

LODHA & COMPANY
CHARTERED ACCOUNTANTS

KIDUJA INDIA LIMITED

STATEMENTS OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

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

Phone: 91-22-22 69 1414 / 1515

Email : mumbai@lodhaco.com

NOTICE

NOTICE is hereby given that Twenty Second Annual General Meeting of the members of Kiduja India Limited will be held on 30th September, 2008 at 11.00 a.m. at The Conference Hall, 18th Floor, 'C' Wing, Mittal Tower, Nariman Point, Mumbai- 400021 to transact the following business-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit & Loss Account for the period ended same date together with the Reports of the Board of Directors and Auditors Report thereon.
2. To appoint a Director in place of Mr. Omprakash Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To reappoint Auditors and fix their remuneration.

Place : Mumbai
Date : 06th September, 2008

Registered Office:
127-B, Mittal Tower,
Nariman Point,
Mumbai- 400 021

**By order of the Board
For Kiduja India Limited**


**Ashish D. Jaipuria
Chairman**

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Instrument of Proxies in order to be effective must be received/deposited with the company at its registered office not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 29th September, 2008 to 30th September, 2008 (both days inclusive).
4. Members are kindly requested to immediately notify any change in their correspondence addresses immediately to the company.
5. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing to attend and vote on their behalf at the Meeting.
6. Members are requested to give their valuable suggestions for improvement of the services and are also advised to quote their E-mail Id's, telephone / facsimile no. for prompt reply of their communications.
7. All the documents referred to in the accompanying notice are available for inspection at the registered office of the Company on all the working days between 10.30 a.m to 12.30 p.m upto the date of the Annual General Meeting.
8. Members seeking the information with regards to the proposed resolutions are requested to write to the Company at least 10 days in advance so as to enable the management to keep the information ready.

Directors Report
To Members of Kiduja India Limited

Your directors present herewith the Twenty Second Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

| FINANCIAL RESULTS | (Rs. in Lakhs) | |
|---|---|---|
| | For the year ended 31st March, 2008 | For the year ended 31st March, 2007 |
| Total Income | 11,815.37 | 140.34 |
| Total Expenditure | 11,215.71 | 203.32 |
| Profit / (Loss) before Depreciation | 599.66 | (62.98) |
| Less : Depreciation | 12.30 | 5.00 |
| Profit/(Loss) before Tax | 587.36 | (67.98) |
| Less: Tax liability including Deferred Tax, STT and Wealth Tax | 196.49 | 22.75 |
| Less: Fringe Benefit Tax | 0.48 | 0.25 |
| PROFIT /(LOSS) FOR THE YEAR | 390.39 | (90.98) |
| Add: Excess provisions of Tax for the earlier years (Net) | 5.91 | 34.95 |
| Net Profit/ (Loss) | 396.30 | (56.03) |
| Profit / (Loss) brought forward from previous year | 358.90 | 318.89 |
| Add/(Less) : Transferred from / to Special Reserve | (79.26) | 96.04 |
| Balance Carried to Balance sheet | 675.94 | 358.90 |

OPERATIONS

During the year under review Company has made substantial effort in its business operations and has generated total revenue of Rs. 11815.37 lacs . However inspite of the sizeable increase in the costs, the Company has generated profits amounting to Rs. 396.30 lakhs.

TRANSFER TO SPECIAL RESERVE

The Company has transferred a sum of Rs.79.26 Lacs to Special Reserves during the year under review. The credit balance of Profit and Loss Account has been transferred to Balance Sheet under the head "Reserves and Surplus".

DIVIDEND

In the view of deployment of earnings in the business and thereby increase the revenues , your directors do not recommend dividend for the year under review.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 during the period under review.

DIRECTOR

Mr. Omprakash Agarwal is a directors retiring by rotation and offers himself for the reappointment. Your directors recommend his reappointment. Mr. Ashish D. Jaipuria and Mrs. Kirti Jaipuria continue to be directors on the Board.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees drawing remuneration of Rs. 24,00,000/- p.a. or Rs. 2,00,000/- p.m. or more. Hence there is no information to be provided in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

DISCLOSURE UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

The particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure-I to this Directors Report.

AUDITORS:

M/s. Lodha and Company, Chartered Accountants, the statutory auditors of the Company, retires at the ensuing annual general meeting and being eligible to offer themselves for re-appointment. Your directors recommend their reappointment.

SECRETARIAL COMPLIANCE CERTIFICATE

Pursuant to the provisions of Section 383A of the Companies Act, 1956 read with Companies (Appointment & Qualification of Secretary) Rules, 1988, Company has obtained a Certificate from a Company Secretary in Whole Time Practice and is attached with the Board's Report.

AUDITOR'S OBSERVATIONS

Observations in Auditor's Report are self explanatory and do not need further comments from directors in this report.

DIRECTORS RESPONSIBILITY STATEMENT


In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 the directors confirm:

- i. that in preparation of the Annual Accounts for the year ended 31st March, 2008 the applicable accounting standards have been followed and that no material departure have been made from the same.
- ii. 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 true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- iv. That the directors had prepared the annual accounts on a going concern basis

ACKNOWLEDGMENT

Your directors wish to place on record their appreciation for the support and cooperation, which the Company continues to receive from its clients, employees, bankers and associates of the Company for their co-operation and assistance. The directors are also grateful to the shareholders for their plentiful support to the Company.

For and on behalf of Board of Directors



Chairman

Date: 06th September, 2008

Place: Mumbai

ANNEXURE I

I. CONSERVATION OF ENERGY:

- (a) Energy conservation measures taken – NIL
- (b) Additional investments and proposals if any, being implemented for reduction of consumption of energy – NIL
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – NIL
- (d) Total energy consumption and energy consumption per unit of production – N.A.

