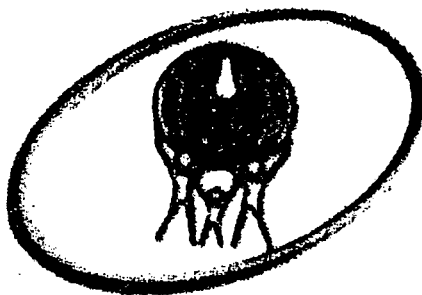


KEDIA INFOTECH LIMITED



POWER OF TOGETHERNESS

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**13th ANNUAL REPORT
2006 - 2007**

BOARD OF DIRECTORS

Shri. Ashok Kumar Kedia
Shri. Vishwamberlal Kedia
Shri. C.Dothanga

Managing 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
321-S, Chirag Delhi,
(Near Shahid Bhagat Singh College),
NEW DELHI – 110 017.

Corporate Office

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

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.Box 183,
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

312, G.K.HOUSE, 187A, SANT NAGAR, EAST OF KAILASH, NEW DELHI- 110 065.

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members of **KEDIA INFOTECH LIMITED** will be held on 29TH September 2007, at the registered office of the company situated at to transact the following business:

1. To consider and adopt the Balance Sheet as on **31st MARCH 2007** and the reports of Directors and Auditors thereon.
2. To appoint Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to fix their remuneration. The retiring Auditors M/s PPKG & Co., Chartered Accountants, Hyderabad are eligible for re-appointment.

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for and on BEHALF OF THE BOARD
KEDIA INFOTECH LIMITED

Sd/-

Place : NEW DELHI
Date : 25/08/2007

DIRECTOR

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.
2. 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.

KEDIA INFOTECH LIMITED

312, G.K.HOUSE, 187A, SANT NAGAR, EAST OF KAILASH, NEW DELHI- 110 065.

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Thirteenth Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS / PERFORMANCE :

The operating results of the Year are as under:

	(Amount in Rs.)	
	31.03.2007	31.03.2006
Profit/(Loss) before Depreciation and Tax	(6,090,177.67)	16,850,346.33
Depreciation	25,098,443.83	16,821,910.77
Tax		
- Current	-----	9,62,135.60
- Deferred	(3,639,003.03)	(9,52,564.19)
- Fringe Benefit Tax	42,423.00	88,933.00
- Income Tax A.Y. 2003-04	29,678.06	
Profit/(Loss) for the year	(27,621,719.53)	(70,068.85)
Profit/(Loss) brought forward	45,196,069.60	(70,068.85)
Surplus carried to the Balance Sheet	17,574,350.07	45,196,069.60

DIVIDENDS

Your Board of Directors do not recommend any dividend for the year 2006-07.

OPERATIONS

The turnover for the year decreased from Rs.77, 776,557.60 to Rs.39, 02,644.05 in the previous year.

The operations in the year end resulted in the loss of Rs. 31,188,621.49

INDUSTRIAL RELATION

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

KEDIA INFOTECH LIMITED**312, G.K.HOUSE, 187A, SANT NAGAR, EAST OF KAILASH, NEW DELHI- 110 065.**

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 Auditors 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.

PARTICULARS TO EMPLOYEES

None of the employee of the company received remuneration in excess of the limit specified u/s 217 (2A) of the Companies Act, 1956.

DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY

Pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of the 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.

No Foreign Exchange is earned during the year.

CORPORATE GOVERNANCE

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

DEPOSITS:

The company has not accepted any deposits from the public.

DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

1. In presentation of the annual accounts, the applicable standards had been followed along with proper explanation relation to material departures;

KEDIA INFOTECH LIMITED

312, G.K.HOUSE, 187A, SANT NAGAR, EAST OF KAILASH, NEW DELHI- 110 065.

2. 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 your Company at the end of the financial year and of the profit of your Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detection fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

Your Directors wish place on the record the appreciation for the sincere efforts and hard work put in by the employees of the Company in its operations. The Directors acknowledgement the support and co-operation received from Shareholders, Banks and other Governmental Agencies.

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

for and ON BEHALF OF THE BOARD
KEDIA INFOTECH LIMITED

Place: **NEW DELHI**
Dated: **25th August 2007**

Sd/-
Managing Director

Sd/-
Director

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**

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.

(b) Attendance of each Director at Board Meetings and the last Annual General Meeting (AGM)

Five Board Meetings were held during the financial year.

The dates on which the meetings were held are 30th May 2006, 30th July 2006, 30th October 2006, 30th January 2007, and 31st March 2007. The last Annual General Meeting was held on 30th September, 2006.

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	5	Yes
2.	Vishwamberlal Kedia	Vice Chairman-cum-Director	2	2	5	Yes
3.	C.Dothanga	Independent Non-Executive Dir.	Nil	Nil	5	Yes

* Shri.C Dothanga was appointed as Additional Director of the Company with effect from 28.02.2006.

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.
- 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

During the year under review Four (4) meetings were held for approval of Un-audited Financial Results for the quarter ended June 2006, September 2006 and December 2006, 31st March, 2007.

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. During the year there was no committee meeting held.

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.

6. General Body Meetings