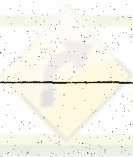


15TH ANNUAL REPORT

2008-2009

HITKARI INDUSTRIES LTD.

**PLOT NO.18, SECTOR-1, INDUSTRIAL AREA, PARWANOO, DISTT.
SOLAN (H.P.)**

report  junction.com

HITKARI INDUSTRIES LTD.

BOARD OF DIRECTORS

AJAY KAPOOR

MANAGING DIRECTOR

USHA KAPOOR

DIRECTOR

SATISH MALHOTRA

DIRECTOR

SUNIL KAPOOR

DIRECTOR

AJAY ANAND

DIRECTOR

AUDITOR

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
LTD.

RCMC SHARE REGISTRY (P)

TRANSFER AGENTS

B- 106, Sector- 2, Noida- 201301
Ph : 0120-4015880, 4015886
Email- shares@rcmcdelhi.com

HITKARI INDUSTRIES LIMITED**NOTICE**

Notice is hereby given that FIFTEENTH ANNUAL GENERAL MEETING of the Company will be held on Wednesday, 30th day of September 2009 at 2.00 P.M at Hotel Windsmoor National, Sector-2, Parwanoo- 173220, Distt.- Solan (H.P.) to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet at 31st March 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in the place of Mrs. Usha Kapoor, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.
3. To appoint auditors and fix their remuneration and in this regard to consider and if through fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT M/s Sudhir Sunil & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as the ordinary resolution:

“RESOLVED THAT Mr. Satish Chander Malhotra, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 during the year and whose term expires at this Annual General Meeting, and in respect of whose the Company has received the notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company liable to retire by rotation.”

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as the ordinary resolution:

“RESOLVED THAT Mr. Ajay Anand, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 during

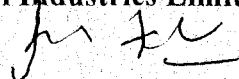
the year and whose term expires at this Annual General Meeting, and in respect of whose the Company has received the notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company liable to retire by rotation."

6. To any other business with the permission of the Chair.

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not to be a member of the company. In order to be valid, proxy form 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 2009 to 29th September 2009(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 DPID Numbers and those who hold shares in physical form, are requested to write Folio numbers in the Attendance Slip for attending the Meeting.
5. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed and the forms part of this notice.
6. 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. upto and inclusive of the date of the Annual General Meeting.
7. 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.
8. Members are requested to bring their copy of Annual Reports to the Meeting.

By the order of the Board
for **Hitkari Industries Limited**


(Ajay Kapoor)
Managing Director

Place: New Delhi
Date: 31st August 2009

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item no.4**

Mr. Satish Chander Malhotra was appointed as the Additional Director of the Company on 28th December 2008. Pursuant to Section 260 of the Companies Act, 1956, Mr. Satish Chander Malhotra will hold the office of the Director upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Mr. Satish Chander Malhotra office of the Director under the provisions of the Section 257 of the Companies Act, 1956.

Your Directors commend the resolution for your approval.

None of the Directors except Mr. Satish Chander Malhotra is interested in the proposed resolution.

Item no.5

Mr. Ajay Anand was appointed as the Additional Director of the Company on 28th December 2008. Pursuant to Section 260 of the Companies Act, 1956, Mr. Ajay Anand will hold the office of the Director upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Mr. Ajay Anand office of the Director under the provisions of the Section 257 of the Companies Act, 1956.

Your Directors commend the resolution for your approval.

None of the Directors except Mr. Ajay Anand is interested in the proposed resolution.

HITKARI INDUSTRIES LIMITED**DIRECTORS REPORT**

The Directors are pleased to present Fifteenth Annual Report together with audited accounts for the financial year ended 31st March 2009.

FINANCIAL RESULT

	(Rs. in Lac) <u>Current Year</u>	(Rs. In Lac) <u>Previous Year</u>
Sales & Operation Income	2736.76	2984.60
Gross Profit before Interest, Depreciation & Taxation	169.26	175.39
Depreciation and Taxation		
Less 1) Interest	174.00	156.53
2) Depreciation	95.10	92.76
3) Provision for Income Tax(net)	(8.06)	5.20
Net Loss After Tax	(91.78)	(79.10)

OPERATION:

The working result of your Company for the financial year ended 31st March, 2009 reflect loss for the year. The Company has achieved total net income of Rs.2736.76 Lacs as compared to Rs.2984.60 Lac in the previous year. Loss was Rs.91.78 Lacs as against Rs. 79.10 Lacs 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 2008-2009.

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 2009 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 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 2009 on a going concern basis.

SUBSIDIARY COMPANY

In pursuant 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. annexed. Further pursuant to Accounting Standard AS-21 your Directors have pleasure in attaching the Consolidated Financial Statement as at 31st March 2009 which form part of Annual Report and Account.

DIRECTORS

Mr. R.N.Khanna and Mr. Lalit Khanna resigned as the Director of the Company. The Board places on record its appreciation for the services rendered by them during their tenure as directors of the Company.

Mr. Satish Chander Malhotra and Mr. Ajay Anand were co-opted as Additional Directors of the Company and holds office upto the date of the ensuing Annual General Meeting. It was proposed to appoint them as Directors of the Company.

In accordance with the Articles of Association of the Company, Mrs. Usha Kapoor, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

COMPANY SECRETARY

Ms. Neeta Kamra, was appointed as Company Secretary.

AUDITORS

M/s S.R. Kapur & Company, Chartered Accountants, New Delhi who retire at the ensuring Annual General Meeting and they have expressed their inability to be appointed as Statutory Auditors of the Company.

The Company has received a letter from M/s. Sudhir Sunil & Co. Chartered Accountants consenting to be appointed as Statutory Auditors of the Company to hold office from the conclusion of the ensuring Annual General Meeting till the Conclusion of the next Annual General Meeting and their appointment if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

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 (CDSL).

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 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 EARNING & OUTGO

The detail 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 conservative of Energy and Technology absorption are not applicable 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. 168.75 Lacs and Foreign exchange outgo was Rs.2.18 Lacs during the year ended on 31st March 2009.

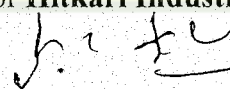
ACKNOWLEDGEMENT

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

PLACE: **NEW DELHI**

DATE: 31st August 2009

By Order the Board
For **Hitkari Industries Ltd.**


(Ajay Kapoor)
Managing Director

APUR & CO.

CHARTERED ACCOUNTANTS

R-289C, Greater Kailash-I,

New Delhi-110 048

Tel : 2646-4793, 4928

Fax : 91-11-2646-4771

Gram : 'KAPURCO'

E-mail: srkapurco@vsnl.com

: contact@srkapurco.com

AUDITOR'S REPORT

To the Members of
Hitkari Industries Limited
New Delhi

1. We have audited the attached Balance Sheet of **HITKARI INDUSTRIES LIMITED**, as at 31st March, 2009, and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We may mention that a Partner of the Firm is relative of a Director of the Company and the said Director has no shareholding in the company.
5. Further to our comments in the Annexure referred to above, we report that:-
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. 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.
 - iii. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies act, 1956;
 - v. On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.;

