

LODHA & COMPANY
CHARTERED ACCOUNTANTS

KIDUJA INDIA LIMITED

STATEMENTS OF ACCOUNT
FOR THE YEAR ENDED
31ST MARCH, 2011

**6, KARIM CHAMBERS,
40, A. DOSHI MARG,
(HAMAM STREET)
MUMBAI- 400 001.**

E-Mail : mumbai@lodhaco.com

NOTICE

NOTICE is hereby given that Twenty Fifth Annual General Meeting of the members of Kiduja India Limited will be held on 31st August, 2011 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, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the period ended on same date together with the Reports of the Board of Directors and Auditors 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.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactments thereof for the time being in force) read with Schedule XIII of the Act and subject to approval from the Central Government and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the company be and is hereby given to reappoint Mr. Ashish Jaipuria as Chairman and Managing Director for the tenure of three years w.e.f. 1st July, 2011 and approval be and is hereby accorded to his remuneration on a salary of Rs. 1,50,000/- p.m.

"RESOLVED FURTHER THAT the perquisites (Including allowances) payable or allowable to the Managing Director be as follows:

1.	Housing	:	Furnished/Unfurnished residential accommodation or House Rent allowance not exceeding 60% of the salary in lieu thereof
2.	Special/other allowances	:	Not exceeding 60% of salary
3.	Perquisites	:	Reimbursement of gas, electricity and house maintenance expenses subject to one month's salary.
4.	Medical expenses	:	Medical expenses incurred for self and family as per Company's Rule Notwithstanding the ceiling specified in clauses 2 above, if reimbursement of expenses under clause 3 and 4 claimed is less than the specified maximum limit the balance shall be added to the special/other allowance on an annual basis.
5.	Club	:	Fees of club subject to maximum of two clubs. This will include annual membership but not admission fee and life membership fees.

6.	Commission	Such amount for each year as may be determined by the Board of Directors, not exceeding 10% of the net profits of the company as computed in accordance with the provisions of section 198, 349 and 350 of the Companies Act, 1956.
7.	Contribution to Provident Fund, Superannuation Fund, Gratuity in accordance with the approved schemes of the Company in force from time to time would not be included in computation of ceiling on remuneration to the extent these either singly or put together are not taxable under Income Tax Act, 1961.	
8.	Encashment of unavailed leave at the end of the tenure as per the Company's Rule shall not be included in the computation of the managerial remuneration.	
9.	Leave Travel Allowances for self and family not exceeding Rs. 2,00,000/- per annum.	
10.	Such other Allowances, benefits, amenities and facilities as per the Company's Rules.	
11.	Provision of car for use on company's business and communication facilities at residence, would not be considered as perquisites.	

The value of the perquisites and company furnished accommodation would be evaluated as per the Income Tax Rules, 1962 wherever applicable and at the cost in absence of such Rule.

Provided the remuneration payable by way of salary, perquisites, performance pay, other allowances and benefits does not exceed the limit laid down in Section 198 and 309 of the Companies Act, 1956. including any statutory modifications or re-enactment thereof."

"RESOLVED FURTHER THAT where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration for a period not exceeding three years by way of salary, perquisites, performance pay, other allowances and benefits as specified above subject to the receipt of the requisites approvals, if any."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this resolution) be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in this regard."

RESOLVED FURTHER THAT Mrs. Kirti D. Jaipuria, Director be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to this resolution."

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactments thereof for the time being in force) read with Schedule XIII of the Act and subject to approval from the Central Government and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the company be and is hereby given to reappoint Mrs. Kirti Jaipuria as Whole Time Director for the tenure of three years w.e.f. 1st July, 2011 and approval be and is hereby accorded to her remuneration on a salary of Rs. 1,50,000/- p.m.

"RESOLVED FURTHER THAT the perquisites (Including allowances) payable or allowable to the Managing Director be as follows:

1.	Housing	:	Furnished/Unfurnished residential accommodation or House Rent allowance not exceeding 60% of the salary in lieu thereof
2.	Special/other allowances	:	Not exceeding 60% of salary
3.	Perquisites	:	Reimbursement of gas, electricity and house maintenance expenses subject to one month's salary.
4.	Medical expenses	:	Medical expenses incurred for self and family as per Company's Rule Notwithstanding the ceiling specified in clauses 2 above, if reimbursement of expenses under clause 3 and 4 claimed is less than the specified maximum limit the balance shall be added to the special/other allowance on an annual basis.
5.	Club	:	Fees of club subject to maximum of two clubs. This will include annual membership but not admission fee and life membership fees.
6.	Commission	:	Such amount for each year as may be determined by the Board of Directors, not exceeding 10% of the net profits of the company as computed in accordance with the provisions of section 198, 349 and 350 of the Companies Act, 1956.
7.	Contribution to Provident Fund, Superannuation Fund, Gratuity in accordance with the approved schemes of the Company in force from time to time would not be included in computation of ceiling on remuneration to the extent these either singly or put together are not taxable under Income Tax Act, 1961.		
8.	Encashment of unavailed leave at the end of the tenure as per the Company's Rule shall not be included in the computation of the managerial remuneration.		
9.	Leave Travel Allowances for self and family not exceeding Rs. 2,00,000/- per annum.		
10.	Such other Allowances, benefits, amenities and facilities as per the Company's Rules.		

