

HITKARI INDUSTRIES LTD.

BOARD OF DIRECTORS

R.N. KHANNA

CHAIRMAN

AJAY KAPOOR

MANAGING DIRECTOR

USHA KAPOOR

DIRECTOR

LALIT KHANNA

DIRECTOR

SUNIL KAPOOR

DIRECTOR

AUDITORS

S.R.Kapur & Company
Chartered Accountants
New Delhi

BANKERS

State Bank of Bikaner & Jaipur
71-72 Laxmi Bhawan, Nehru Place
New Delhi-110019

REGD. OFFICE & WORKS

Plot No. 18, Sector-1, Industrial Area
Parwanoo-173220, Distt.-Solan (H.P.)

REGISTRAR & SHARE
TRANSFER AGENTS

RCMC SHARE REGISTRY (P) LTD.
B-106, Sector-2, NOIDA-201301
Ph : 0120-4015880, 4015886
Email-shares@rcmcdelhi.com

HITKARI INDUSTRIES LTD.

NOTICE

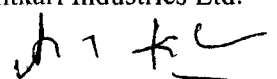
Noitce is hereby given that the Fourteen Annual General Meeting of the Members of Hitkari Industries Limited will be held at Hotel Windsmoor National, Sector-2, Parwanoo-173220, Distt.-Solan (H.P.) on Monday, the 29th September,2008 at 2 P.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet at 31st March, 2008 and the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Kapoor who retires by rotation and being eligible offers themself for reappointment.
3. To appoint Director in place of Shri Lalit Khanna who return by rotation being offer them self to reappointment.
4. To appoint Auditors and to fix their remuneration.
5. To any other business with the permission of the chair.

Place : Noida
Date : 29.08.08

By Order the Board
For Hitkari Industries Ltd.


(Ajay Kapoor)
Managing Director

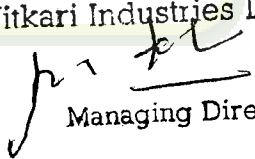
NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and Proxy need not be member of the Company. In order to be valid, proxy from should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
2. The register of Members and Share Transfer Books of the company will remain closed from 26th September, 2008 to 29th September,2008 (both day inclusive).
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

4. Members, who hold shares in dematerialized form, are requested to write their client ID and DP ID Numbers and those who hold shares in physical form, are requested to write Folio Numbers in the Attendance Slip for attending the meeting.
5. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered office of the Company during the office hours on all working days except Saturdays, between 11.00 A.M. and 1.00 P.M. up to and inclusive of the date of the Annual General Meeting.
6. Members are requested to notify immediately any change in their address to the Company's Registrar and Share Transfer Agents, M/s RCMC Share Registry Pvt. Ltd.
7. Members are requested to bring their copy of Annual Reports to the meeting.

Report  junction.com

For Hitkari Industries Ltd.


Managing Director

HITKARI INDUSTRIES LTD.

DIRECTORS REPORT

The Directors are pleased to present Fourteen Annual Report together with audited accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULT

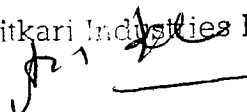
	(Rs. In Lac) <u>Current Year</u>	(Rs. In Lac) <u>Previous Year</u>
Sales & Operational Income	2984.60	3308.77
Gross Profit before Interest, Depreciation & Taxation	175.39	51.01
Depreciation and Taxation		
Less		
1) Interest	156.53	135.71
2) Depreciation	92.76	83.02
3) Provision for F.B.T.	5.20	5.00
Net Loss After Tax	(79.10)	(172.72)

OPERATIONS :

The working results of your company for the financial year ended 31st March, 2008 reflect loss for the year. The company has achieved total net income of Rs. 2984.60 Lac as compared to Rs. 3308.77 Lac in the previous year. Loss was Rs. 79.10 Lac as against Rs. 172.72 for the year after Tax for the last year. The loss is due to increase in raw material prices without comparative increase in selling prices.

DIVIDEND

In view of loss, the Directors are not recommending dividend for the financial year 2007-08.

For Hitkari Industries Ltd.

 Managing Director

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217 (2AA) of the Companies (Amendment) Act 2000, your Directors confirm :-

1. That in the preparation of the annual account for the financial year ended 31st March, 2008 the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the profit of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of 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.
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2008 on a going concern basis.

SUBSIDIARY COMPANY

In pursuance to Section 212 of the Companies Act, 1956, the audited statement of accounts along with the report of the Board of Directors of Terra Films (P) Ltd. Are annexed. Further pursuant to Accounting Standard AS-21 your Directors have pleasure in attaching the Consolidated Financial Statement as at 31st March, 2008 which form part of Annual Report and Accounts.

AUDITORS

M/s S.R. Kapur & Company, Chartered Accountants, New Delhi who retire at the ensuing Annual General meeting and being eligible offer themselves for reappointment. The company has received a certificate as required under Section 224 (IB) of the Companies Act, 1956 to the effect that their reappointment, if made, would be within the limits specified in that section.

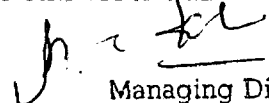
AUDITORS' REPORT

The Auditor's report as well as notes on accounts are self explanatory and do not require any further comments.

