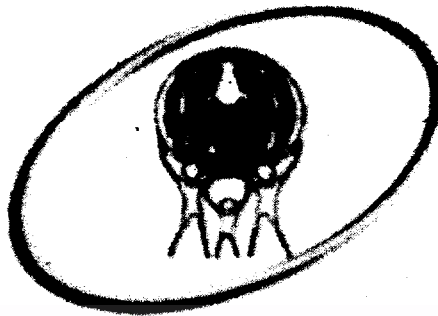


KEDIA INFOTECH LIMITED



POWER OF TOGETHERNESS

ANNUAL REPORT
2004-2005

KEDIA INFOTECH LIMITED

BOARD OF DIRECTORS

Shri. Ashok Kumar Kedia
Shri. Prabhudayal Kedia
Shri. Vishwamberlal Kedia
Shri. Dilip Kumar Kedia
Shri. Katta Dhanraj
Shri. Sunil Kumar Sharma

Managing Director
Chairman cum Director
Vice-Chairman cum Director
Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

Auditors

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

Registrar & Share Transfer Agents

M/s.Beetal Financial and Computer Services Private Limited
Beetal House, 3rd Floor, 99 Madangiri,
Behind Local Shopping Centre, Near Dadar,
Hari Sukhdas Mandir,
New Delhi - 500 062

Corporate Office

#512, Swapnalok Complex,
S.D.Road, Secunderabad – 500 003.

Company Secretary

Mr Giridhar Kiran Challa

Registered Office

312, G.K.House, 187A,
Santnagar,
East of Kailash,
NEW DELHI – 110 065

Listing

The Stock Exchange, Mumbai
1st Floor, Rotunda Building,
B.S.Marg, Fort,
Mumbai – 400 001.

The Madras Stock Exchange Limited
Exchange Building, P.Box183,
11, 2nd Line Beach,
Chennai – 600 001.

The Delhi Stock Exchange, Delhi
#3/1, Asad Ali Board,
New Delhi – 110 002.

Jaipur Stock Exchange Limited,
Stock Exchange Building,
Jawaharlal Nehru Marg,
Malviya Nagar, Jaipur – 302017.

KEDIA INFOTECH LIMITED**NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Eleventh Annual General Meeting of Kedia Infotech Limited will be held at 11.30 A.M on Thursday, the 29th September, 2005 at The Great Getsby Club, I.P.Extension, Near CNG Pump, Fazalpur, Mandwali Institutional Area, Patparganj, Delhi, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the Year ended 31.03.2005 and the Balance Sheet as at that date together with the Report of Auditors and the Report of the Board of Directors.
2. To appoint a Director in the place of Shri Dilip Kumar Kedia who retires by rotation and being eligible, offers himself for reappointment.
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.

SPECIAL BUSINESS

4. To consider and, if deemed fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri. Sunil Kumar Sharma, who was appointed as an Additional Director of the Company with effect from 01.04.2005 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company who is liable to retire by rotation.

for and on behalf of the Board
Sd/-

KEDIA INFOTECH LIMITED

Prabhudayal Kedia
Chairman Cum Director

Place : New Delhi
Date : 24.08.2005

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy so appointed need not be a member of the company.
2. Instrument of proxies in order to be effective must be deposited at the Company's registered office at 312, G.K. House, 187A, Santnagar, East of Kailash, New Delhi – 110 065 not less than 48 hours before the meeting.
3. Members/Proxies should bring the attendance slip duly filled-in for attending the meeting.
4. Members/Proxies should bring the Annual Report being sent to them.
5. Members may note that the shareholders holding partly paid up shares are not entitled to vote at the meeting.
6. The Register of Members and Share Transfer books of the Company will remain closed from 26th September, 2005 to 29th September, 2005 (both days inclusive).
7. Members desiring any information on the Accounts are requested to write to the Company at least seven days before the meeting so as to enable the management to keep the information ready.
8. The Register of Directors' 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 Directors' 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 295 of the Companies Act, 1956, is not applicable.

for and on behalf of the Board
Sd/-

KEDIA INFOTECH LIMITED

Prabhudayal Kedia
Chairman Cum Director

Place : New Delhi
Date : 24.08.2005

KEDIA INFOTECH LIMITED

ANNEXURE TO NOTICE

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

ITEM NO.5

Shri. Sunil Kumar Sharma is inducted as Additional Director with effect from 01.04.2005 on the Board of your Company and his appointment is to be regularized at the ensuing Annual General Meeting.

Your Directors recommend the Resolution for approval.

None of the Directors of the Company except Shri. Sunil Kumar Sharma is concerned or interested in the Resolution.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the listing agreement, the particulars of Director who is proposed to be reappointed is given below:

1. Name : Dilip Kumar Kedia

Experience : Vast experience in Software, Hardware, Accounts, Finance, Administration, Industrial Relations and Personal Management.