11.	Provision of car for use on company's business and communication facilities at residence, would not be considered as perquisites.
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The value of the perquisites and company furnished accommodation would be evaluated as per the Income Tax Rules, 1962 wherever applicable and at the cost in absence of such Rule.

Provided the remuneration payable by way of salary, perquisites, performance pay, other allowances and benefits does not exceed the limit laid down in Section 198 and 309 of the Companies Act, 1956. including any statutory modifications or re-enactment thereof."

"RESOLVED FURTHER THAT where in any financial year during the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole Time Director the above remuneration as the minimum remuneration for a period not exceeding three years by way of salary, perquisites, performance pay, other allowances and benefits as specified above subject to the receipt of the requisites approvals, if any."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this resolution) be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in this regard."

RESOLVED FURTHER THAT Mr. Ashish Jaipuria, Director be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to this resolution."

Place: Mumbai
Date: **29th June, 2011**

By Order of the Board of Directors

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



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 30th August, 2011 to 31st August, 2011 (both days inclusive).
4. Members are kindly requested to 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 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.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4:

The tenure of Mr. Ashish D. Jaipuria, Managing Director is expiring on 30th June, 2011. It was decided by the Board to re-appoint him as Managing Director for a further period of three years at a remuneration decided between Board and appointee himself with effect from 01st July, 2011 subject to necessary approvals. Accordingly the Board of Director passed a Special Resolution in their Board Meeting held on 13-05-2011 subject to approval of shareholders in the Annual General Meeting. Hence this resolution is put forth before you for your approval.

None of the director except Mr. Ashish D. Jaipuria himself and Smt. Kirti D. Jaipuria may be considered as interested in the said resolution.

Item No.5

The tenure of Mrs. Kirti D. Jaipuria, Whole Time Director is expiring on 30th June, 2011. It was decided by the Board to re-appoint her as Whole Time Director for a further period of three years at a remuneration decided between Board and appointee herself with effect from 01st July, 2011 subject to necessary approvals. Accordingly the Board of Director passed a Special Resolution in their Board Meeting held on 13-05-2011 subject to approval of shareholders in the Annual General Meeting. Hence this resolution is put forth before you for your approval.

None of the director except Mrs. Kirti D. Jaipuria herself and Mr. Ashish D. Jaipuria may be considered as interested in the said resolution.

Place: Mumbai
Date: **29th June, 2011**

By Order of the Board of Directors

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



Ashish D. Jaipuria
Chairman

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure to present their 25th annual report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS	For the year ended 31 st March, 2011 (Rs in lacs)	For the year ended 31 st March, 2010 (Rs in lacs)
Total Income	1193.26	4136.22
Total Expenditure	860.27	5422.26
Profit / (Loss) before Depreciation	332.99	(1286.04)
Less : Depreciation	2.95	7.27
Profit/(Loss) before Tax	330.04	(1293.31)
Less: Tax liability including Deferred Tax and Wealth Tax	70.00	NIL
PROFIT /(LOSS) FOR THE YEAR	260.04	(1293.31)
Add: Excess / (Short) provisions of Tax for the earlier years (Net)	NIL	(1.75)
Less: Transfer to Special Reserve	52.01	Nil
Net Profit/ (Loss)	208.03	(1295.06)
Profit / (Loss) brought forward from previous year	(1306.58)	(11.52)
Balance Carried to Balance sheet	(1098.55)	(1306.58)

OPERATIONS:

During the year under review Company has made substantial efforts in its business operations and has generated total revenue of Rs.1193.26 Lacs and has earned profit amounting to Rs.260.04 Lacs.

TRANSFER TO SPECIAL RESERVE:

The Company has transferred a sum of Rs.52.01 Lacs to Special Reserves during the year under review pursuant to Reserve Bank of India (RBI) directives applicable to Non Banking Financial Companies. The debit balance of Profit and Loss Account has been transferred to Balance Sheet under the head "Profit & Loss Account".

DIVIDEND:

In the view of deployment of earnings in the business and thereby increase the revenue 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.

DIRECTORS:

Pursuant to the provisions of Articles of Association of the Company, Mr. Omprakash Agarwal, retires by rotation and being eligible offers himself for re-appointment.

Also, the Board has recommended re-appointment of Mr. Ashish D. Jaipuria as a Managing Director and Mrs. Kirti D. Jaipuria as a Whole Time Director for the period of three years w.e.f. 1st July, 2011.

Mr. Ashish D. Jaipuria and Mrs. Kirti D. Jaipuria continue to be directors on the Board.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees drawing remuneration of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- 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 Co., Chartered Accountants, who are the statutory auditors of the Company, retires at the ensuing Annual General Meeting and are being eligible to offer themselves for re-appointment. Your directors recommend their reappointment.

AUDITOR'S OBSERVATIONS:

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

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.

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, 2011 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. The directors are also grateful to the shareholders for their plentiful support to the Company.

