knowledge.

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 22nd July 2009.

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 alia include looking into the Investors complaints on transfer of shares, non receipt of Annual Accounts, non receipt of dividends declared etc. and the redressal thereof.

Composition and Attendance

Name	No. of Meetings Attended
Mr. Anand Agarwal	4
Mr. Amit Khandelwal	4
Mr. Anoop Mohindra	2

During the year ended January 31, 2010, Four meetings of the Investor Grievances Committee were held on the following dates:

(i) February 26, 2009 (ii) May 18, 2009 (iii) August 28, 2009 and (iv) November 16, 2009

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	3
b.	No. of complaints not resolved to the satisfaction of the shareholders.	NIL
c.	No. of pending share transfers as on January 31, 2010.	NIL

Mr. Bhusan Palande is the Compliance Officer of the Company.

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 and Mr. Anoop Mohindra. 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.

The Non-Executive Independent Directors are entitled for sitting fee as per below for every meeting of the Board or committee thereof. They are also reimbursed all traveling and other expenses incurred by them in connection with attending meetings of the Board of Directors or of Committees thereof or which they may otherwise incur in the performance of their duties as Directors.

Annual Remuneration paid / payable to the Managing Director for the financial year ended January 31, 2010 is given as under:

Name of the Director	Salary (inclusive of perquisites) Rs. In Lakhs	Service Contract
Mr. Anand Agarwal Managing Director	2.51	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.