As required under the listing agreement, the particulars of Director who was appointed as Additional Director (Non-Executive Independent) is given below:

2. Name : Sunil Kumar Sharma

Experience : Vast experience in Software, Hardware, Accounts, Finance, Administration, Industrial Relations and Personal Management.

for and on behalf of the Board

Sd/-

KEDIA INFOTECH LIMITED

Prabhudayal Kedia

Chairman Cum Director

Place : New Delhi

Date : 24.08.2005

KEDIA INFOTECH LIMITED**DIRECTORS' REPORT****To The Members,**

Your Directors have pleasure in presenting the 11th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2005, comprising of twelve months from 01.04.2004 to 31.03.2005.

FINANCIAL RESULTS	31.3.2005	31.3.2004
	Rs.	Rs.
Profit before		
Depreciation & Tax	59,142,822.43	33,315,602.92
Depreciation	28,781,035.43	27,522,734.89
Tax		
- Current	6,973,720.09	1,343,643.32
- Deferred	3,062,040.96	846,061.48
- Income Tax		
A. Y 2003-04	102,800.00	---
Profit/(Loss) for the year	102,800.00	3,603,163.23
Add: Adj. on account of initial adoption of		
Deferred Tax	-	-
Profit/(Loss) brought forward	25,042,912.50	21,439,749.27
Surplus carried to		
Balance Sheet	45,266,138.45	25,042,912.50

DIVIDENDS

Your Board of Directors do not recommend any dividend for the year 2004-2005.

OPERATIONS

The turnover for the year increased from Rs. 13,21,44,624.84 to Rs. 16,80,52,300.06 in the previous year. The operations for the year resulted in the increased profit of Rs.2,02,23,225.95 (Previous year Rs.36,03,163.23).

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

During the year under review, none of the employees of the Company have drawn remuneration as specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

Shri. Dilip Kumar Kedia, Director retires by rotation at the 11th Annual General Meeting and being eligible offers himself for reappointment.

Shri. Sunil Kumar Sharma was appointed as Additional Director of the Company in place of Shri. Arvind Kumar Sharma, who has given his resignation, with effect from 01.04.2005 and his appointment is to be regularized at the ensuing Annual General Meeting.

AUDITORS

M/s.PPKG & Co.,Chartered Accountants, Statutory Auditors of your Company hold office until the conclusion of the 11th Annual General Meeting. The Board of Directors proposes the appointment of M/s.PPKG & Co., Chartered Accountants, as the Statutory Auditors. The Company has received a certificate from them to the effect that their appointment if made would be within the limits prescribed under Section 224(1) of the Companies Act, 1956.

DEPOSITS

The Company has not accepted any deposit during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of The company act 1956 the directors hereby confirm :

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had 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;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting

KEDIA INFOTECH LIMITED

records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

A detailed report on the Corporate Governance is given in this Annual Report.

DEMATERIALISATION OF EQUITY SHARES

The Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dealing of equity shares of the Company in dematerialised form. Company has been allotted ISIN No. 245D02027. The shareholders may send their share certificates through their depository participants for having the shares in electronic form.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

Pursuant to 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. Your Company being a non-manufacturing company, the Directors have nothing to report on "Conservation of Energy and Technology Absorption." However, the Board is taking all necessary steps to conserve energy wherever is possible.

During the period under consideration the foreign exchange savings and outgo is as follows:

a) Activities relating to exports, initiatives taken to increase export, development of new export market for services and export plans: Nil

b) Total foreign exchange earned and used:

Earned : Nil

Used : Rs. 4,62,025

(Previous Year Rs.1,36,700/-)

ACKNOWLEDGEMENT

Yours Directors place on record the appreciation for the sincere efforts and hard work put in by the employees of the Company in its operations. The

Directors acknowledge the support and co-operation received from Shareholder, Banks and other Governmental Agencies.

The Directors express their gratitude to the shareholders of the Company for the confidence and faith reposed in the management.

for and on behalf of the Board
KEDIA INFOTECH LIMITED

Sd/-	Sd/-
Director-cum-Chairman	Managing Director
Prabhudayal Kedia	Ashok Kumar Kedia

Place : New Delhi

Date : 24.08.2005

KEDIA INFOTECH LIMITED**CORPORATE GOVERNANCE****ANNEXURE – “A” TO DIRECTORS REPORT – CORPORATE GOVERNANCE
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT.)**

1. Company's Philosophy on Corporate Governance
The Company has adopted adequate control systems and adherence to Corporate Governance to enable its Board of Directors to effectively discharge its responsibilities in the best interest of its stakeholders, customers, employees and the society.

Kedia Infotech's philosophy on Corporate Governance ensures the fullest commitment of the Management and envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its activities and operations.

2. **Board of Directors**

(a) **Composition of the Board**

The composition of the Board of Directors of the Company meets the stipulated requirements. The Company's Board presently consists of One Managing Director, One Chairman, One Vice-Chairman, One Non-Executive Director and Two Independent Non-Executive Directors. To be in line with the Company's philosophy of Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees to the Shareholders. Shri.Radhey Sharma who was appointed as Additional Director at the Board Meeting held on 23.11.2003, had resigned from the Board of Directors of the Company with effect from 01.06.2004. Shri.Sunil Kumar Sharma is further appointed as Additional Director of the Company with effect from 01.04.2005, in place of Shri. Arvind Kumar Sharma who has given its resignation with effect from 01.04.2005.

