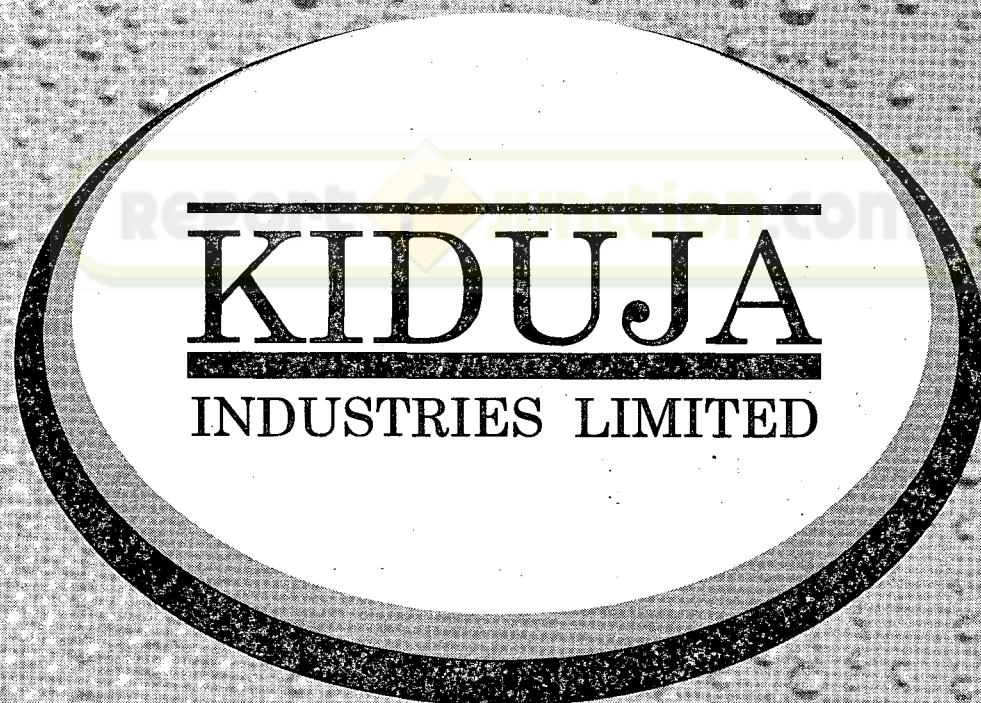


K-217

21ST
ANNUAL REPORT
2006-2007



KIDUJA

INDUSTRIES LIMITED

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BOARD OF DIRECTORS

Ashish D. Jaipuria	Chairman & Managing Director
Mrs. Kirti D. Jaipuria	Wholetime Director
O. P. Agarwal	Director

AUDITORS

M/s. Lodha & Co.
Chartered Accountants
Mumbai 400 023

BANKERS

CITI Bank N.A.
Fort,
Mumbai - 400 001

REGISTERED OFFICE

127 - B, Mittal Tower,
Nariman Point,
Mumbai - 400 021.
INDIA.

REGISTRARS AND SHARE TRANSFER AGENTS

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400 078.
Tel. : 91 - 22 - 25963838
Fax : 91 - 22 - 25946969
E-mail : isrl@intimespectrum.com

KIDUJA

INDUSTRIES LIMITED

NOTICE

Notice is hereby given that Twenty First Annual General Meeting of the members of Kiduja Industries Limited will be held on 29th September, 2007 at 11.00 a.m. at The Conference Hall, 18th Floor, 'C' Wing, Mittal Tower, Nariman Point, Mumbai - 400 021 to transact following business

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2007 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditor's Report thereon.
2. To appoint a Director in place of Mrs. Kirti D. Jaipuria, who retires by rotation and being eligible offers herself for re-appointment.
3. To reappoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 21 of the Companies Act, 1956 and subject to approvals such other authorities as may be required the name of the Company be and is hereby changed from

Kiduja Industries Limited
To
Kiduja India Limited.

"RESOLVED FURTHER THAT the clause I of the Memorandum of Association of the Company be and is hereby changed by incorporating new name of the Company."

"RESOLVED FURTHER THAT Mr. Ashish D. Jaipuria, Managing Director, be and is hereby authorized to sign this resolution for submission of the same with the Registrar of Companies, Maharashtra, Mumbai and to do all such acts, deeds and things as may be necessary in this regard."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT the Board of Directors be and is hereby authorised, pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, to borrow money, from time to time, at its discretion either from the Company's Bank or any other bank, financial institution or any other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in the aggregate Rupees One Thousand Crores notwithstanding that the money to be borrowed together with the money already borrowed by the company apart from temporary loan obtained from the Company's Bankers in the ordinary course of business, will exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 293(1)(e) of the Companies Act, 1956 and other applicable provisions, if any, the Board of Directors of the company, be and is hereby authorised to contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees from time to time in any financial year not exceeding Rupees Five Crores."