For and on behalf of the Board of Directors



Chairman

Date: 29th June, 2011
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 the Board of Directors



Chairman

Date: 29th June, 2011
Place: Mumbai

AUDITORS' REPORT

**TO
THE BOARD OF DIRECTORS
KIDUJA INDIA LIMITED**

We have audited the attached Balance Sheet of **KIDUJA INDIA LIMITED** as at 31st March, 2011, the Profit and Loss Account for the year ended on that date. As required by the Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1999 issued by the Reserve Bank of India in terms of Section 45MA(IA) of the Reserve Bank of India Act, 1934 and 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 report, to the extent applicable to the Company, that

1. The Company had applied for registration as required under section 45-1A of the Reserve Bank of India Act, 1934 and has received the registration certificate bearing No.N-13.01904 dated 09.07.2008.
2. The Board of Directors has passed a resolution for the non-acceptance of any public deposits.
3. The Company has not accepted any public deposits during the year.
4. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

**For LODHA & CO.
Chartered Accountants**



**R. P. BARADIYA
Partner
Membership No.44101
Firm Registration No.301051E**

**Place: Mumbai
Date : 29th June, 2011**

AUDITORS' REPORT**TO
THE MEMBERS OF
KIDUJA INDIA LIMITED**

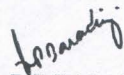
1. We have audited the attached Balance Sheet of KIDUJA INDIA LIMITED as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility 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.
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 prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable *except for recognition of actuarial liabilities in respect of Gratuity and Leave Entitlements (Refer Note no. B 6 in Schedule R);*

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- (e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 what is stated in Note No. B 2(b) in Schedule 'R' of "Significant Accounting Policies and Notes on Accounts" regarding diminution in the value of investments and other notes in the said Schedule and those appearing 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, 2011;
 - 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 & CO.
Chartered Accountants



R.P. BARADIYA
Partner
Membership No. 44101
Firm Registration No. 301051E

Place: Mumbai
Date: 29th June, 2011

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF
EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2011 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. a) The inventory of shares has been held in dematerialized form and are verified with the Demat account statements at reasonable intervals.
b) The procedures for verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Company has maintained proper records of inventory and no discrepancies were noticed on physical verification.
3. a) During the year, the Company has taken interest free loans from two Companies covered in the register maintained under Section 301 of the Act, terms and conditions whereof, are prima facie, not prejudicial to the interest of the Company. Maximum amount due during the year Rs.479,625,000 (including Opening Balance of Rs.358,000,000) and the year-end balance is Rs.385,425,000.
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 with regard to purchase of shares, fixed assets and for sale of shares *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.

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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.
7. *The Company does not have any formal internal audit system.* However, as explained, effective internal control is being exercised departmentally.
8. In respect of Company's activities, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Act.
9. a) According to the records of the Company, it is generally 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, 2011 for a period of more than six months from the date they became payable except dues on account of the following:

Nature of Dues	Period	Amount (Rs.)*	Due Date	Date of payment
Advance Tax	June 2010	1,050,000	15-Jun-2010	Unpaid
	Sep 2010	2,100,000	15-Sep-2010	

* Amounts are excluding interest leviable.

- 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 *except dues on account of the following:*

Nature of Dues	Forum where dispute is pending	Period (Asst. Year)	Amount (Rs.)
Income tax	Commissioner of Income-tax	2008-09	15,994,061

10. The accumulated losses of the Company as at the end of the financial year are more than 50% of its net worth. The Company had incurred cash loss during the preceding year but has not incurred any cash loss during the current financial year.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.

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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. According to the information and explanations given to us, the Company has not obtained any term loan during the year.
17. According to the information and explanations given to us and on overall examination of the cash flow statements and balance sheet of the Company, in our opinion, funds raised on short term basis have, prima facie, not been used for long-term investment.
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. 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 practices in India and according to the information and explanations given to us, we have neither come across any instances 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 & CO.
Chartered Accountants



R.P.BARADIYA
Partner
Membership No. 44101
Firm Registration No. 301051E

Place: Mumbai
Date: 29th June, 2011

Komal Deshmukh & Associates Company Secretaries

Block A-1, Parle C. H. S., Sahakar Road,
Vile Parle (East), Mumbai - 400 057.
Tel : 91-22-67418811/12/13/14
E-mail : companyadvice@gmail.com

COMPLIANCE CERTIFICATE

To,
The Members,
Kiduja India Limited
Mumbai.

Co. Registration No. L72200MH1985PLC038019
Authorised Capital: Rs.1,75,00,000/-

I have examined the registers, records, books and papers of **Kiduja India Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its Officers and Agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other Authorities within the time prescribed under the Act and the rules made there under and in cases of delay by paying the prescribed additional fees.
3. The Company being a Public Limited Company has the minimum number of members and prescribed paid up capital during the year under review.
4. The Board of Directors duly met 4 (Four) times on **30.04.2010, 30.07.2010, 12.11.2010, and 11.02.2011** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No circular resolution was passed during the year under review.
5. The Company closed its Register of Members from 30th August, 2010 to 31st August, 2010 (both days inclusive).

