

**Kilburn Office Automation Ltd.**

DIRECTORS	SANDEEP KUMAR JALAN - CHAIRMAN VARADARAJAN VANCHI - MANAGING DIRECTOR CHITTARANJAN PAUL MANMOHAN SINGH ALLAPANDA DEVIAH NANAIYA MADHUSUDAN SEN AMRESH KUMAR JAIN
COMPANY SECRETARY	DILIP KUMAR GHOSH
REGISTRARS & SHARE TRANSFER AGENTS	MAHESHWARI DATAMATICS PVT. LTD. 6,MANGOE LANE,2ND FLOOR, KOLKATA-700 001. PHONE NO. (033)-2243-5809/5029/2248-2248 FAX NO.(033)-2248-4787 E-MAIL : mdpl@cal.vsnl.net.in mdpldc@yahoo.com
AUDITORS	PATNI & CO., CHARTERED ACCOUNTANTS
BANKERS	CANARA BANK UNITED BANK OF INDIA CENTRAL BANK OF INDIA INDIAN OVERSEAS BANK
REGISTERED & CORPORATE OFFICE	"SHANTINIKETAN",15TH & 16TH FLOOR, 8,CAMAC STREET, KOLKATA-700 017. PHONE NO. (033)-2248-2248 FAX NO. (033)-2282-8502 E-MAIL : koalcorporate@kilburn.in
WORKS	7, 7A & 8 MINERVA GARDEN COMPLEX DIAMOND HARBOUR ROAD , JOKA , KOLKATA- 700 104 . PHONE NO. (033)-2453-7925/26 AUTO FAX NO. (033)-24 53-7925/26 E-MAIL :koalfactory@kilburn.in

***Kilburn Office Automation Ltd.***

***www.kilburn.in***

## **NOTICE**

Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held at Gyan Manch, 11, Pretoria Street, Kolkata-700 071, on Monday, the 12th day of September, 2011 at 11.00 a.m. to transact the following business :

### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Madhusudan Sen, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Amresh Kumar Jain ,who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint the Auditors and to fix their remuneration.

Place: Kolkata  
Date : 15th July, 2011

**For and on behalf of the Board**  
**SANDEEP KUMAR JALAN**  
**CHAIRMAN**

### **NOTES**

1. The Register of Members of the Company will remain closed from 5th September,2011 to 12th September, 2011 (both days inclusive).
2. A Member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote thereat instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office and Corporate Office at "Shantiniketan", (15th & 16th Floor), 8 Camac Street, Kolkata 700 017 not less than forty eight hours before the meeting.
3. Shareholders are requested to bring the admission slip alongwith their Copy of the Annual Report at the Annual General Meeting.
4. Members are informed that consequent to the issue of Notification by the Department of Company Affairs,they can now avail the nomination facility in respect of their Shares/Debentures/Deposits held in the Company.Members may kindly send the Nomination Form to the Registrars & Share Transfer Agents of the Company at the earliest.

**ANNEXURE TO THE NOTICE OF THE ANNUAL GENERAL MEETING  
INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT  
FOR RE-APPOINTMENT OF DIRECTORS**

Name of the Director(s)	<b>MR.MADHUSUDAN SEN</b>	<b>MR.AMRESH KUMAR JAIN</b>
Age	68 Years	44 Years
Date of appointment	30.01.2003	28.05.2008
Qualifications	B.Sc	FCA, DISA
Expertise in specific functional areas	Sales & Marketing	Accounts & Finance
List of outside Directorships held	Nil	1.Jain Coaching Centre Private Limited
Memberships/Chairman of Committees held in other Public Companies	Nil	Nil

## ***Kilburn Office Automation Ltd.***

### **DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011**

Your Directors submit their Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2011.

### **FINANCIAL RESULTS**

Your Company recorded the following results for the Financial Year ended 31st March, 2011.