KIDUJA

INDUSTRIES LIMITED

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary and also to delegate above power to the Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

NOTES:

1. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business under item nos. 4 to 6 to be transacted at the meeting is annexed hereto.
2. 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 received at the registered office of the Company not less than 48 hours before the commencement of the General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th September, 2007 to 29th September, 2007 (both days inclusive).
4. Members are requested to bring their Attendance Slip alongwith with their copy of the Annual Report to the meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. All documents referred to in accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10.30 a.m. to 12.30 p.m. upto the date of the Meeting.
6. Members seeking the information with regards to the proposed resolutions are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready.

Registered Office:

127-B, Mittal Tower,
Nariman Point,
Mumbai – 400021.
31st August 2007.

By Order of the Board of Directors

Ashish D. Jaipuria
Managing Director

Annexure to the Notice

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 4:

The existing name of the company i.e. Kiduja Industries Limited passes the erroneous notion about business of the company to the public at large as if it is primarily a manufacturing company. It creates hurdles for expanding the business and seeking financial assistance from various avenues. Hence the management has decided to remove the word 'Industries' from name of the Company and to replace it with word 'India' to emphasis diverse nature of its activities.

Accordingly the Board had made an application to the Registrar of Companies, Maharashtra, Mumbai for approval of names and the said ROC has approved name, Kiduja India Limited.

As per the provisions of Sections 21 of the Companies Act, 1956, any alterations in name of the Company and thereby alteration in the name clause of Memorandum of Association of a Company requires the approval of Shareholders by way of a Special Resolution.

KIDUJA

INDUSTRIES LIMITED

The Board recommends the alteration to the Memorandum of Association of the Company, as proposed in the said resolution. None of the Directors of the Company are, in any way, concerned or interested in this resolution.

Item No. 5 :

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves. The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs.1000 Cröres.

The Board recommends the resolution for your approval.

None of the Directors of the Company are, in any way, concerned or interested in this resolution.

Item No. 6:

As per provision of section 293(1)(e) of the Companies Act, 1956, without prior approval of the members of the Company the Board of Directors of any Public Limited Company cannot contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year exceed Rs. 50,000/- or 5% of its average net profits as determined in accordance with the provisions of section 349 and 350 during the three financial years immediately preceding, whichever is greater.

Acknowledging your Company's responsibility towards Social Causes and other causes of Social utility your Directors recommend the resolution for your approval.

None of the Directors of the Company are, in any way, concerned or interested in this resolution.

Registered Office:

127-B, Mittal Tower,
Nariman Point,
Mumbai - 400021.
31st August 2007.

By Order of the Board of Directors

Ashish D. Jaipuria
Chairman

KIDUJA

INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure to present their 21st annual report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2007.

Financial Results :

	2006-2007	2005-2006
	Amount in	Amount in
	Rs.	Rs.
Gross Profit / (Loss)	(49,12,346)	7,04,91,474
Less :		
a) Financial Expenses	59,45,959	8,01,715
b) Depreciation	5,00,731	3,40,801
c) Provision for Taxation		2,35,00,000
- Current	—	12,000
- FBT	25,000	
- Deferred	(22,85,346)	(40,177)
Profit / (Loss) for the Year	(90,98,690)	4,58,77,135
Add/(Less) :		
Taxation adjustments of earlier years	34,95,391	63,775
Less :		
Transferred to special reserve	—	91,88,000
Profit/(Loss) brought forward from previous year	3,18,88,969	(48,63,941)
Balance carried to Balance Sheet	2,62,85,670	3,18,88,969

Transfer to reserves :

The Company has not transferred any amount to reserves.

Dividend :

In the absence of profits your directors do not recommend dividend for the year under review

Operations :

During the year under review, Total Income was of Rs.140.34 lakhs as compared to Rs. 799.42 lakhs during the previous year. The Company has shown net loss for the year of Rs.90.99 lakhs as against net profit of Rs. 458.77 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 :

With reference to auditors observation / qualifications it is submitted that those observations / comments are self-explanatory read together with notes on accounts.

Managerial Remuneration paid to executive directors of the Company is within the prescribed limits of part B of Schedule XIII to the Company's Act, 1956. The excess remuneration drawn by the Managing Director was refunded to the Company on 30th August, 2007

Directors :

Mrs. K. D. Jaipuria retires by rotation at the conclusion of the 21st Annual General Meeting and being eligible offers herself for re-appointment.

Directors' Responsibility Statement :

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- 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 ;
- 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 ;
- 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.

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 :

- 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.
- 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, Lenders and Investors, and appreciation of the dedicated services of the Employees of the Company.

Registered Office :
127-B, Mittal Tower,
Nariman Point,
Mumbai - 400021.
31st August 2007.

By Order of the Board of Directors

Ashish D. Jaipuria
Chairman

KIDUJA

INDUSTRIES LIMITED

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, 2007 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 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 (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 those 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;
 - (e) on the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 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 read together with note no. 4 (a) regarding the Company not being an NBFC as at the close of the year and note no.12 regarding excess managerial remuneration since recovered, in Schedule 'M' of "Significant Accounting Policies and Notes on Accounts" and other notes appearing in the said schedule and elsewhere in the financial statements, 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, 2007;
 - 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 flows of the Company for the year ended on that date.

For LODHA & COMPANY
Chartered Accountants

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

Mumbai, 31st August, 2007