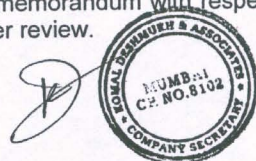


6. The Annual General Meeting for the financial year ended on **31st March, 2010** was held on **31st August, 2010** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year under review.
8. The Company has not advanced any loan or provided any guarantee or security in contravention of provisions of Section 295 of the Act.
9. The Company has not entered into any contract attracting provisions of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company was not required to obtain any approvals from the Board of Directors, Members or Central Government pursuant to Section 314 of the Act.
12. No duplicate share certificates were issued during the year under review.
13. The Company :
 - Has delivered all the certificates of securities deposited for transfer / transmission or any other purpose in accordance with the provisions of the Act;
 - Has not declared any dividend during the year under review;
 - Was not required to pay / post warrants for dividends to the members, since no dividend was declared;
 - Was not required to transfer any amounts to Investor Education and Protection Fund;
 - Has duly complied with the requirement of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of the directors, additional directors and alternative directors to fill casual vacancies has been duly made during the year under review.
15. There was no appointment of Managing Director/ Whole Time Directors under the provisions of Section 269 read with Schedule XIII to the Act during the year under review.



Komal Deshmukh & Associates
Company Secretaries



16. There was no appointment of sole-selling agents during the year under review.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or other authorities under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. No securities were issued during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not issued/redeemed preference shares / debentures during the year under review.
22. There was no transaction necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. During the year under review, the Company has not invited / accepted any deposits within the meaning of sections 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975.
24. The amount borrowed by the Company from Directors, Members, Public, financial Institution, banks and others during the financial year ending 31st March, 2011 is within the borrowing limits of the Company.
25. As informed by the Management, the Company has made loan and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office, during the year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company, during the year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company, during the year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company, during the year under review.



**Komal Deshmukh & Associates
Company Secretaries**

30. The Company has not altered the provisions of its Articles of Association, during the year under review.
31. As informed by the Management no show cause notice has been received or no prosecution has been initiated under the Act and no other fines and penalties or any other punishment imposed on the company during the year under review.
32. Since the Company has not received any amount as security from its employees during the financial year, there is no requirement to deposit any amount as per the provisions of section 417(1) of the Act.
33. The Company has not constituted a provident fund for its employees or class of employees under section 418 of the Companies Act, 1956. Therefore provisions of section 418 of the Act are not applicable.

Place: Mumbai
Date: 29th June, 2011



**KOMAL DESHMUKH
COMPANY SECRETARY
C. P. No.: 8102**

ANNEXURE - A

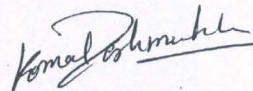
Registers as maintained by the Company:

1. Register of Members under Section 150
2. Transfer Register under Section 108
3. Minutes Book for Board Meeting Minutes, General Meeting Minutes under section 193
4. Register of Contracts under Section 301
5. Register of Directors under Section 303
6. Register of Directors' Shareholdings under Section 307

ANNEXURE - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

Serial No.	Form No.	Description	Section No.	Filing Details
1.	Schedule VI	Balance Sheet as on 31.03.2010	220	09.12.2010
2.	Schedule V	Annual Return as on 31.03.2010	159	09.12.2010
3.	Compliance Certificate	Certificate as on 31.03.2010	383A	25.11.2010



Place: Mumbai
Date: 29th June, 2011

KOMAL DESHMUKH
COMPANY SECRETARY
C. P. No.: 8102

KIDUJA INDIA LIMITED

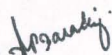
BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	AS AT 31-Mar-2011 Rs.	AS AT 31-Mar-2010 Rs.
FUNDS EMPLOYED :			
SHAREHOLDERS' FUNDS :			
Share Capital	A	17,150,000	17,150,000
Reserves & Surplus	B	16,332,577	11,131,577
LOAN FUNDS :			
Secured Loans	C	281,746,008	495,250,602
Unsecured Loans	D	385,425,000	358,000,000
TOTAL		<u>700,653,585</u>	<u>881,532,179</u>
APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	E	2,890,545	2,890,545
Less : Depreciation		<u>1,096,712</u>	<u>801,231</u>
Net Block		1,793,833	2,089,314
INVESTMENTS			
	F	659,516,781	753,706,902
CURRENT ASSETS, LOANS AND ADVANCES :			
Inventories	G	741,510	929,775
Sundry Debtors	H	112,775	
Cash and Bank Balances	I	23,986	298,210
Loans and Advances	J	<u>30,517</u>	<u>13,744,486</u>
		908,788	14,972,471
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Current Liabilities	K	64,392,024	18,044,672
Provisions		<u>7,029,412</u>	<u>1,850,624</u>
		71,421,436	19,895,296
NET CURRENT ASSETS / (LIABILITIES)		(70,512,648)	(4,922,825)
PROFIT & LOSS ACCOUNT (LOSS) (As per annexed account)		109,855,619	130,658,788
TOTAL		<u>700,653,585</u>	<u>881,532,179</u>
PARTICULARS AS PER NBFC DIRECTIONS	Q		
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	R		

SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS

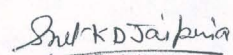
AS PER OUR ATTACHED REPORT OF EVEN DATE

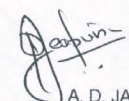
For LODHA & CO.
Chartered Accountants


R.P. BARADIYA
Partner

Mumbai; 29th June, 2011

For and on behalf of the Board of Directors


K. D. JAIPURIA
Whole Time Director


A. D. JAIPURIA
Managing Director

KIDUJA INDIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	YEAR ENDED 31-Mar-2011 Rs.	YEAR ENDED 31-Mar-2010 Rs.
-INCOME :			
Income from Operations	L	119,514,713	395,919,343
Other Income	M	-	17,569,257
- Increase / (Decrease) in Stock	N	(188,265)	133,675
		<u>119,326,448</u>	<u>413,622,275</u>
EXPENDITURE :			
Purchase of Shares		-	433,419,855
Loss on Trading in Derivatives (net)		7,842,089	31,540,162
Loss on Sale of Investments		-	1,703,289
Securities written off		12,000,000	-
Selling, Administrative and Other Expenses	O	5,670,483	7,479,711
Interest	P	60,514,226	68,083,067
Depreciation		295,481	727,259
		<u>86,322,279</u>	<u>542,953,343</u>
Profit / (Loss) Before Tax		33,004,169	(129,331,068)
Taxation :			
Current Tax		7,000,000	-
PROFIT / (LOSS) FOR THE YEAR		<u>26,004,169</u>	<u>(129,331,068)</u>
- Income Tax adjustments relating to earlier years		-	(175,253)
NET PROFIT / (LOSS)		26,004,169	(129,506,321)
Less : Transferred to Special Reserve (Refer Note No. B 3 in Schedule 'R')		5,201,000	-
Balance of Profit/(Loss) brought forward from previous years		(130,658,788)	(1,152,467)
Balance carried to the Balance Sheet		<u>(109,855,619)</u>	<u>(130,658,788)</u>
Basic and Diluted earnings per Equity Share (Refer Note No. B 10 in Schedule 'R')		15.16	(75.51)

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS

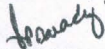
R

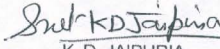
SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS

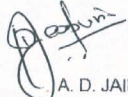
AS PER OUR ATTACHED REPORT OF EVEN DATE

For LODHA & CO.
Chartered Accountants

For and on behalf of the Board of Directors


R. P. BARADIYA
Partner


K. D. JAIPURIA
Whole Time Director


A. D. JAIPURIA
Managing Director

Mumbai; 29th June, 2011

KIDUJA INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011


	YEAR ENDED		YEAR ENDED	
	Rs.	31-03-11	Rs.	31-03-10
A. Cash Flow from Operating Activities				
Net Profit / (Loss) before Tax		33,004,169		(129,331,068)
Adjustments for :				
Depreciation	295,481		727,259	
Interest Received	-		(585,712)	
Interest Paid	60,514,226		68,083,067	
Securities written off	12,000,000		-	
Dividend Income	(240)		(960)	
Profit on Sale of Fixed Assets	-		(16,960,144)	
Loss on Sale of Investments	-		1,703,289	
Income from Venture Capital Funds	(119,514,473)	(46,705,006)	(70,063)	52,896,736
Operating profit before working capital changes		(13,700,837)		(76,434,332)
Adjustments for :				
(Increase) / Decrease in Inventories	188,265		(133,675)	
(Increase) / Decrease in Trade and Other Receivables	13,601,194		31,471,909	
Increase / (Decrease) in Trade Payables	(13,988,086)	(198,627)	(25,961,306)	5,376,928
Cash generated / (used) in Operations		(13,899,464)		(71,057,404)
Less:				
Direct Taxes paid		(2,000,000)		(6,188,329)
Net Cash Generated / (Used) in Operating ActivitiesA		(15,899,464)		(77,245,733)
B. Cash Flow from Investing Activities				
Sale of Fixed Assets		-		75,100,000
Purchase of Investment		-		(10,500,000)
Sale of Investment		82,190,121		125,670,205
Income from Venture Capital Funds		119,514,473		70,063
Dividend Received		240		960
Net Cash from / (used) in Investing ActivitiesB		201,704,834		190,341,228
C. Cash Flow from Financing Activities				
Secured Loan Received/ (Paid)		(213,504,594)		25,333,879
Unsecured Loan Received/(Paid)		27,425,000		(11,550,000)
Interest Paid		-		(127,226,934)
Interest Received		-		585,712
Net Cash from / (used) in Financing ActivitiesC		(186,079,594)		(112,857,343)
Net Increase/(Decrease) in cash and cash equivalents		(274,224)		238,152
TOTAL (A+B+C)				
Cash and cash equivalents (Opening Balance)		298,210		60,058
Cash and cash equivalents (Closing Balance)		23,986		298,210
Cash & cash equivalents include :				
a) Cash in Hand		17,176		8,856
b) Balance with Scheduled Banks		6,810		289,354
		23,986		298,210

1) The cash flow statement has been prepared using the indirect method as stated in Accounting Standard AS-3 on Cash Flow Statement prescribed by Companies (Accounting Standards) Rules, 2006.

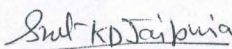
2) Previous year's figures have been regrouped/rearranged wherever necessary, to conform to the current year's presentation.

