

9TH ANNUAL REPORT 2002-2003

KEDIA GROUP
SINCE 1874

KEDIA INFOTECH LIMITED

An ISO 9001 Company

513, Swapnalok Complex, S.D. Road, Secunderabad-500 003

Tel : +91 40 5531 4444 / 5531 0629

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**9th
Annual Report
for the Financial Year ended
31st March, 2003**



KEDIA INFOTECH LIMITED

BOARD OF DIRECTORS

Sri PRABHUDAYAL KEDIA

Chairman.

Sri VISHWAMBERLAL KEDIA

Vice- Chairman.

Sri ASHOK KUMAR KEDIA

Managing Director.

Sri DILIP KUMAR KEDIA

Director.

Sri DHANRAJ

Additional Director.

Sri ARVIND KUMAR SHARMA

Additional Director.

REGISTERED OFFICE

U - 112, Lower Ground Floor,
Vidhata House, Vikas Marg,
Shakar Pur, Delhi - 110 092.

CORPORATE OFFICE

512, Swapnalok Complex,
S.D. Road,
Secunderabad - 500 003.

AUDITORS

M/s. PPKG & Co.,
Chartered Accountants.
4 -1 -371, Kundas Estate,
3rd Floor, Abids,
Hyderabad - 500 001. (A.P)

LISTING

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

The Madras Stock Exchange Limited,
Exchange Building,, P.Box 183,
11, 2nd Line Beach,
Chennai - 600 001.

Delhi Stock Exchange,
3/1, Asaf Ali Road,
New Delhi - 110 002.

Jaipur Stock Exchange Limited,
Stock Exchange Building,
Jawaharlal Nehru Marg,
Malviya Nagar,
Jaipur - 302 017.

NOTICE

NOTICE is hereby given that the **NINTH ANNUAL GENERAL MEETING OF THE COMPANY** will be held on Tuesday, 30th September 2003, at 10.00 AM at U-112, Lower Ground Floor, Vidatha House, Vikas Marg, Shakarpur, New Delhi-110 092 to transact the following business:

I.ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 31st March, 2003 and the profit and loss account for the year ended 31st March, 2003 and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Vishwamberlal Kedia, who retires by rotation, and being eligible offer himself for re-appointment.
3. To appoint Auditor of the Company to hold office from the conclusion of this Annual general meeting, until the conclusion of the next annual general meeting and to fix their remuneration. The retiring Auditors M/S PPKG & CO., Hyderabad are eligible for re-appointment.

II.SPECIAL BUSINESS BY ORDINARY RESOLUTION

4. To consider and thought fit, to pass with or without modification(s) if any, the following resolution as an ordinary resolution..

RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956, Shri Katta Dhanraj, who was appointed as an additional director by the board to hold office up to the date of ensuing Annual General Meeting under sections 260 of the Companies Act, and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Katta Dhanraj as a candidate for the office of director of the company be and hereby elected and appointed as director of the company, liable to retire by rotation.

5. To consider and thought fit, to pass with or without modification (s) if any, the following resolution as an ordinary resolution..

RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956, Shri arvind kumar Sharma, who was appointed as an additional director by the board to hold office up to the date of ensuing Annual General Meeting under sections 260 of the Companies Act, and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Katta Dhanraj as a candidate for the office of director of the company be and hereby elected and appointed as director of the company, liable to retire by rotation.

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

RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities)Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the Provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the Rules framed there under , Listing Agreements and all other applicable rules, regulations and guidelines and subject to the approval, permission or sanction of the securities Exchange Board of India, Stock Exchanges where the shares of the Company are listed and other appropriate authorities as may be necessary and subject to other conditions if any, as may be prescribed or imposed by any authority while granting such approval(s), permission(s), and sanction(s) which may be agreed by the Board of Directors of the company (hereinafter referred as to the 'Board' which term shall be deemed to include any Committee of the Board constituted to exercise its powers including power conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from all or any of the Stock Exchanges at Chennai and Jaipur at such time or times as the Board may decide.

RESOLVED FURTHER that the board be and is hereby authorized to take all such steps and do all acts as may be necessary, proper or expedient to give effect to this resolution.

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

ITEM NO. 4 & 5

The Board of directors at their meeting held on 28th February 2003, appointed Shri Katta Dhanraj and Shri Arvind kumar Sharma as Additional Directors of the Company in accordance with the Articles of Association of the Company and Section 260 of the Companies Act, 1956. These Directors hold office up to the date of the ensuing Annual General Meeting. The Company has received notices from some members of the Company along with the requisite deposit, proposing their respective candidature for the office of the Director. Keeping in view of the experience and qualification of the aforesaid persons, your Directors consider it to be in the interest of the Company, if they are appointed as Directors retiring by rotation as per the provisions of the Companies Act, 1956.

Your Directors commend the said Resolution for your approval.

The said Directors deemed to be concerned or interested in the Resolution relating to their respective appointment. None of the other Directors is, in any way, concerned or interested in Resolution.

ITEM NO.6

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, (hereinafter referred to as the "Delisting Guidelines") incorporating, among others, provisions for delisting of Securities of body corporate voluntarily by a promoter or an acquirer or any other person from the Stock Exchanges.

Presently, the Company's equity shares are listed on the following four Stock Exchanges:

1. The Stock Exchange, Mumbai (BSE)
2. Delhi Stock Exchange
3. Jaipur Stock Exchange
4. Madras Stock Exchange

With the extensive networking of the Stock Exchange, Mumbai (BSE) and the Delhi Stock Exchange and extension of BSE/ DSE terminals to other cities as well, investors have access to online dealings in the Company's equity shares across the Country. The bulk of the trading in the Company's equity shares in any case takes place on the BSE and DSE, and the depth and liquidity of trading in the company's equity shares on all other stock Exchanges are lower.

