

NOTICE TO MEMBERS

Notice is hereby given that the 17th Annual General Meeting of Kiduja Industries Limited will be held on Tuesday, the 30th September, 2003 at 11.00 a.m. at the Conference Hall, 18th Floor, 'C' wing, Mittal Tower, Nariman Point, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2003 and the audited Balance Sheet as at that date, together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Ashish D. Jaipuria, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

NOTES:

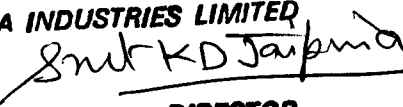
1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be duly completed, stamped, signed and received the Company not less than forty-eight hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 29th Sept.' 2003 to 30th Sept.' 2003, both days inclusive.

Registered Office :

113-C, Mittal Tower,
Nariman Point,
Mumbai-400 021.
30th June, 2003.

By Order of the Board of Directors


ASHISH D. JAIPURIA
Chairman

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KIDUJA INDUSTRIES LIMITED

DIRECTOR.

KIDUJA INDUSTRIES LIMITED**DIRECTORS' REPORT**

TO THE MEMBERS,

The Directors have pleasure to present their 17th annual report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2003.

Financial Results :

	2002-2003 Amount in Rs.	2001-2002 Amount in Rs.
Gross Profit	6,88,354	17,00,341
Less : a) Financial Expenses	5,74,620	1,51,008
b) Depreciation	4,17,373	4,17,373
c) Provision for Taxation - Current	NIL	4,40,000
- Deferred	(2,02,392)	74,294
Loss for the Year	(1,01,247)	6,17,666
Less : Transferred to special reserve	NIL	1,25,000
Deferred Tax Liability for earlier years	NIL	17,51,726
Add : Taxation adjustments of earlier years	1,917	8,712
Profit brought forward from previous year	<u>54,16,904</u>	<u>66,67,252</u>
Balance carried to Balance Sheet	<u>53,17,574</u>	<u>54,16,904</u>

Dividend : In view of loss during the year under review, the Board has not recommended any dividend.

Operations : During the year under review, Total Income was of Rs. 208.32 lakhs as compared to Rs. 39.31 lakhs during the previous year. The Company has shown net loss for the year of Rs. 1.01 lakhs as against net profit of Rs. 6.18 lakhs for the previous year.

Fixed Deposits : The Company has not invited or accepted any fixed deposits from the public, during the year under review. The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits.

Auditors' Observation : Observations in the Auditors' Report are self explanatory and need no further clarifications.

Compliance Certificate : (Pursuant to Section 383 A(1) of the Companies Act, 1956) A Certificate by a Company Secretary in whole-time practice is obtained. There are no reservations, qualifications or adverse remarks in their Compliance Certificate.

Directors : Mr. Ashish D. Jaipuria retires by rotation at the conclusion of the 17th Annual General Meeting and being eligible offers himself for re-appointment.

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KIDUJA INDUSTRIES LIMITED

Smt KD Jaipuria

DIRECTOR.

Directors' Responsibility Statement : As required under Section 217 of the Companies Act, the Directors hereby confirm that :

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- b) The Directors had selected such accounting policies and applied them consistently 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 at the end of the financial year and of the profit of the Company for that period ;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d) The Directors had prepared the annual accounts on a going concern basis.

Auditors : M/s. Lodha & Co., Chartered Accountants, the Company's Auditors retire at the conclusion of the ensuing Annual General Meeting. You are required to re-appoint them and to fix their remuneration.

Listing Fees : Listing fees for the year 2003-04 has been paid during the current financial year.

Particulars of Employees : Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (particulars of Employees) Rules, 1975, as amended, regarding employees is not applicable since no employee draws remuneration of Rs. 12,00,000/- per annum or Rs. 1,00,000/- per month for a part of the year.

The Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 :

- a) The Company not being a Manufacturing Company is advised that parts A & B pertaining to Conservation of Energy and Technology Absorption are not applicable to the Company.
- b) There is no Foreign Exchange Earning and Outgo during the year under review and in the previous year

Acknowledgement : Your Directors take this opportunity to place on record their gratitude for the confidence reposed, co-operation extended and participation in the growth of the Company by Bankers, Suppliers, Customers and Investors, and appreciation of the dedicated services of the employees of the Company.