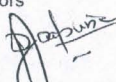
AS PER OUR ATTACHED REPORT OF EVEN DATE

For LODHA & CO.
Chartered Accountants


R.P. BARADIYA
Partner

For and on behalf of the Board of Directors


K. D. JAIPURIA
Whole Time Director


A. D. JAIPURIA
Managing Director

Mumbai; 29th June, 2011

KIDUJA INDIA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULES	Rs.	AS AT 31-Mar-2011 Rs.	AS AT 31-Mar-2010 Rs.
- SCHEDULE 'A'			
SHARE CAPITAL			
- AUTHORISED			
1,750,000 Equity Shares of Rs. 10 each		<u>17,500,000</u>	<u>17,500,000</u>
ISSUED, SUBSCRIBED & PAID-UP			
1,715,000 (Previous Year 1,715,000) Equity Shares of Rs. 10 each fully paid-up		<u>17,150,000</u>	<u>17,150,000</u>
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		7,926,000	7,926,000
Add : Transferred from Profit & Loss Account (Refer Note No.B 3 in Schedule 'R')		<u>5,201,000</u>	<u>-</u>
		13,127,000	7,926,000
		<u>16,332,577</u>	<u>11,131,577</u>
SCHEDULE 'C'			
SECURED LOANS			
From a body corporate (Refer Note No. B 5 in Schedule 'R')		<u>281,746,008</u>	<u>495,250,602</u>
SCHEDULE 'D'			
UNSECURED LOANS			
Short Term			
From Jaipuria Enterprises Pvt. Ltd		271,200,000	350,000,000
From Kiduja Securities Pvt. Ltd.		<u>114,225,000</u>	<u>8,000,000</u>
		<u>385,425,000</u>	<u>358,000,000</u>

KIDUJA INDIA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'E'
FIXED ASSETS

ITEMS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-10 Rs.	Additions during the year Rs.	Deductions during the year Rs.	As on 31-03-11 Rs.	Upto 31-03-10 Rs.	For the year Rs.	Adjustments Rs.	Upto 31-03-11 Rs.	As on 31-03-11 Rs.	As on 31-03-10 Rs.
COMPUTERS	311,175	-	-	311,175	195,055	50,441	-	245,496	65,679	116,120
VEHICLES *	2,579,370	-	-	2,579,370	606,176	245,040	-	851,216	1,728,154	1,973,194
TOTAL	2,890,545	-	-	2,890,545	801,231	295,481	-	1,096,712	1,793,833	2,089,314
PREVIOUS YEAR	63,823,393	-	60,932,848	2,890,545	2,866,964	727,259	2,792,992	801,231	2,089,314	

* 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-2011 Rs.	AS AT 31-Mar-2010 Rs.	
- SCHEDULE 'F'			
INVESTMENTS			
LONG TERM, NON TRADE AND UNQUOTED			
A. Units of Venture Capital Funds			
812.39 (1,232.09)	Kotak India Real Estate Fund 1 (Face Value Rs.100000 per unit; fully paid up)	81,239,422	123,208,799
228,491.80 (250,000.00)	India Growth Fund (Face Value Rs.1000 per unit; partly paid up Rs.965 ; previous year - Rs.950)	221,507,189	238,512,603
60,000.00 (60,000.00)	Kotak India Venture Fund-1 (Face Value Rs.630 per unit; partly paid up Rs.380 ; previous year - Rs.350)	22,800,000	21,000,000
	Kotak Alternate Opportunities (India) Fund	333,884,670	358,900,000
	(4,000.00) Kotak India Growth Fund-II (Face Value Rs.100000 per unit; partly paid up Rs.NIL ; previous year - Rs.3000)	-	12,000,000
		659,431,281	753,621,402
B. Time Share Licence of Sterling Resorts (India) Ltd.			
		85,500	85,500
		659,516,781	753,706,902
SCHEDULE 'G'			
INVENTORIES			
(Valued at lower of cost & net realisable value)			
Equity Shares (Quoted)		741,510	929,775
SCHEDULE 'H'			
SUNDRY DEBTORS			
(Unsecured , Considered good)			
Outstanding for more than six months		112,775	-
SCHEDULE 'I'			
CASH & BANK BALANCES			
Cash in hand		17,176	8,856
Balances with Scheduled Banks in :			
Current Accounts		6,810	289,354
		23,986	298,210
SCHEDULE 'J'			
LOANS AND ADVANCES			
(Unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received		-	517,615
Equity Index Option Premium (Net of provision of Rs.NIL; Previous Year - Rs.1,535,037)		-	5,937,145
Initial Margin - Equity Derivative Instrument		-	7,259,209
Deposits		30,517	30,517
		30,517	13,744,486

KIDUJA INDIA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULES	AS AT 31-Mar-2011 Rs.	AS AT 31-Mar-2010 Rs.
- SCHEDULE 'K'		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors		
Due to Micro, Small and Medium Enterprises (Refer Note No.B 8 in Schedule 'R')	-	-
Others	3,843,876	919,898
Mark to Mark Margin - Equity Index Futures	-	253,688
Interest Accrued but not due	54,462,802	13,767,393
Interest Payable	-	841,598
Other Liabilities	6,085,346	2,262,095
	<u>64,392,024</u>	<u>18,044,672</u>
B. PROVISIONS		
For Taxation	5,399,760	399,760
(Net of Advance Tax and TDS of Rs. 11,800,240 ; Previous year Rs.9,800,240)		
For Fringe Benefit Tax	46,000	46,000
For Employee Benefits : Gratuity	1,583,652	1,404,864
	<u>7,029,412</u>	<u>1,850,624</u>