The Company has proposed this resolution, which will enable it to delist its equity shares at any time in future from all or any of the following stock exchanges at Jaipur and Chennai. The Company's equity shares will continue to be listed on BSE and DSE even after the proposed delisting.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below :

1. Name : **VISHWAMBERLAL KEDIA**
 Age : 61 Years
 Qualification : I.Com
 Experience : 40 Years Experience in Trade & Industry
 Other Directorships : Kedia Infotech Systems Ltd.,
 Kedia Tech. and Hardware Solutions Ltd.,

2. Name : **K. DHAN RAJ**
 Age : 40 Years
 Qualifications : B.Com
 Experience : 15 years Experience in Accounts & Administration
 Other Directorships : - Nil -

3. Name : **ARVIND KUMAR SHARMA**
 Age : 35 Years
 Qualifications : B.Com, CA Inter
 Experience : Vast Experience in Accounts, Finance, Administration
 and Industrial Relations and Personal Management.
 Other Directorships : - Nil -

Place: New Delhi
Date: 16.08.2003

By order of the Board of Director
For KEDIA INFOTECH LIMITED

Sd/-

PRABHUDAYAL KEDIA
CHAIRMAN

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies in order to be effective, should be duly completed stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The register of members and the share transfer books of the Company will remain closed from 26th September, 2003 to 30th September, 2003 (both days inclusive).
3. Members/Proxies are requested to bring along with them Annual report being sent to them, with their client ID & Depository participant ID or folio number.
4. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
5. Members may note that the shareholders holding partly paid up shares are not entitled to vote at the meeting.
6. Members are requested to notify any change in their address.
7. Members desiring any information are requested to write to the Company at its Registered Office, U-112, Lower Ground Floor, Vidatha House, Vikas Marg, Shakarpur, Delhi-110 092 well in advance of the date of the meeting to enable the management to keep the information ready.
8. The Register of Director's shareholding maintained under section 307 of the companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the company during the Annual General Meeting. The Register of Director's Shareholding is also available for inspection of the members at the Registered office of the company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
9. Since the Company is yet to declare any dividend, disclosure Under section 205 of the Companies Act 1956, is not applicable.

By Order of the Board of Directors
for KEDIA INFOTECH LIMITED

Place: New Delhi
Date: 16.08.2003

Sd/-
PRABHUDAYAL KEDIA
CHAIRMAN

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Accounts for the financial year ended 31st March 2003, comprising of twelve months from 01.04.2002 to 31.03.2003.

FINANCIAL RESULTS:

The operating Results for the year are as under.

	31.03.2003	31.03.2002
	Rs.	Rs.
Profit before Depreciation & Tax	52,369,900.84	7,486,548.39
Depreciation	23,108,702.49	922,289.95
Tax		
- Current	2,714,809.32	900,000.00
- Deferred	8,038,681.07	1,476,339.00
Profit/(Loss) for the year	18,507,707.96	4,187,919.44
Add: Adj. On account of initial Adoption of Deferred Tax	-	758,735.00
Profit/(Loss) brought forward	2,932,041.31	(2,014,613.13)
Surplus carried to Balance Sheet.	21,439,749.27	2,932,041.31

DIVIDENDS

Your Board of Directors do not recommend any dividend for the year 2002-2003.

OPERATIONS:

The turnover for the year increased to Rs.3,311.82 lacs from 949.27 lacs in the previous year. The operations for the year resulted in a profit of Rs.185.07 lacs (Previous year Profit Rs. 41.87 lacs).

Yours Directors are glad to report that your Company has grown in Information and Technology business compared to the last financial year.

INDUSTRIAL RELATIONS:

Your Directors are happy to report that the industrial relations have been extremely cordial at all levels throughout the year.

PARTICULARS OF EMPLOYEES:

There are no employees falling with the purview of Section 217(2A) of the companies Act, 1956 during the year under report.

DIRECTORS:

In accordance with the provisions of the Articles of Association of the company Sri Vishwamberlal Kedia, Director retires by rotation and, being eligible, offers himself for re appointment. During the year Mr.Arvind Kumar Sharma and Mr.Dhanraj were appointed as additional directors of the Company. Your company seeks to appoint Mr. Arvind Kumar Sharma and Mr.K Dhanraj as directors of the Company in this Annual General Meeting, who are liable to retire by rotation.

AUDITORS:

M/s PPKG & CO., Chartered Accountants, auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company has received a certificate from the auditor to the effect that their re-appointment, if made, would be in accordance with section 224 (1B) of the Companies Act, 1956. The board recommends their re-appointment.

LISTING OF COMPANY SECURITIES:

Your company's shares are currently listed on Mumbai, New Delhi, Chennai and Jaipur Stock Exchanges. Your directors propose to delist the company shares from Jaipur Stock Exchange and Madras Stock Exchange as there was no trading of the company shares in the said Stock exchanges. The company seeks the permission of the share holders in this AGM.

DIRECTORS RESPONSIBILITY STATEMENT:

The Directors confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.

DEPOSITS :

The company has not accepted any deposits from the public.

CORPORATE GOVERNANCE:

Your company has to comply with Corporate Governance from the financial year 2002-2003 as per the provisions of listing agreement with the Stock Exchanges. A detailed report on the Corporate Governance is given else where in this Annual Report.