

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	---
<p>@ 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.</p>						

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 alias 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.