KIDUJA INDIA LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULES	YEAR ENDED 31-Mar-2011 Rs.	YEAR ENDED 31-Mar-2010 Rs.
SCHEDULE 'L'		
INCOME FROM OPERATIONS		
Sale of Shares	-	395,848,320
Income Received from Kotak India Real Estate Fund - 1	95,464,819	70,063
Income Received from India Growth Fund	24,049,654	-
Dividend	240	960
	<u>119,514,713</u>	<u>395,919,343</u>
SCHEDULE 'M'		
OTHER INCOME		
Profit on Sale of Fixed Assets	-	16,960,144
Interest on Income Tax Refund	-	451,306
Interest Received (TDS - Rs.NIL ; Previous Year Rs.41,861)	-	134,406
Sundry Credit balance w/back	-	23,401
	<u>-</u>	<u>17,569,257</u>
SCHEDULE 'N'		
INCREASE / (DECREASE) IN STOCK		
Opening Stock	929,775	796,100
Less : Closing Stock	<u>741,510</u>	<u>929,775</u>
	<u>(188,265)</u>	<u>133,675</u>
SCHEDULE 'O'		
SELLING, ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, Bonus & other allowances	4,595,231	985,798
Staff Welfare Expenses	19,747	20,240
Brokerage & Transaction Charges	53,343	652,756
Securities Transaction Tax	45,917	1,416,944
Rates & Taxes	-	1,008,100
Insurance	25,408	31,852
Donation	-	15,000
Legal & Professional Charges	159,034	1,915,386
Court Fees	-	300,000
Registration Charges	-	30,000
Sundry Debit balance written off	-	100
Auditors' Remuneration :	-	-
Audit Fees	175,000	175,000
Tax Audit Fees	25,000	25,000
Advisory Fees	-	56,180
Out of Pocket Expenses / Service Tax	28,442	30,454
Repairs & Maintenance - Building	36,306	55,173
- Others	18,462	35,474
Miscellaneous Expenses	<u>488,593</u>	<u>726,254</u>
	<u>5,670,483</u>	<u>7,479,711</u>
SCHEDULE 'P'		
INTEREST		
On Term Loans	-	2,745,436
On Others	<u>60,514,226</u>	<u>65,337,631</u>
	<u>60,514,226</u>	<u>68,083,067</u>

SCHEDULE 'Q' :

SCHEDULE TO THE BALANCE SHEET OF NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY (AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLIDING) 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 (other than falling within the meaning of public deposits)	Nil	
	(b) Deferred Credits	Nil	
	(c) Term Loans – from a Bank	Nil	
	(d) Inter-corporate loans and borrowing	385,425,000	
	(e) Commercial Paper	Nil	
	(f) Public Deposits	Nil	
	(g) Other Loans (specify nature) – From a Company	336,208,810	
Assets side :		Amount outstanding	
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :		
	(a) Secured	Nil	
	(b) Unsecured	30,517	
(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	

(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	Nil	30,517	30,517
Total	Nil	30,517	30,517
(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
(b) Companies in the same group	Nil		Nil
(c) Other related parties	Nil		Nil
2. Other than related parties	* 659,431,281		659,431,281
Total	* 659,431,281		659,431,281
(7) Other Information			
Particulars	Amount		
(i) Gross Non – Performing Assets			Nil
(a) Related parties			
(b) Other than related parties			
(ii) Net Non-Performing Assets			Nil
(a) Related Parties			
(b) Other than related parties			
(iii) Assets acquired in satisfaction of debt			Nil

* Since not ascertainable, hence taken at cost.

KIDUJA INDIA LIMITED

SCHEDULE 'R'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.

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) Dividend 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 entitlements (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 provisions 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.

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 :
 - a. Disputed Income Tax Matters amounting to Rs.17,994,061 (Previous Year – Rs.NIL)
 - b. Interest / Penalties as may be levied in the matter of Income Tax and other statutes / Rules / Directions - Amount not ascertainable.
2. a. Capital Commitment in respect of uncalled liability :

	<u>Current Year</u>	<u>Previous Year</u>
i) India Growth Fund	Rs.8,750,000	Rs.12,500,000
ii) Kotak India Venture Fund-1	Rs.15,000,000	Rs.39,000,000
iii) Kotak Alternate Opportunities (India) Fund	NIL	Rs.630,000,000
iv) Kotak India Growth Fund-II	NIL	Rs.388,000,000

- b. The above investments have been made on long term basis and diminution in value in the investee companies of these funds have been considered temporary and accordingly, no provision for the same is required.

3. Transfer to Special Reserve has been made pursuant to Reserve Bank of India (RBI) directives applicable to Non-Banking Financial Companies. The utilization of said reserves is subject to the guidelines issued by RBI from time to time under the said directives.
4. The accounts of certain Debtors, Creditors, Secured Loans and Loans & Advances are subject to confirmations, reconciliations, 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.
5. Loan from a body Corporate is secured by way of lien marked on the units of Venture Capital Funds, further secured by way of mortgage of Residential Properties of the Director and Associates Body Corporate and personal guarantee of the Managing Director.
6. The Company has made provision for leave entitlement and gratuity as per its Accounting Policies as stated in Para A9 above which is in variance with AS-15 – "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006. However, the same does not have material effect on the results of the Company.
7. 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.
8. 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.
9. 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	6600	929,775	NIL	NIL	NIL	NIL	* 6600	741,510
Shares	(8300)	(796,100)	(9,986,000)	(433,419,855)	(9,991,000)	(395,848,320)	(6,600)	(929,775)