- (b) **Attendance of each Director at Board Meetings and the last Annual General Meeting (AGM)**
Four Board Meetings were held during the financial year.

The dates on which the meetings were held are 25th May 2004, 30th July 2004, 15th Sept. 2004 30th October 2004, 28th January 2005.

The last Annual General Meeting was held on 30th September 2004.

The attendance of each director is under:

S. No	Name of the Director	Category of Directorship	No. of other directorships	No. of committees in which members	No. of Board meetings attended	Whether attended last AGM
1.	Ashok Kumar Kedia	Managing Director	2	Nil	4	Yes
2.	Prabhudayal Kedia	Chairman-cum-Director	3	1	4	Yes
3.	Vishwamberlal Kedia	Vice Chairman-cum-Director	2	2	4	Yes
4.	Dilip Kumar Kedia	Non-Executive Director	2	1	3	Yes
5.	Dhanraj	Independent Non-Executive Director	Nil	2	2	Yes
6.	Arvind Kumar S**	Independent Non-Executive Director	Nil	2	2	Yes
7.	Radhey Sharma*	Independent Non-Executive Director	Nil	2	Nil	NA
8.	Sunil Kumar Sharma**	Independent Non-Executive Director	Nil	Nil	NA	NA

* Shri.Radhey Sharma who was appointed as Additional Director at the Board Meeting held on 23.11.2003, had resigned from the Board of Directors of the Company with effect from 01.06.2004.

** Shri.Sunil Kumar Sharma is further appointed as Additional Director of the Company with effect from 01.04.2005, in place of Shri. Arvind Kumar Sharma who has given its resignation with effect from 01.04.2005.

3. **Audit Committee**

(a) **Brief description of terms of reference**

- 1) It shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if any.

KEDIA INFOTECH LIMITED

- 2) To seek information from any employee and obtain outside legal or professional advice.
- 3) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 4) Reviewing with the management the annual financial statements before submission to the Board, internal and external auditors and the adequacy of the internal control systems.
- 5) Reviewing the Company's financial and risk management policies and compliance with internal control systems.

(b) Composition, Names of Members and Chairperson

The Audit Committee was set by the Board of Directors on June 1, 2002. During the year under review Three (3) meetings were held for approval of Un-audited Financial Results for the quarter ended June 2004, September 2004 and December 2004.

The constitution of the committee and the attendance of each member of the committee is given below.

Name of the Director	Designation	Position held in the Committee	Committee meetings attended
Shri. Dhanraj	Independent Non-executive Director	Chairman	3
Shri. Prabhudayal Kedia	Chairman cum Director	Member	3
Shri. Vishwamberlal Kedia	Vice-Chairman cum Director	Member	3
Shri. Arvind Kumar S*	Independent Non-executive Director	Member	3
Shri. Radhey Sharma **	Independent Non-executive Director	Member	1

** Shri.Radhey Sharma who was appointed as Additional Director at the Board Meeting held on 23.11.2003, had resigned from the Board of Directors of the Company with effect from 01.06.2004.

* Shri.Sunil Kumar Sharma is further appointed as Additional Director of the Company with effect from 01.04.2005, in place of Shri. Arvind Kumar Sharma who has given its resignation with effect from 01.04.2005.

The meetings of Audit Committee are also attended

by the heads of finance and Statutory Auditors as invitees. The Un-audited results for each quarter are approved by the Audit Committee before passed on to the Board of Directors for approval and adoption.

4. Remuneration Committee

The Board of Directors of the Company have constituted the Remuneration Committee with effect from 01.12.2003.

The constitution of the committee and the attendance of each member of the committee is given below.

Name of the Director	Designation	Position held in the Committee	Committee meeting attended
Shri. Dhanraj	Independent Non-executive Director	Chairman	1
Shri. Arvind Kumar S*	Independent Non-executive Director	Member	1
Shri Radhey Sharma**	Independent Non-executive Director	Member	1

** Shri.Radhey Sharma who was appointed as Additional Director at the Board Meeting held on 23.11.2003, had resigned from the Board of Directors of the Company with effect from 01.06.2004.

* Shri.Sunil Kumar Sharma is further appointed as Additional Director of the Company with effect from 01.04.2005, in place of Shri. Arvind Kumar Sharma who has given its resignation with effect from 01.04.2005.

5. Shareholders/Investors Grievances Committee

The committee oversees share transfers and monitors investors grievances. Committee also looks into the redressal of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, change in address, non-receipt of declared dividends etc.

The following are the members of the Committee:

- 1) Shri. Vishwamberlal Kedia
- 2) Shri. Dilip Kumar Kedia