FORM-A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

- A. Power and fuel consumption: NIL
- B. Consumption per unit of production: NIL

II. TECHNOLOGY ABSORPTION

FORM-B: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION ETC.,

- I Research and Development: NIL
- II Technology Absorption, Adaptation and Innovation: NIL

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

- I. Earnings in Foreign Exchange during the year : NIL
- II. Foreign Exchange outgo during the year : NIL

For and on behalf of Board of Directors



Chairman

Date: 06th September, 2008
Place: Mumbai

AUDITORS' REPORT

TO THE MEMBERS OF
KIDUJA INDIA LIMITED

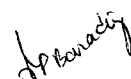
1. We have audited the attached Balance Sheet of KIDUJA INDIA LIMITED as at 31st March, 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility 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;

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- (e) on the basis of written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 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. 3 (a) in Schedule 'P' of "Significant Accounting Policies and Notes on Accounts" regarding the Company commencing its NBFC activities prior to receiving of the necessary approval 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, 2008;
 - 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.

For LODHA & COMPANY
Chartered Accountants



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

Mumbai, 06th September, 2008

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN
DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2008 OF KIDUJA INDIA LIMITED.**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) All fixed assets have been physically verified by the management at reasonable intervals during the year and no discrepancies were noticed on such verification.

c) No substantial part of the fixed assets has been disposed off during the year.
2. The Company is Non-Banking Financial Company ('NBFC') primarily engaged in the business of securities and does not hold any physical inventories. Therefore, the provisions of Clause 4 (ii) of the Order are not applicable to the Company.
3. a) During the year the Company has taken interest free loans from two directors of the Company, terms and conditions whereof, are prima facie, not prejudicial to the interest of the Company. Maximum amount due during the year Rs.3,71,00,000 and year end balance is Rs. Nil.

b) During the year, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. There is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets except as stated in Note No.7 below. During the course of our audit, no major weaknesses have been noticed in the internal control system.
5. According to the information and explanations given to us, there were no contract or agreement entered during the year that need to be entered in the register in pursuance of Section 301 of the Act.
6. During the year, the Company has not accepted any deposit within the meaning of Section 58A, 58AA and other relevant provisions of the Act and rules framed thereunder and read with NBFC regulations issued by Reserve Bank of India from time to time. (Also refer Note No.3 (a) of Schedule 'P')
7. The Company does not have any formal internal audit system. However, as explained, effective internal control are being exercised departmentally.
8. In respect of Companies activities, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Act.

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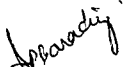
9. a) According to the records of the Company, it is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Cess and other material statutory dues with the appropriate authorities. There are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2008 for a period of six months from the date they became payable except fringe benefit tax amounting to Rs.21,500.
- b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit but has incurred cash loss in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks.
12. During the year, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual fund benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
14. 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.
15. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.

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17. According to the information and explanations given to us and on an overall examination of cash flow statement and balance sheet of the Company, short term fund of Rs.13,97,13,803 have been used for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. During the year, the Company has not raised any money by way of issue of debentures.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For LODHA & COMPANY
Chartered Accountants


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

Mumbai, 06th September, 2008

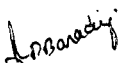
KIDUJA INDIA LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

| | SCHEDULE | AS AT 31-Mar-2008 Rs. | AS AT 31-Mar-2007 Rs. |
|--|----------|-----------------------------|-----------------------------|
| FUNDS EMPLOYED : | | | |
| SHAREHOLDERS' FUNDS : | | | |
| Share Capital | A | 17,150,000 | 17,150,000 |
| Reserves & Surplus | B | 78,725,558 | 39,095,247 |
| LOAN FUNDS : | | | |
| Secured Loans | C | 709,220,118 | 50,000,000 |
| Unsecured Loans | D | 85,956,509 | - |
| DEFERRED TAX LIABILITY (Refer Note No.14 of Schedule 'P') | | 6,650,172 | 319,660 |
| TOTAL | | <u>897,702,358</u> | <u>106,564,907</u> |
| APPLICATION OF FUNDS : | | | |
| FIXED ASSETS : | | | |
| Gross Block | E | 63,697,244 | 73,500,590 |
| Less : Depreciation | | <u>1,561,161</u> | <u>3,871,468</u> |
| Net Block | | 62,136,083 | 69,629,122 |
| INVESTMENTS | F | 882,673,396 | 16,673,500 |
| CURRENT ASSETS, LOANS AND ADVANCES : | | | |
| Inventories | G | 2,794,645 | - |
| Cash and Bank Balances | H | 504,901 | 11,579,397 |
| Loans and Advances | I | <u>36,976,831</u> | <u>13,365,265</u> |
| | | 40,276,377 | 30,944,662 |
| LESS : CURRENT LIABILITIES AND PROVISIONS : | | | |
| Current Liabilities | J | 76,886,925 | 9,498,627 |
| Provisions | | <u>10,496,573</u> | <u>1,183,750</u> |
| | | 87,383,498 | 10,682,377 |
| NET CURRENT ASSETS / (LIABILITIES) | | (47,107,121) | 20,262,285 |
| TOTAL | | <u>897,702,358</u> | <u>106,564,907</u> |
| PARTICULARS AS PER NBFC DIRECTIONS | O | | |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | P | | |
| SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS | | | |


AS PER OUR ATTACHED REPORT OF EVEN DATE

For LODHA & COMPANY
Chartered Accountants


(R.P. BARADIYA)
Partner

Mumbai: 06th September, 2008

For and on behalf of the Board of Directors


K. D. JAIPURIA
Director


A. D. JAIPURIA
Managing Director

KIDUJA INDIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

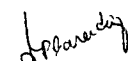
| | SCHEDULE | YEAR ENDED 31-Mar-2008 Rs. | YEAR ENDED 31-Mar-2007 Rs. |
|---|----------|----------------------------------|----------------------------------|
| INCOME : | | | |
| Income from Operations | K | 1,171,153,944 | 14,025,621 |
| Other Income | L | 7,588,356 | 8,645 |
| Increase / (Decrease) in Stock | | 2,794,645 | - |
| | | <u>1,181,536,945</u> | <u>14,034,266</u> |
| EXPENDITURE : | | | |
| Purchase of Shares | | 1,054,250,039 | - |
| Loss on Trading in Derivatives (net) | | 32,166,146 | - |
| Selling, Administrative and Other Expenses | M | 8,909,340 | 14,385,905 |
| Interest | N | 26,245,156 | 5,945,959 |
| Depreciation | | 1,230,611 | 500,731 |
| | | <u>1,122,801,292</u> | <u>20,832,595</u> |
| Profit / (Loss) Before Tax | | 58,735,653 | (6,798,329) |
| Taxation : | | | |
| Securities Transaction Tax | | 3,110,495 | 4,560,707 |
| Current Tax | | 10,200,000 | - |
| Wealth Tax | | 8,100 | - |
| Deferred Tax Liability/(Assets) | | 6,330,513 | (2,285,346) |
| Fringe Benefit Tax | | 47,500 | 25,000 |
| PROFIT / (LOSS) FOR THE YEAR | | 39,039,045 | (9,098,690) |
| Excess Provisions of Tax for earlier years written back | | 591,266 | 3,495,391 |
| NET PROFIT / (LOSS) | | 39,630,311 | (5,603,299) |
| Less : Transferred to Special Reserve (Refer Note No. 3 (b) in schedule 'P') | | 7,926,000 | - |
| Balance of Profit brought forward from previous year | | 35,889,670 | 31,888,969 |
| Amount Transferred from Special Reserve | | - | 9,604,000 |
| Balance carried to the Balance Sheet | | 67,593,981 | 35,889,670 |
| Basic and Diluted earnings per Equity Share | | 23.11 | (3.27) |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | P | | |

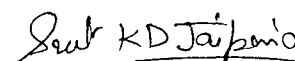
SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS

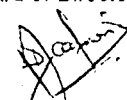
AS PER OUR ATTACHED REPORT OF EVEN DATE

For LODHA & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors


(R. P. BARADIYA)
Partner


K. D. JAIPURIA
Director


A. D. JAIPURIA
Managing Director

Mumbai; 06th September, 2008

KIDUJA INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

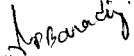
| | | YEAR ENDED 31-03-08 | | YEAR ENDED 31-03-07 |
|--|--------------|------------------------|-------------|------------------------|
| | Rs. | Rs. | Rs. | Rs. |
| A. Cash Flow from Operating Activities | | | | |
| Net Profit / (Loss) before Tax | | 58,735,653 | | (11,359,036) |
| Adjustments for : | | | | |
| Depreciation | 1,230,611 | | 500,731 | |
| Interest Received | (334,195) | | (3,333,166) | |
| Interest Paid | 26,245,156 | | 5,945,959 | |
| Dividend Income | (2,996,465) | | (390) | 3,113,134 |
| Profit on Sale of Fixed Assets | (7,533,202) | 16,611,905 | | |
| Operating profit before working capital changes | | 75,347,558 | | (8,245,902) |
| Adjustments for : | | | | |
| (Increase)/Decrease in Inventories | (2,794,645) | | | |
| (Increase)/Decrease in Trade and Other Receivables | (18,583,895) | | (233,458) | |
| Increase/(Decrease) in Trade Payables | 67,217,928 | 45,839,388 | 5,594,358 | 5,360,900 |
| Cash generated / (used) in Operations | | 121,186,946 | | (2,885,002) |
| Less: | | | | |
| Direct Taxes paid | | (328,982) | | (629,622) |
| Net Cash Generated / (Used) in Operating ActivitiesA | | 120,857,964 | | (3,514,624) |
| B. Cash Flow from Investing Activities | | | | |
| Purchase of Fixed Assets | | (2,579,370) | | (60,601,793) |
| Sale of Fixed Assets | | 16,375,000 | | - |
| Purchase of Investment | | (865,999,896) | | (6,813,000) |
| Dividend Received | | 2,996,465 | | 390 |
| Net Cash from / (used) in Investing ActivitiesB | | (849,207,801) | | (67,414,403) |
| C. Cash Flow from Financing Activities | | | | |
| Secured Loan Received/ (Paid) | | 659,220,118 | | 49,856,547 |
| Unsecured Loan Received/(Paid) | | 85,956,509 | | |
| Interest Paid | | (28,235,481) | | (1,847,390) |
| Interest Received | | 334,195 | | 754,667 |
| Net Cash from / (used) in Financing ActivitiesC | | 717,275,341 | | 48,763,824 |
| Net increase/(Decrease) in cash and cash equivalents | | (11,074,496) | | (22,165,203) |
| TOTAL (A+B+C) | | | | |
| Cash and cash equivalents (Opening Balance) | | 11,579,397 | | 33,744,600 |
| Cash and cash equivalents (Closing Balance) | | 504,901 | | 11,579,397 |
| Cash & cash equivalents include : | | | | |
| a) Cash in Hand | | 29,326 | | 25,172 |
| b) Balance with Scheduled Banks | | 475,575 | | 11,554,225 |
| | | 504,901 | | 11,579,397 |

1) The cash flow statement has been prepared using the indirect method as prescribed by Accounting Standard AS-3 on Cash Flow Statement.

2) Previous year's figures have been regrouped/rearranged wherever necessary, to conform to the current year's presentation.

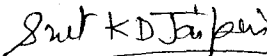
AS PER OUR ATTACHED REPORT OF EVEN DATE

For LODHA & COMPANY
Chartered Accountants


(R.P. BARADIYA)
Partner

Mumbai, 04th September, 2008.