	<b>Financial year Ended 31st March, 2011</b>	<b>Financial year Ended 31st March, 2010</b>
Gross Operating Profit	93,57,382	1,98,18,593
Depreciation	28,08,766	28,36,072
Net Profit Before Taxation	65,48,616	1,69,82,521
Current Tax	(12,14,200)	(28,86,200)
Deferred Tax Credit	2,78,425	(20,14,580)
Net Profit after Taxation	56,12,841	1,20,81,741
Profit brought forward from Previous Year	2,44,60,184	1,58,49,601
Profit available for Appropriation	3,00,73,025	2,79,31,342
Transferred to General Reserve	-	3,02,100
Proposed Dividend on :-		
11% Cumulative Redeemable Preference Shares	-	27,08,712
Dividend Tax	-	4,60,346
Surplus Carried to Balance Sheet	3,00,73,025	2,44,60,184

### **DIVIDEND**

Keeping in view the difficult business conditions, the Directors consider it prudent to conserve the valuable resources and defer payment of Dividend on both Cumulative Redeemable Preference Shares and Equity Shares.

### **PERFORMANCE REVIEW**

The Company was able to register a revenue growth of 38.56% over the previous year. Operating income increased to Rs.5636 Lacs from Rs.4067 Lacs. The growth was possible due to tie-up of the Company with Pitney Bowes India Pvt. Ltd. for marketing of Digital Franking Machines (DFM) on notional basis. About 23.62% of its revenue turnover came from DFM Sales in the last 2 quarters of the Financial Year. Besides, the Company was able to increase its market share on Coin Vending Machines and Shrink Wrap Machines. The Company registered a 12.50% increase on its Copier Operations. In spite of these efforts, the operating profits (PBT) decreased substantially due to pressure on margins and inability to contain operating costs. However, the Company expects to reap the benefit of service revenues arising out of these sales in the coming years.

## ***Kilburn Office Automation Ltd.***

### **FUTURE PROSPECTS**

The Office Automation Products are the drivers of economic growth and the Company has the benefit of excellent Distributorship tie-ups with the global leaders in all its three areas of operations.

The migration from the currently used Electronic Franking Machines to Remotely Managed Digital Franking Machines was notified by the Department of Posts and became effective from mid of the year. Your Company hopes to derive maximum benefit of the migration in the current year and the years following. Besides, the Company is diversifying its product range on all the fronts, especially from the Banking Segment. The sale of Digital Duplicators launched by the Company met with encouraging results and the Company hopes to capitalize its initial success further in future. This product finds application in the high growth educational and Government sectors. Your Company is also consciously working on strategies to withdraw from some of the low margin high competition areas and is thus hopeful of better operational performance in future.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Statement Pursuant to the Provisions of Sec.217(1)(e) of the Companies Act, 1956 Read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure "A".

### **PARTICULARS OF EMPLOYEES**

*Industrial relations in the Company continued to be cordial and satisfactory. Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not applicable.*

### **DIRECTORS**

Mr. Madhusudan Sen and Mr. Amresh Kumar Jain retire from office by rotation in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, and being eligible, offer themselves for re-appointment.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 217(2AA) inserted by Companies (Amendment) Act, 2000, your Directors have :

- a) followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanations relating to material departures;
- b) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2011 and of the profit/loss of your Company for that period;
- c) 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 your Company and for preventing and detecting frauds and other irregularities; and
- d) prepared the Annual Accounts on a going concern basis.

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**AUDITORS**

Messrs. Patni & Co., Chartered Accountants, the Auditors of the Company, retire and being eligible, shall subject to Section 224 of the Companies Act, 1956 offer themselves for re-appointment.

The Directors are of the view that notes to the Accounts adequately provide the necessary information and answer to the observations of the Auditors in their Report.

**CORPORATE GOVERNANCE**

A Separate Section on Corporate Governance is included in the Annual Report and the Certificate from the Statutory Auditors confirming compliance of the conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed thereto.

**ACKNOWLEDGEMENT**

Your Directors acknowledge the recognition given and trust reposed in your Company by the Depositors, Banks, Registrar of Companies, Reserve Bank of India, Mumbai Stock Exchange and other Government Agencies and record appreciation for their support and look forward to their continued confidence in the Company. Your Directors also place on record their appreciation for the valuable contribution and co-operation of all categories of employees of the Company.

Place: Kolkata  
Date : 15th July, 2011

For and on behalf of the Board  
**SANDEEP KUMAR JALAN**  
**CHAIRMAN**

**Annexure 'A' to the Directors' Report**

**Statement pursuant to the Provisions of Sec. 217(1)(e) of the Companies Act, 1956 Read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988**

**A. Conservation of Energy**

- a) Energy Conservation measures taken :

The Company's operations are not energy intensive. Most equipments traded are of imported origin. For those equipments manufactured locally, our in-house facilities are restricted to Vendor development, assembly and testing of the Products. Maximum use is made of natural lighting in the production area/s.