For and on Behalf of the Board of Directors

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KIDUJA INDUSTRIES LIMITED
Smt KD Jaipuria
DIRECTOR.

A. D. Jaipuria
A. D. JAIPURIA
Chairman

Mumbai; 30th June, 2003

LODHA & COMPANY
CHARTERED ACCOUNTANTS

M/S. KIDUJA INDUSTRIES LIMITED

STATEMENTS OF ACCOUNT
FOR THE YEAR ENDED
31ST MARCH, 2003

6, KARIM CHAMBERS
40 AMBALAL DOSHI MARG
(HAMAM STREET)
MUMBAI 400 023

E-mail : mumbai@bdolodha.com

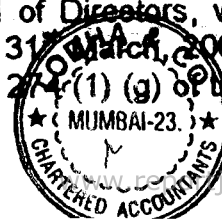
AUDITORS' REPORT

TO THE MEMBERS OF
KIDUJA INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of KIDUJA INDUSTRIES LIMITED as at 31st March, 2003 and also the Profit and Loss Account and the Cash Flow Statement 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 auditing standards generally accepted in India. These 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 Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the 'Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph (3) above :
 - (a) 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;
 - (b) 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 the books;
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the accounting standards referred to in Section 211(3C) of the Act, to the extent applicable;
 - (e) on the basis of written representations received from the directors as on 31st March, 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2003 from being appointed as a director in terms of Section 274(1) (g) of the

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- (f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts *subject to our comment at paragraph (g) below* and read together with Note no.6 regarding long term investment and other notes in Schedule 'P', and elsewhere in the accounts, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.
- (g) as required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998 and as per RBI notification No. DNBS.(PD).CC.No. 16/02.01/2000-01 dated 27.06.2001, we further report that, as explained by the management, efforts are being made to obtain the necessary registration form and getting the Company registered as a Non-Banking Finance Company (NBFC).



For LODHA & COMPANY
Chartered Accountants

Baradiya

(R. P. BARADIYA)
Partner

Mumbai, 30th June, 2003

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KIDUJA INDUSTRIES LIMITED

Smt KD Jaiswal
DIRECTOR.

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. As explained, physical verification of fixed assets was carried out by the management during the year at reasonable intervals. As informed, no discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. In our opinion, the rate of interest and other terms and conditions of unsecured loans taken / granted by the Company from / to the companies, firms and other parties listed in the register maintained under Section 301 of the Act are, prima facie, not prejudicial to the interest of the Company. The Company has not taken / granted any loans from / to companies under the same management within the meaning of Section 370(1-B) (non-operative) of the Act.
4. In the cases of loans or advances in the nature of loans given by the Company, the principal amounts and / or interest thereon, wherever applicable, are being generally recovered. As such, there are no specific stipulations for the recovery of principal amounts.
5. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase and sale of goods.
6. During the year, the Company has not accepted any deposit within the meaning of Section 58 A of the Act and rules framed thereunder and read with NBFC regulations issued by Reserve Bank of India from time to time. As explained, *the Company could not get itself registered with Reserve Bank of India as an NBFC as provided in Section 45 - IA of Reserve Bank of India Act, 1934 so far inspite of efforts being made in this regard.*
7. *The Company does not have any formal internal audit system.* However, as explained, effective internal controls are being exercised departmentally.
8. As explained to us, the provisions of the Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948 are not applicable to the Company.
9. There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31st March, 2003 for a period of more than six months from the date they became payable.

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KIDUJA INDUSTRIES LIMITED

Smt K D Jaiswal



10. On the basis of the examination of the books of account, the vouchers produced to us for our verification, the explanations given and representation made to us on our inquiries, the checks and controls relating to authorising the expenditure, on the basis of contractual obligations to the employees / directors, accepted business practice having regard to the Company's needs and exigencies, we have not come across any expenses charged to revenue, which, in our opinion and judgement and to the best of our knowledge and belief, could be regarded as personal expenses.
11. In respect of trading activities, the Company does not have any damaged goods at the year end.
12. All the shares and securities have been held by the Company in its own name.



For LODHA & COMPANY
Chartered Accountants

R. P. Baradiya
(R. P. BARADIYA)
Partner

Mumbai, 30th June, 2003

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KIDLAJI INDUSTRIES LIMITED.

Shri K D Jaisankar
DIRECTOR.