For and on behalf of the Board of Directors


K. D. JAIPURIA
Director


A. D. JAIPURIA
Managing Director

KIDUJA, INDIA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

| SCHEDULES | Rs. | AS AT 31-Mar-2008 Rs. | AS AT 31-Mar-2007 Rs. |
|--|-----|-----------------------------|-----------------------------|
| SCHEDULE 'A' | | | |
| SHARE CAPITAL | | | |
| AUTHORISED | | | |
| 1,750,000 Equity Shares of Rs. 10 each | | 17,500,000 | 17,500,000 |
| ISSUED, SUBSCRIBED & PAID-UP | | | |
| 1,715,000 Equity Shares of Rs. 10 each; fully paid-up | | 17,150,000 | 17,150,000 |
| SCHEDULE 'B' | | | |
| RESERVES & SURPLUS | | | |
| a) Capital Reserve No. 1 (Arising upon amalgamation of a company) As per last Balance Sheet | | 605,577 | 605,577 |
| b) Capital Reserve No. 2 (Arising on re-issue of forfeited shares) As per last Balance Sheet | | 650,000 | 650,000 |
| c) Securities Premium Account As per last Balance Sheet | | 1,950,000 | 1,950,000 |
| d) Special Reserve As per last Balance Sheet | | - | 9,604,000 |
| Add/(Less) : Transferred from/(to) Profit & Loss Account (Refer Note No. 3 (b) In Schedule 'P') | | 7,926,000 | (9,604,000) |
| | | 7,926,000 | - |
| e) Profit and Loss Account As per annexed Account | | 67,593,981 | 35,889,670 |
| | | 78,725,558 | 39,095,247 |
| SCHEDULE 'C' | | | |
| SECURED LOANS | | | |
| From Bank | | | |
| Term Loan (Refer Note No.6 (a) In Schedule 'P') | | 46,220,118 | 50,000,000 |
| From a body corporate (Refer Note No.6 (b) in Schedule 'P') | | 663,000,000 | - |
| | | 709,220,118 | 50,000,000 |
| SCHEDULE 'D' | | | |
| UNSECURED LOANS | | | |
| Short Term - From a body corporate | | 85,956,509 | - |

KIDUJA INDIA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'E'
FIXED ASSETS

| ITEMS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------------------|--------------------------|-------------------------------------|--------------------------------------|--------------------------|-------------------------|------------------------|--------------------|-------------------------|--------------------------|--------------------------|
| | As on 01-04-07 Rs. | Additions during the year Rs. | Deductions during the year Rs. | As on 31-03-08 Rs. | Upto 31-03-07 Rs. | For the year Rs. | Adjustments Rs. | Upto 31-03-08 Rs. | As on 31-03-08 Rs. | As on 31-03-07 Rs. |
| BUILDING * | 70,971,243 | - | 10,800,250 | 60,170,993 | 2,699,977 | 1,009,726 | 2,626,807 | 1,082,896 | 59,088,097 | 68,271,266 |
| OFFICE EQUIPMENT | 388,869 | - | 31,814 | 357,055 | 200,007 | 16,960 | 23,600 | 193,367 | 163,688 | 188,862 |
| COMPUTERS | 387,026 | - | 202,000 | 185,026 | 269,129 | 29,993 | 191,900 | 107,222 | 77,804 | 117,897 |
| FURNITURE & FITTINGS | 739,003 | - | 334,203 | 404,800 | 364,114 | 25,624 | 328,158 | 61,580 | 343,220 | 374,889 |
| VEHICLES ** | 1,014,449 | 2,579,370 | 1,014,449 | 2,579,370 | 338,241 | 148,308 | 370,453 | 116,096 | 2,463,274 | 676,208 |
| TOTAL | 73,500,590 | 2,579,370 | 12,382,716 | 63,697,244 | 3,871,468 | 1,230,611 | 3,540,918 | 1,561,161 | 62,136,083 | 69,629,122 |
| PREVIOUS YEAR | 12,898,797 | 60,601,793 | - | 73,500,590 | 3,370,737 | 500,731 | - | 3,871,468 | 69,629,122 | |

* Includes 20(previous year - 25) shares of Rs. 50 each of a (Previous year - two) Co-operative Society representing beneficial rights, interest and title in commercial premises owned by the Company.

** Registered in the name of a Director on behalf of the Company.

KIDUJA INDIA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

| SCHEDULES | AS AT 31-Mar-2008 Rs. | AS AT 31-Mar-2007 Rs. |
|--|----------------------------------|--|
| SCHEDULE 'F' | | |
| INVESTMENTS | | |
| LONG TERM, NON TRADE AND UNQUOTED | | |
| A. Units of Venture Capital Funds | | |
| Kotak Alternate Opportunities India Fund | 370,000,000 | |
| 2,394.82 (NIL) Kotak India Real Estate Fund 1 (Face Value Rs.100000 per unit; fully paid up) | 239,482,293 | |
| 250,000.00 (NIL) Kotak India Growth Fund (Face Value Rs.1000 per unit; partly paid up Rs.900) | 226,012,603 | |
| 4,000.00 (NIL) Kotak India Growth Fund II (Face Value Rs.100000 per unit; partly paid up Rs.3000) | 12,000,000 | |
| 60,000.00 (NIL) Kotak India Venture Fund 1 (Face Value Rs.1000 per unit; partly paid up Rs.300) | 18,000,000 | |
| | <u>865,494,896</u> | |
| B. Equity shares of Rs.10 each fully paid up | | |
| 425,000 (374,500) Future Focus Infotech Pvt. Ltd. | 17,093,000 | 16,588,000 |
| C. Time Share Licence of Sterling Resorts (India) Ltd. | 85,500 | 85,500 |
| | <u>882,673,396</u> | <u>16,673,500</u> |
| SCHEDULE 'G' | | |
| INVENTORIES | | |
| Closing Stock | <u>2,794,645</u> | - |
| SCHEDULE 'H' | | |
| CASH & BANK BALANCES | | |
| Cash in hand | 29,326 | 25,172 |
| Balance with Scheduled Banks in : Current Accounts | <u>475,575</u> <u>504,901</u> | <u>11,554,225</u> <u>11,579,397</u> |
| SCHEDULE 'I' | | |
| LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received (Refer Note No.12 in Schedule 'P') | 15,592,510 | 15,758,000 |
| Initial Margin - Equity Derivative Instrument | 21,276,002 | - |
| Mark to Market Margin - Equity Stock Futures | 862,972 | - |
| Less : Provision for Loss on Mark to Market Margin - Equity Stock Futures | (862,972) | - |
| Interest Receivable | 51,882 | 2,578,499 |
| Deposits | 56,437 | 56,437 |
| Advance Income Tax & Tax deducted at Source (Net of Provision of Rs.NIL ; Previous year Rs.2,20,00,000) | - | 972,329 |
| | <u>36,976,831</u> | <u>19,365,265</u> |