10. CALCULATION IN RESPECT OF EARNINGS PER SHARE :

Particulars		2010-2011	2009-2010
(a)	Numerator :		
	Net Profit / (Loss) after tax	Rs. 26,004,169	(129,506,321)
(b)	Denominator :		
	Weighted average No. of Equity Shares outstanding (For both Basic and Diluted)	1,715,000	1,715,000
(c)	Basic and Diluted earnings per Equity Share	Rs. 15.16	(75.51)
(d)	Nominal Value per Equity Share	Rs. 10	10

11. 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.	
	Key Managerial Personnel	
1	Mr. Ashish D. Jaipuria (controlling party)	Managing Director
2	Mrs. Kirti D. Jaipuria	Whole Time Director

B. Transactions during the year with related parties :

Party	Nature of Transaction	Amt. (Rs.)	Outstanding as on 31-03-2011 (Rs.)
A. Key Management Personnel			
1. Mr. Ashish Jaipuria, Managing Director	Remuneration Paid	2,113,350 (75,450)	2,100,000 (NIL)
2. Mrs. Kirti D. Jaipuria	Remuneration Paid	1,451,667 (NIL)	1,451,667 (NIL)
B. Associates			
1. Kiduja Securities Pvt. Ltd.	Loan taken	106,733,000 (10,630,000)	114,225,000 (8,000,000)
	Repayment of Loan	508,000 (2,630,000)	

2. Jaipuria Enterprises Pvt. Ltd.	Loan taken	15,413,000 (73,184,000)	271,200,000 (350,000,000)
	Repayment of Loan	94,213,000 (62,734,000)	

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.

12. Managerial Remuneration :

(a)

	For the year ended 31-03-2011 (Rs.)	For the year ended 31-03-2010 (Rs.)
To Managing Director		
(a) Salaries, allowances and perquisites	2,113,350	75,450
To Whole Time Director		
(a) Salaries, allowances and perquisites	1,320,000	NIL
(b) Leave Entitlement	31,667	NIL

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

- (b) Commission to Whole Time Director Rs.100,000 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 31-03-2011 (Rs.)	For the year ended 31-03-2010 (Rs.)
Profit before tax	33,004,169	NIL
Add : Managerial Remuneration	3,665,979	NIL
Profit as per Section 198 r.w.s. 349 and 350	36,670,148	NIL
Salaries Perquisites and Commission Provided	3,665,979	NIL

13. Deferred Tax Liability / (Asset):

As a matter of prudence, the management has not recognized the deferred tax assets for period upto 31st March, 2010 and for the year.

	As on 31-03-2011 (Rs.)	As on 31-03-2010 (Rs.)
Deferred Tax Liability :		
Difference between book and tax WDV	68,075	62,589
Deferred Tax Assets :		
Allowances u/s 43 B: Gratuity, Leave Entitlement	526,089	434,103
Unabsorbed depreciation and business loss	15,071,601	39,525,464
Deferred Tax Liability / (Asset) (Net)	(15,529,615)	(39,896,978)

14. (A) Details of Open Interest in Equity Stock / Equity Index Futures Contracts :

2010 – 2011				2009 – 2010			
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
-	NIL	NIL	NIL	Fut IDX-Nifty 29-04-09	863	43150	-

(B) Details of Open Interest in Equity Stock / Equity Index Option Contracts :

Name of Equity Index Options	Total premium carried forward as at 31 st March, 2011 including provisions made (Rs.)	Name of Equity Index Options	Total premium carried forward as at 31 st March, 2010 including provisions (Rs.)
-	NIL	Nifty Index	7,472,183

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

15. SEGMENT INFORMATION :

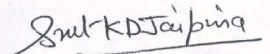
A. Primary Segment Reporting

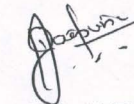
The Company has single reportable segment viz. investment and dealing in shares and securities for the purpose of Accounting Standard 17 on Segment Reporting.

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

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

SIGNATURES TO SCHEDULES 'A' TO 'R'
For and on behalf of the Board of Directors


K. D. JAIPURIA
Whole Time Director


A. D. JAIPURIA
Managing Director

Mumbai; 29th June, 2011

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-2011

II Capital Raised during the year	:	(Rs. In 000's) NIL
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III Position of Mobilisation and Deployment of Funds

Total Liabilities	:	772,075
Total Assets	:	772,075

Sources of Funds

Paid - up Capital	:	17,150
Reserves & Surplus	:	16,333
Secured Loans	:	281,746
Unsecured Loans	:	385,425
		<hr/>
		700,654

Application of Funds

Net Fixed Assets	:	1,794
Investments	:	659,517
Net Current Assets	:	(70,512)
Profit & Loss Account	:	109,855
		<hr/>
		700,654

IV Performance of Company

Turnover	:	119,326
Total Expenditure	:	86,322
Profit / (Loss) Before Tax and Exceptional Items	:	33,004
Profit / (Loss) after Tax and Exceptional Items	:	26,004

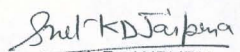
Earning Per Share in Rs.	:	15.16
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Dividend Rate %	:	-
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V Generic Names of Principal Products / Services of Company

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
 Whole Time Director


A. D. JAIPURIA
 Managing Director

Mumbai; 29th June, 2011