- b) Additional investments and proposals, if any being implemented for reduction of Consumption of energy:-

Nothing in particular.

- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production goods :

Impact of measures at (a) &(b) will be very marginal.All efforts are being made to keep the consumption within reasonable limits.

**B. Technology Absorption**

Research & Development (R&D)

- 1) Specific areas in which R&D carried out by the Company :

The Company was successful to develop three models of Shrink-Wrap Machines for packing of soiled Currency Notes during the year. All of these models have gained good commercial acceptance.

- 2) Benefits derived as a result of above R&D :

Company was able to manufacture over 400 SWS machines based on the R&D. Order flow is expected in future for such machines.

- 3) Future plan of Action :

Company is targeting production of Currency inspection systems, High Speed Note Counting Machines and Shrink-Wrap Machines to make optimum utilization of its available infra-structure.

- 4) Expenditure on R&D :

a) Capital	}	Research & Development is carried out
b) Recurring	}	by the Company as part of Production
c) Total	}	Process and therefore, no separate cost
d) Total R&D expenditure as	}	has been booked under the head
percentage of total turnover	}	"Research & development"

Technology, absorption, adaption and innovation : Not applicable.

Import of Technology : Nil.



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**C) Foreign Exchange Earnings & Outgo**

- a) Foreign Exchange Earnings :
- b) Total Foreign exchange used :

The Company trades in imported equipments which are procured from the foreign Principals. During the year, the Company has incurred expenditure in foreign exchange equivalent to Rs.25,52,338 comprising of Rs.19,92,527 for import of finished goods and components and Rs.5,59,811 for travelling and others.

Place: Kolkata  
Date : 15th July, 2011

For and on behalf of the Board  
**SANDEEP KUMAR JALAN**  
**CHAIRMAN**

**REPORT ON CORPORATE GOVERNANCE**

Your Company has been practicing the principle of good Corporate Governance, which comprises all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance compliance by the Company as per the revised Clause 49 of the Listing Agreement with Stock Exchange are as under :-

**COMPLIANCE OF MANDATORY REQUIREMENTS****A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself to increasingly long-term Shareholders value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

**B. BOARD OF DIRECTORS****(i) Composition of Board, Directorships & Committee Positions held in other Companies as at 31st March, 2011:-**

The Board consists of Seven Directors, one of whom is the Managing Director. All other Directors are non-executive. The Chairman is non-executive and not less than one third of the Board comprises of independent Directors.

The Company did not have any pecuniary relationship or transactions with the Non – Executive Directors during the period under review.

The remuneration, in the form of sitting fees, of Non–Executive Directors is decided by the Board of Directors.

During the year, five Board Meetings were held on 28th May, 2010, 6th August, 2010, 2nd November, 2010, 9th November, 2010 and 21st January, 2011.

The composition of Directors and the attendance at the Board Meetings during the year and at the last Annual General Meeting and also number of other Directorships/ Committee Memberships are given below :

Name of Directors	Category	No. of Outside Directorships held (excluding *)		No. of Outside Committees #		No. of Board meetings attended	Attendance at Last A.G.M
		As Director	As Chairman	As Member	As Chairman		
1. Mr. S.K. Jalan	Chairman Non Executive & Non-Independent	6	-	1	-	5	Yes
2. Mr.V.Vanchi	Executive Managing Director	5	-	-	2	5	Yes
3.Mr.A.D.Nanaiya	Non-Executive Independent Director	1	-	2	-	2	Yes
4.Mr.C.R.Paul	Non-Executive Independent Director	1	-	2	1	5	Yes
5.Mr.M.Singh	Non-Executive Independent Director	1	-	3	-	2	Yes
6.Mr.M.Sen	Non-Executive Independent Director	-	-	-	-	5	Yes
7.Mr.Amresh Kumar Jain	Non-Executive Independent Director	-	-	-	-	5	Yes

Note :- \* Excludes Directorships held in Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956.

# Memberships / Chairmanships of Audit Committee, Remuneration Committee and Shareholders / Investors Grievance Committee have been considered.