KIDUJA INDIA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

| SCHEDULES | AS AT 31-Mar-2008 Rs. | AS AT 31-Mar-2007 Rs. |
|---|-----------------------------|-----------------------------|
| SCHEDULE 'J' | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| A. CURRENT LIABILITIES | | |
| Sundry Creditors | 72,106,832 | 7,851,240 |
| (Refer Note No.9 in Schedule 'P' relating to amount due to Micro, Small and Medium Enterprises) | | |
| Interest Accrued but not due | 378,748 | 384,409 |
| Other Liabilities | 4,401,345 | 1,262,978 |
| | <u>76,886,925</u> | <u>9,498,627</u> |
| B. PROVISIONS | | |
| For Fringe Benefit Tax | 47,500 | 25,000 |
| For Retirement Benefits : Gratuity | 1,131,833 | 990,000 |
| For Leave Entitlement | 343,750 | 168,750 |
| For Wealth Tax | 8,100 | - |
| For Taxation | 8,965,387 | - |
| (Net of Advance Tax of Rs.36,43,613 ; Previous year Rs.NIL) | | |
| | <u>10,496,573</u> | <u>1,183,750</u> |

KIDUJA INDIA LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

| SCHEDULES | YEAR ENDED 31-Mar-2008 Rs. | YEAR ENDED 31-Mar-2007 Rs. |
|--|----------------------------------|----------------------------------|
| SCHEDULE 'K' INCOME FROM OPERATIONS | | |
| Sale of Shares | 1,167,381,130 | - |
| Profit on redemption of units of Venture Capital Fund (Refer Note No.4 in Schedule 'P') | 497,308 | - |
| Dividend - On long term investments | 2,996,465 | 390 |
| Interest Received (TDS Rs.61,884 ; Previous Year Rs.7,46,022) | 279,041 | 3,324,521 |
| Profit on Sale of Current (Short Term) Investments | - | 5,840,860 |
| Profit on Trading in Derivatives (Net) | - | 4,859,850 |
| | <u>1,171,153,944</u> | <u>14,025,621</u> |
| SCHEDULE 'L' OTHER INCOME | | |
| Profit on Sale of Fixed Assets | 7,533,202 | - |
| Interest on Income Tax Refund | 55,154 | 8,645 |
| | <u>7,588,356</u> | <u>8,645</u> |
| SCHEDULE 'M' SELLING, ADMINISTRATIVE AND OTHER EXPENSES | | |
| Salaries, Bonus & other allowances | 4,209,331 | 5,014,843 |
| Staff Welfare Expenses | 20,217 | 8,664 |
| Brokerage & Transaction Charges | - | 7,496,896 |
| Insurance | 43,819 | 17,545 |
| Rates and Taxes | - | 21,811 |
| Donation | 510,000 | - |
| Legal & Professional Charges | 2,166,250 | 630,431 |
| Auditors' Remuneration : | | |
| Audit Fees | 175,000 | 125,000 |
| Tax Audit Fees | 25,000 | 25,000 |
| Certification/Management Services | 78,652 | - |
| Out of Pocket Expenses / Service Tax | 39,956 | 22,165 |
| Repairs & Maintenance - Building | 132,203 | 141,164 |
| - Others | 22,224 | 16,216 |
| Miscellaneous Expenses | 1,486,688 | 866,170 |
| | <u>8,909,340</u> | <u>14,385,905</u> |
| SCHEDULE 'N' INTEREST | | |
| On Term Loan | 7,129,645 | 528,922 |
| On Secured Loans | 19,115,511 | 5,417,037 |
| | <u>26,245,156</u> | <u>5,945,959</u> |

KIDUJA INDIA LIMITED

SCHEDULE 'O' :

SCHEDULE TO THE BALANCE SHEET OF NON-DEPOSIT TAKING NON-BANKING FINANCIAL BANKING COMPANY (AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTONS, 2007)

| | | (Amt. in Rs.) | |
|-----|--|--------------------|----------------|
| | Particulars | Amount Outstanding | Amount Overdue |
| | Liabilities side | | |
| (1) | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid : | | |
| | (a) Debentures : Secured | Nil | |
| | Unsecured | Nil | |
| | (other than falling within the meaning of public deposits) | | |
| | (b) Deferred Credits | Nil | |
| | (c) Term Loans – from Bank | 46,220,118 | |
| | (d) Inter-corporate loans and borrowing | Nil | |
| | (e) Commercial Paper | Nil | |
| | (f) Public Deposits | Nil | |
| | (g) Other Loans (specify nature) – From Two Companies | 748,956,509 | |
| | Assets side : | Amount outstanding | |
| (2) | Break-up of Loans and Advances including bills receivables [other than those included in (3) below] : | | |
| | (a) Secured | 709,220,118 | |
| | (b) Unsecured | 85,956,509 | |
| (3) | Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (net of provision) | | |
| | (i) Lease assets including lease rentals under sundry debtors : | | |
| | (a) Financial lease | Nil | |
| | (b) Operating lease | Nil | |
| | (ii) Stock on hire including hire charges under sundry debtors : | | |
| | (a) Assets on hire | Nil | |
| | (b) Repossessed Assets | Nil | |
| | (iii) Other loans counting towards AFC activities : | | |
| | (a) Loans where assets have been repossessed. | Nil | |
| | (b) Loans other than (a) above | Nil | |