DEMATERIALISATION OF SHARES

The shares of the company are available for dematerialization with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL); As on 31st March, 2008, 2872050 equity shares representing 89.60 percent of the paid up equity shares of the company have been dematerialized.

For Hitkari Industries Ltd.


Managing Director

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Report on Corporate Governance along with the certificate of statutory auditors of the company forms part of this Annual Report. The management Discussion and Analysis Report also forms the part of this Annual Report.

LISTING AT STOCK EXCHANGES

The equity shares of the Company are listed on the Mumbai, Ludhiana & Calcutta Stock Exchange. Listing fees for Stock Exchange has been paid.

PARTICULARS OF EMPLOYEES

There was no employee who was covered under Section 217 (2A) of the Companies Act, 1956.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUT GO

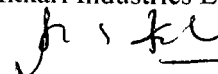
The details under Section 217 (1) (e) of the Companies Act, 1956 in respect of Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 to the extent of disclosure of particulars with respect to conservation of Energy and Technology absorption are not application to your company. Your company is constantly working for Research and Development as well as for technical absorption to improve its quality of production by innovation means. Total Foreign Exchange earning was Rs. 60.49 Lacs and foreign exchange outgo was Rs. Lacs during the year ended on 31st March, 2008.

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation and acknowledge with gratitude the support and cooperation extended by banks, Government Authorities, Customers, Employees By order of the Board.

Place : Noida
Date : 29.08.08

By Order the Board
For Hitkari Industries Ltd.



(Ajay Kapoor)
Managing Director

AUDITORS REPORT ON CORPORATE GOVERNANCE

To
The Members
Hitkari Industries Ltd.
Parwanoo
Himachal Pradesh

We have examined the compliance of conditions of Corporate Governance by Hitkari Industries Ltd. For the year ended on 31st March, 2008, as stipulated in Clause 49 the Listing Agreement of the said Company with Stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 based on the representations made by the Directors and Management, certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing Agreement.

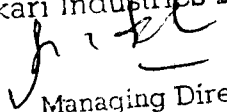
As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievance were pending for a period on of one month against the Company as per the records maintained by the Company.

We further state 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.R. Kapur & Co.

- Sd -
(D.K. Gupta)
Partner
Chartered Accountants

Place : New Delhi
Date : 29.08.2008

For Hitkari Industries Ltd.

Managing Director

CORPORATE GOVERNANCE REPORT

STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that good corporate governance strengthens the investors' trust and ensures a long term partnership that helps in achieving company's objectives. The company's philosophy on corporate governance lays strong emphasis on transparency, accountability and integrity.

BOARD OF DIRECTORS

(Composition and category of Directors)

Existing as on 31st March, 2008

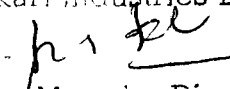
S.No. Name	Category	No. of Board Meeting held in financial year- 2007-08	No. of Meeting attended	No. of membership on the Board of other companies	Whether attended last AGM held on 29.09.07	Remarks
1. Mr. R.N. Khanna	Chairman	5	4	7	No.	
2. Mr. Ajay Kapoor	Managing Director (Executive)	5	5	8	Yes	
3. Mrs. Usha Kapoor	Director (Executive)	5	5	6	Yes	
4. Mr. Sunil Kapoor	Independent Director	5	4		No.	
5. Mr. L.N. Khanna	Independent Director	5	3		Yes	

Number of Board Meeting held and the dates on which held

Board meetings were held during the financial year.

S.No.	Date
i)	27.4.2007
ii)	30.7.2007
iii)	29.8.2007
iv)	30.10.2007
v)	31.1.2008

For Hitkari Industries Ltd.


Managing Director

AUDIT COMMITTEE

During the year under review two meetings of the Audit Committee were held

REMUNERATION COMMITTEE

During the year under review one meeting of the Remuneration Committee was held on

The company had paid remuneration to its Managing Director Mr. Ajay Kapoor in financial year 2007-08 as under :-

	(Amount in Rs.)
i) Basic Salary	7,20,000.00
ii) Rent Allowance	4,32,000.00
iii) Provident Fund	86,400.00
iv) Electricity & water	2,16,136.00
Total	14,54,536.00

The above remuneration paid to Mr. Ajay Kapoor is as per the approval of the members of the company. The appointments are for a fixed period. No stock options benefit is allowable. Gratuity is payable on severance.

BOARD PROCEDURE

The meetings of the Board of Directors are held at the Company's office. In few instances the Board Meetings were held at other places keeping in view the convenience of the Directors. The meetings are generally scheduled well in advance. The Board meets at least once a quarter to review the quarterly performance. The agenda for the meetings is prepared by the Company Executive in consultation with the Managing Director. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion.

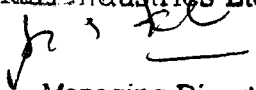
SHARE HOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

During the year 2007-08 Twelve meetings of the Shareholders/ Investors Grievance Committee were held.

The company has received few complaints from its shareholders which have been redressed and there were no pending complaint as on 31st March, 2008.

The Board has designated Mr. Ajay Kapoor, Director & Mr. Mohinder Bhasin, Asstt. Manager (Accts.) as Compliance Officer. M/s RCMC Share Registry Pvt. Ltd., Registrar and Share Transfer Agents, vide its certificate have confirmed that no investor grievance or complaint was pending.

For Hitkan Industries Ltd.


Managing Director