

NOTICE TO MEMBERS

Notice is hereby given that the 18th Annual General Meeting of Kiduja Industries Limited will be held on Thursday, the 30th September, 2004 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, 2004 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 Smt. K. D. Jaipuria, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

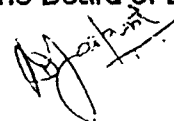
NOTES:

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 11th Oct.' 2004 to 12th Oct.' 2004, both days inclusive.

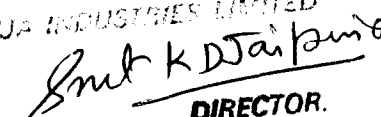
Registered Office :

113-C, Mittal Tower,
Nariman Point,
Mumbai-400 021.
30th June, 2004.

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 18th annual report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2004.

Financial Results :

	2003-2004	2002-2003
	Amount in	Amount in
	Rs.	Rs.
Gross Profit	37,63,178	6,88,354
Less : a) Financial Expenses	2,88,489	5,74,620
b) Depreciation	4,19,898	4,17,373
c) Provision for Taxation - Current	95,000	NIL
- Deferred	(94,970)	(2,02,392)
Profit for the Year	30,54,761	(1,01,247)
Less : Transferred to special reserve	2,11,000	NIL
Deferred Tax Liability for earlier years	NIL	NIL
Add/(Less) : Taxation adjustments of earlier years	(19,98,910)	1,917
Profit brought forward from previous year	53,17,574	54,16,904
Balance carried to Balance Sheet	<u>61,62,425</u>	<u>53,17,574</u>

Dividend : The management has decided that in the interest of the Company; profits earned during the year be retained for future growth.

Operations : During the year under review, Total Income was of Rs. 190.59 lakhs as compared to Rs. 206.32 lakhs during the previous year. The Company has shown net profit for the year of Rs. 30.55 lakhs as against net loss of Rs. 1.01 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 : The management of your Company has been making efforts for registration of the Company as Non Banking Finance Company (NBFC) with Reserve Bank of India, which is pending due to non availability of necessary registration form. The management is hopeful of resolving the matter as early as possible.

The other 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 : Smt. K. D. Jaipuria retires by rotation at the conclusion of the 18th Annual General Meeting and being eligible offers herself for re-appointment.

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KIDUJA INDUSTRIES LIMITED

Smt K D 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 2004-05 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. 24,00,000/- per annum or Rs. 2,00,000/- 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


A. D. JAIPURIA
Chairman

Mumbai; 30th June, 2004

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KIDUJA INDUSTRIES LIMITED

DIRECTOR.

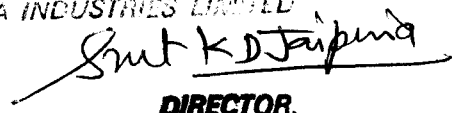
LODHA & COMPANY
CHARTERED ACCOUNTANTS

KIDUJA INDUSTRIES LIMITED

STATEMENTS OF ACCOUNT
FOR THE YEAR ENDED
31ST MARCH, 2004

6, KARIM CHAMBERS
40, HAMAM STREET
AMBALAL DOSHI MARG
MUMBAI 40023
E-mail: **mumbai@bdolodha.com**

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KIDUJA INDUSTRIES LIMITED


DIRECTOR.

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, 2004 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 have 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 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 (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, we report that :
 - (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 comply with the accounting standards referred to in Section 211(3C) of the Act, to the extent applicable;

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KIDUJA INDUSTRIES LIMITED

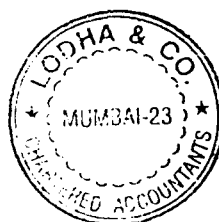
Smt KD Jaipuri
Kolkata ■ Mumbai ■ New Delhi ■ Jaipur ■ Chennai ■ Hyderabad ■ Bangalore
DIRECTOR



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- (e) on the basis of written representations received from the directors as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of Section 274 (1) (g) of the Act;
- (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 'O' 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, 2004;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows 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

R. P. Baradiya
(R. P. BARADIYA)
Partner
M. No. 44101.

Mumbai, 30th June, 2004

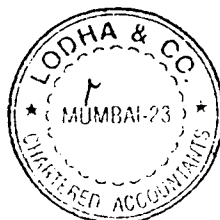
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KIDUJA INDUSTRIES LIMITED

Smt KD Jaipuriya
DIRECTOR.

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

1. The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals during the year and no discrepancies were noticed on such verification. No substantial part of the fixed assets has been disposed off by the Company.
2. During, the year, the Company has taken unsecured loan from 4 parties covered under Section 301 of the Act. The maximum loan outstanding during the year was Rs.3,19,20,000 and at the year end, the balance is NIL. The rate of interest and other terms and conditions on which loans have been taken are prima facie, not prejudicial to the interest of the Company. The Company has not granted, secured or unsecured, loan to parties covered under Section 301 of the Act.
3. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
4. There are no transactions that need to be entered into the register maintained under Section 301 of the Act.
5. 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.*
6. *The Company does not have any formal internal audit system. However, as explained, effective internal controls are being exercised departmentally.*
7. The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, and other material statutory dues applicable to it. There were no undisputed amounts outstanding as on 31-03-2004 for a period of more than six months from the date they became payable *except for investor education and protection fund amounting to Rs.29,470 (Since paid)*



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Smt KD Jayarama
DIRECTOR.

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8. According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute except for income tax dues aggregating to Rs.3,15,45,224/- against which appeals are pending with Commissioner (Appeals) and Appellate Tribunal .
9. The Company has kept adequate records of its transactions and contracts in respect of dealing in shares, securities and timely entries have been made therein. All the shares and securities have been held in the name of the Company.
10. The Company has not defaulted in repayments of dues to banks.
11. No fraud on or by the Company has been noticed or reported to/by us during the course of our audit.

For LODHA & COMPANY
Chartered Accountants



For carrying
(R. P. BARADIYA)
Partner
M. No. 44101.

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Mumbai, 30th June, 2004

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KIDUJA INDUSTRIES LIMITED

Smt K.D. Jaipuriya
DIRECTOR.