| | | |
|-----|---|--|
| (4) | <p><u>Break-up of Investments :</u></p> <p><u>Current Investments :</u></p> <p>1. <u>Quoted :</u></p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)</p> <p>2. <u>Unquoted :</u></p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)</p> <p><u>Long Term investments :</u></p> <p>1. <u>Quoted :</u></p> <p>(i) Share : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)</p> <p>2. <u>Unquoted :</u></p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify) - Units of Venture Capital Fund</p> | <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>17,093,000</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>865,494,896</p> |
|-----|---|--|

| | | | | |
|-------|---|--|------------|--------------------------------|
| (5) | Borrower group-wise classification of all assets financed as in (2) and (3) above. | | | |
| | Category | Amount net of provisions | | |
| | | Secured | Unsecured | Total |
| | 1. Related Parties | | | |
| | (a) Subsidiaries | Nil | Nil | Nil |
| | (b) Companies in the same group | Nil | Nil | Nil |
| | (c) Other related parties | Nil | Nil | Nil |
| | 2. Other than related parties | 709,220,118 | 85,956,509 | 795,176,627 |
| | Total | 709,220,118 | 85,956,509 | 795,176,627 |
| | | | | |
| (6) | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : | | | |
| | Category | Market Value / Break up or fair value or NAV | | Book Value (Net of Provisions) |
| | | | | |
| | 1. Related Parties | | | |
| | (a) Subsidiaries | Nil | Nil | Nil |
| | (b) Companies in the same group | Nil | Nil | Nil |
| | (c) Other related parties | Nil | Nil | Nil |
| | 2. Other than related parties | 15,725,000 | | 17,093,000 |
| | Total | 15,725,000 | | 17,093,000 |
| (7) | Other Information | | | |
| | Particulars | Amount | | |
| (i) | Gross Non – Performing Assets (a) Related parties (b) Other than related parties | Nil | | |
| (ii) | Net Non-Performing Assets (a) Related Parties (b) Other than related parties | Nil | | |
| (iii) | Assets acquired in satisfaction of debt | Nil | | |

KIDUJA INDIA LIMITED

SCHEDULE 'P'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008.

A. SIGNIFICANT ACCOUNTING POLICIES :

1. GENERAL :

The financial statements are prepared on the basis of historical cost convention, in accordance with applicable accounting standards and on the accounting principles of a going concern. All expenses and income to the extent payable and receivable, respectively, with reasonable certainty are accounted for on accrual basis.

2. USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) and Accounting Standard (AS) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

3. REVENUE RECOGNITION :

- i) Income from sale / redemption of securities is recognized as and when risks and rewards therein are transferred as per the terms of the contracts.
- ii) Interest income is recognized on accrual basis. Overdue interest is recognized as income on realization.
- iii) Fees and commission income are recognized when due.
- iv) Divided income is accounted on an accrual basis when the Company's right to receive the dividend is established.
- v) The Company complies with prudential norms for income recognition and provisioning for non-performing assets as prescribed by the Reserve Bank of India for Non Banking Financial Companies. In addition, the Company adopts an approach to provisioning that is based on the past experience, realization of security, erosion over time in value of security and other related factors.

4. FIXED ASSETS:

- i) Fixed Assets are stated at cost less accumulated depreciation.
- ii) **IMPAIRMENT OF ASSET :** At each Balance Sheet date where there is any indication that any asset may be impaired, the carrying value of such asset is reduced to its recoverable amount and the amount of such impairment loss is charged to profit and loss account. If at the balance sheet date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

5. BORROWING COSTS :

Borrowing costs attributable to the acquisition or construction of capital assets are capitalized as part of the cost of such assets upto the date when such asset is ready for its intended use. Other borrowing costs are recognised as expenses in the period in which they are incurred.

6. DEPRECIATION :

Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

7. INVESTMENTS :

Long Term Investments are stated at cost. In case, there is a diminution in value other than temporary, provision for the same is made in the accounts.

8. VALUATION OF INVENTORY :

Inventory is valued at lower of the cost or market value.

9. EMPLOYEE BENEFITS :

- i) Liability towards Leave entitlement (short term) of employees is determined as per the rules of the Company and provided for.
- ii) Liability towards Gratuity entitlement is determined as per the provision of Payment of Gratuity Act, 1972 and provided for.

10. TAXATION:

- i) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income-tax Act, 1961. Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal Income Tax within the statutory time frame and is reviewed at each balance sheet date.
- ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets are recognised to the extent there is reasonable certainty that these assets can be realised in future.
- iii) The Provision of Fringe Benefit Tax has been made in respect of employees' benefits and other specified expenses as determined under the Income Tax Act, 1961.

11. EQUITY INDEX / STOCK FUTURES / OPTIONS:

- i) "Initial Margin – Equity Derivative Instrument", representing initial margin paid for entering into contracts for equity index/ stock futures which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Loans and Advances.

- ii) Equity Index/ Stock Futures are marked-to-market on a daily basis. Debit or Credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the "Mark-to-Market Margin – Equity Index/ Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the Balance Sheet date.
- iii) On final settlement or squaring-up of contracts for equity index / stock futures, the profit or loss is calculated as the difference between the settlement / squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled / squared-up contract in "Mark-to-Market Margin – Equity Index / Stock Futures Account" after adjustment of provision for anticipated losses is recognized in the Profit and Loss Account.

12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes on accounts. Contingent assets are not recognised or disclosed in the financial statements.

B. NOTES ON ACCOUNTS :

1. Contingent liability not provided in respect of :
 - i) Income tax demand (including interest upto the date of demand) of Rs.8,24,883 (Previous year – Rs.12,15,483).
 - ii) Interest / Penalties as may be levied in the matter of Income Tax and other statutes / Rules / Directions - Amount not ascertainable.
2. Capital Commitment in respect of uncalled liability :

| | | |
|------------------------------------|-----------------|----------------------|
| i) Kotak Alternate Opp. India Fund | Rs.63,00,00,000 | (Previous Year –NIL) |
| ii) Kotak India Growth Fund | Rs.2,50,00,000 | (Previous Year –NIL) |
| iii) Kotak India Growth Fund II | Rs.38,80,00,000 | (Previous Year –NIL) |
| iv) Kotak India Venture Fund | Rs.4,20,00,000 | (Previous Year –NIL) |
3. a) The Company had applied for registration during the year as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), and got registered with effect from 09th day of July, 2008. The management had due to business exigencies, commenced financial activities viz. investment/trading in securities before the registration could be obtained.
- b) Transfer to Special Reserve is being made pursuant to Reserve Bank of India (RBI) directives applicable to Non-Banking Finance Companies. The utilization of said reserves is subject to the guidelines issued by RBI from time to time under the said directives.

4. Profit on redemption of Units of Venture Capital Fund shown in Schedule 'K' is net of Rs.19,90,325, being interest paid to the fund for delay in contributing Company's share.
5. The accounts of certain Debtors and Creditors are subject to confirmation, reconciliation, and adjustments, if any, having consequential impact on the profit for the year, assets and liabilities, the amounts whereof are presently not ascertainable. However, the management does not expect any material difference affecting the current year's financial statements.
6. a) Term Loan from a bank is secured by First & exclusive charge by way of mortgage over certain immovable properties situated at Mumbai and personal guarantee given by the Managing Director.
b) Secured Loan from a body Corporate is secured by way of Lien marked on the units of Venture Capital Funds in favour of Kotak Mahindra Prime Ltd. for loan granted by them to the Company. The aforesaid loan is also secured by way of lien being marked on Investment in the units of Mutual Funds of associates.
7. The Company has made provision for leave entitlement and gratuity as per its Accounting Policies as stated in Para A(8) above which is in variance with AS-15 – "Employees Benefits" issued by the Institute of Chartered Accounts of India. However, the same does not have material effect on the results of the Company.
8. In the opinion of the Board, the current assets, loans and advances have a value on realisation in ordinary course of business atleast equal to the amount at which they are stated in the accounts. The provisions for depreciation and for all known liabilities are adequate and not in excess of amount reasonably necessary.
9. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

10. Quantitative details in respect of trading activities :

| ITEMS | Opening Stock | | Purchases | | Sales | | Closing Stock | |
|------------------|---------------|--------------|--------------------|------------------------|--------------------|------------------------|----------------|--------------------|
| | Qty. Nos. | Value Rs. | Qty. Nos. | Value Rs. | Qty. Nos. | Value Rs. | Qty. Nos. | Value Rs. |
| Equity Shares | NIL (NIL) | NIL (NIL) | 6,352,042 (NIL) | 1,054,250,039 (NIL) | 6,343,742 (NIL) | 1,167,381,130 (NIL) | 8,300 (NIL) | 2,794,645 (NIL) |

11. 'Loans and Advances' includes Rs. NIL (previous year – Rs.38,000) being interest free loan given to an employee in ordinary course of business and the employee holds 200 shares in the Company.

12. Loans & Advances in Schedule "I" include Rs.21,00,000 (previous year – Rs.21,00,000) paid to a party and Rs.1,30,00,000 (previous year – Rs.1,30,00,000) deposited with High Court, Mumbai in respect of purchase of certain office premises. Since, the seller has not performed the terms of the MOU, the Company has filed a suit in the High Court for specific performance of the Agreement, which is pending at Supreme Court.

13. CALCULATION IN RESPECT OF EARNINGS PER SHARE :

| | | 2007-2008 | 2006-2007 |
|---|------|-------------|-------------|
| (a) Numerator : | | | |
| Net Profit / (Loss) as per the Profit and Loss Account | (Rs) | 3,96,30,311 | (56,03,299) |
| (b) Denominator : | | | |
| Weighted average No. of Equity Shares outstanding (For both Basic and Diluted) | | 17,15,000 | 17,15,000 |
| (c) Earnings Per Share | (Rs) | 23.11 | (3.27) |
| (d) Nominal Value per Equity Share | (Rs) | 10 | 10 |

14. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD(AS)-18 :

A. List of Related Parties with whom transactions have been entered into in the ordinary course of the business :

| | Party Name | Relationship |
|---|--|---------------------|
| 1 | Jaipuria Enterprises Pvt. Ltd. | Associates |
| 2 | Kiduja Securities Pvt. Ltd. | |
| 3 | Future Focus Infotech Pvt. Ltd. | |
| 4 | Dungarmal Jaipuria Seva Trust | |
| | Key Managerial Personnel | |
| 1 | Mr. Ashish D. Jaipuria (controlling party) | Managing Director |
| 2 | Mrs. Kirti D. Jaipuria | Whole Time Director |

B. Transaction during the year with related parties :

| Party | Nature of Transaction | Amt. (Rs.) | Outstanding as on 31-03-2008 (Rs.) |
|--|---|--------------------------|---|
| A. Key Management Personnel | | | |
| 1. Mr. Ashish Jaipuria, Managing Director | Remuneration Paid | 21,00,000 (26,65,500) | NIL (NIL) |
| | Excess Remuneration Paid (Recoverable) | NIL (2,70,000) | NIL (2,70,000) |
| 2. Mrs. Kirti D. Jaipuria Whole-time Director | Remuneration Paid | 6,00,000 (7,20,000) | NIL (NIL) |

| | | | |
|---|--|-----------------------|------------------------------|
| B. Director and Relative of Key Management Personnel | | | |
| 1. Mr. Ashish D. Jaipuria | Interest Free Loan taken | 11,98,55,000 (NIL) | NIL (NIL) |
| | Repayment of loan | 11,98,55,000 (NIL) | |
| 2. Mrs. Kirti D. Jaipuria | Interest Free Loan taken | 5,00,000 (NIL) | NIL (NIL) |
| | Repayment of loan | 5,00,000 (NIL) | |
| C. Associates | | | |
| 1. Future Focus Infotech Pvt. Ltd.. | Investment in Equity Shares | 5,05,000 (NIL) | 1,70,93,000 (1,65,88,000) |
| | Dividend Received | 29,96,000 (NIL) | NIL (NIL) |
| 2. Kiduja Securities Pvt. Ltd. | Purchase of Units of Venture Capital Funds | 28,50,00,000 (NIL) | NIL (NIL) |
| | Providing security against borrowings by way of lien marked on its investments | 53,29,22,644 (NIL) | 53,29,22,644 (NIL) |
| 3. Jaipuria Enterprises Pvt. Ltd. | Purchase of Units of Venture Capital Funds | 29,10,12,603 (NIL) | 4,50,00,000 (NIL) |
| | Providing security against borrowings by way of lien marked on its investments | 19,00,00,000 (NIL) | 19,00,00,000 (NIL) |
| 4. Dungarmal Jaipuria Seva Trust | Donation | 5,10,000 (NIL) | NIL (NIL) |

NOTES :

1. Related parties are as identified by the Company and relied upon by the Auditors.
2. No amount pertaining to Related Parties have been provided for as doubtful debts.
Also, no amounts have been written off / written back during the year.
3. Figures in bracket represent corresponding amounts in the previous year.

15. Managerial Remuneration :

(a)

| | For the year ended 31-03-2008 | For the year ended 31-03-2007 |
|------------------------------|----------------------------------|----------------------------------|
| To Managing Director | | |
| (a) Salaries and perquisites | 21,00,000 | 26,65,000 |
| (b) Gratuity Payable | 10,09,615 | 9,08,654 |
| (c) Leave Entitlement | 1,75,000 | 1,68,750 |

| | For the year ended 31-03-2008 | For the year ended 31-03-2007 |
|--------------------------|----------------------------------|----------------------------------|
| To Whole Time Director | | |
| Salaries and perquisites | 6,00,000 | 7,20,000 |

(The above figures exclude provision for gratuity which is determined for the Company as a whole.)

(b) Commission to Managing Director 5,00,000 NIL

(c) Computation of Net Profit in accordance with Section 198 read with Sections 349 and 350 of the Companies Act, 1956

| | For the year ended 31-03-2008 |
|--|----------------------------------|
| Profit before tax | 5,87,35,653 |
| Add : Managerial Remuneration | 43,84,615 |
| | <u>6,31,20,268</u> |
| Less : Profit on sale of fixed asset | 75,33,202 |
| Profit as per Section 198 r.w.s. 349 and 350 | <u>5,55,87,066</u> |
| Commission Provided | 5,00,000 |

16. Deferred Tax Liability / (Asset) (net) comprises timing differences on account of :

| | As on 31-03-08 (Rs.) | As on 31-03-07 (Rs.) |
|--|----------------------------|----------------------------|
| Deferred Tax Liability : | | |
| Difference between book and tax depreciation | 73,21,675 | 36,29,679 |
| Deferred Tax Assets : | | |
| Allowances u/s 43 B: Gratuity, Leave Entitlement | 6,71,502 | 33,10,019 |
| Deferred Tax Liability/ (Asset) (Net) | <u>66,50,173</u> | <u>3,19,660</u> |

17. (A) Details of Open Interest in Equity Stock Futures Contracts :

2007 – 2008

2006 – 2007

| Name of Equity Index Futures | No. of Contracts | No. of Units | | Name of Equity Index Futures | No. of Contracts | No. of Units | |
|------------------------------|------------------|--------------|-------|------------------------------|------------------|--------------|-------|
| | | Long | Short | | | Long | Short |
| REC Ltd. 24-04-08 | 1 | 8,61,900 | - | - | - | - | - |

(B) In respect of Trading in Derivative instruments, considering the nature of contracts, it is not feasible to disclose the Quantitative details.

18. SEGMENT INFORMATION :

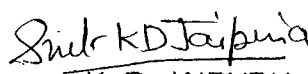
A. Primary Segment Reporting

During the year, the Company has single reportable segment viz. investment and dealing in shares and securities for the purpose of Accounting Standard 17 on Segment reporting.

B. There are no secondary and geographical segment as all the operations are carried on in India.

19. Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's presentation.

SIGNATURES TO SCHEDULES 'A' TO 'P'
For and of Behalf of the Board of Directors


K. D. JAIPURIA
Director


A. D. JAIPURIA
Managing Director

Mumbai; 06th September, 2008

KIDUJA INDIA LIMITED

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

| | | |
|--------------------|---|-----------------------|
| Registration No. | : | L72200MH1985PLC038019 |
| State Code | : | 11 |
| Balance Sheet Date | : | 31-Mar-2008 |

II Capital Raised during the year

(Rs. In 000's)

NIL

III Position of Mobilisation and Deployment of Funds

| | | |
|-------------------|---|---------|
| Total Liabilities | : | 985,086 |
| Total Assets | : | 985,086 |

Sources of Funds

| | | |
|------------------------|---|----------------|
| Paid - up Capital | : | 17,150 |
| Reserves & Surplus | : | 78,726 |
| Secured Loans | : | 709,220 |
| Unsecured Loans | : | 85,956 |
| Deferred Tax Liability | : | 6,650 |
| | | <u>897,702</u> |

Application of Funds

| | | |
|--------------------|---|-----------------|
| Net Fixed Assets | : | 62,136 |
| Investments | : | 882,673 |
| Net Current Assets | : | <u>(47,107)</u> |
| | | <u>897,702</u> |


IV Performance of Company

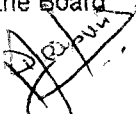
| | | |
|----------------------------|---|-----------|
| Turnover | : | 1,181,537 |
| Total Expenditure | : | 1,122,801 |
| Profit / (Loss) Before Tax | : | 58,736 |
| Profit / (Loss) after Tax | : | 39,630 |
| Earning Per Share in Rs. | : | 23.11 |
| Dividend Rate % | : | - |

V Generic Names of Principal Products / Services of Company

| | | |
|--------------------------|---|---|
| Item Code No. (ITC code) | : | N. A. |
| Product Description | : | Investments and dealing in Shares and Securities |

For and on Behalf of the Board


K. D. JAIPURIA
Director


A. D. JAIPURIA
Managing Director

Mumbai, 06th September, 2008