

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	

REGISTRARS & SHARE	MAHESHWARI DATAMATICS PVT. LTD.
TRANSFER AGENTS	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	RAKESH SETHIA & CO., CHARTERED ACCOUNTANTS
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BANKERS	CANARA BANK INDIAN OVERSEAS BANK UNITED BANK OF INDIA CENTRAL BANK OF INDIA
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REGISTERED & CORPORATE OFFICE	"SHANTINIKETAN",15TH & 16TH FLOOR, 8,CAMAC STREET, KOLKATA-700 017. PHONE NO. (033)-4027-4444/2282-8501 FAX NO. (033)-4027-4400 E-MAIL : koalcorporate@kilburn.in
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NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Company will be held at Gyan Manch, 11, Pretoria Street, Kolkata-700 071, on Monday, the 23rd day of September, 2013 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, 2013 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. Allapanda Deviah Nanaiya, 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 : 30th May, 2013

Registered Office :

"Shantiniketan", 15th Floor,
8, Camac Street, Kolkata-700 017.

For and on behalf of the Board

SANDEEP KUMAR JALAN

CHAIRMAN

NOTES

1. The Register of Members of the Company will remain closed from 16th September, 2013 to 23rd September, 2013 (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)	MR.MADHUSUDAN SEN	MR. ALLAPANDA DEVIAH NANAIYA
Age	70 Years	76 Years
Date of appointment	30.01.2003	21.02.1997
Qualifications	B.Sc	B. Sc
Expertise in specific functional areas	Sales & Marketing	Sales and General Administration
List of outside Directorships held	NIL	Kilburn Chemicals Limited
Memberships/Chairman of Committees held in other Public Companies	NIL	Kilburn Chemicals Limited -Member of Audit Committee -Member of Remuneration Committee -Member of Shareholders Grievance Committee

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

Your Directors submit their Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2013.

FINANCIAL RESULTS

Your Company recorded the following results for the Financial Year ended 31st March, 2013:

	31st March, 2013	31st March, 2012
	(Rs)	(Rs)
Gross Operating Profit/(Loss)	(9,63,53,600)	(10,90,78,149)
Depreciation	11,76,452	19,52,087
Net Profit/(Loss) Before Exceptional Items And Taxation	(9,51,77,148)	(10,71,26,062)
Exceptional Items	(2,854)	9,21,31,555
Profit /(Loss) Before Extraordinary Items And Tax	(9,51,80,002)	(1,49,94,507)
Current Tax--deferred Tax	(21,35,479)	272,772
Profit/(Loss) For The Period After Taxation	(9,30,44,523)	(1,52,67,279)
Profit Brought Forward Previous Year	1,48,05,749	3,00,73,028
Surplus /(Deficit) Carried To Balance Sheet	(7,82,38,774)	1,48,05,749

PERFORMANCE REVIEW

The performance of the Company during the year continued to be disappointing. But for Coin Vending Machines, there was depressed negative growth on all its other product lines. On CVMs the Company registered growths, both on quantity and turnover, by over 75% over the previous year. This growth was the result of the emphasis placed on installation of such machines by the Reserve Bank of India to ease the shortage of coins country-wide. The overall revenues of the Company during the year dropped to Rs.25.73 crores as against Rs.42.00 crores in 2011-12, but the operating expenses were much in excess resulting in a steep loss on operations of Rs.9.30 crores after taxes.

FUTURE PROSPECTS

The Management is seized of the issues facing the Company. To combat the same, it has initiated a two pronged strategy; (i) to move away largely from Direct Sales to Channel-based sales through a network of distributors and dealers, and (ii) drastically downsize operating costs by closing down most of the regional and branch offices and releasing the associated personnel. Further, it has also closed down its factory operations and surrendered its manufacturing registrations and settled with its workmen by offering retrenchment compensation.

These measures together with the addition of a new range of Currency Handling Products and Digital Duplicators are expected to result in better improved 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".

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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. Allapanda Deviah Nanaiya, 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, 2013 and of the 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.

AUDITORS

Messrs. Rakesh Sethia & 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.

COST ACCOUNTING RECORDS

The Company is maintaining Cost Accounting Records under Section 209(1)(D) of the Companies Act, 1956.

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.

For and on behalf of the Board

Place: Kolkata

Date : 30th May, 2013

SANDEEP KUMAR JALAN
CHAIRMAN

www.kilburn.in

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:**

Cost reduction in manufacture of Shrink Wrap Machines by changing MOC of certain components of input and incorporating various design changes resulting in more compact sizes for the different models.

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

Since developing Shrink Wrap Machines specific to packing of soiled Currency Notes, the Company sold 407 units in the said financial year.

- 3) **Future plan of Action :**

Reduce dependence on own manufactured products as economies of scale do not justify own manufactured.

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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.

C. Foreign Exchange Earnings & Outgo

- a) Foreign Exchange Earnings : Nil
- 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 comprising of Rs.1,46,86,567 for import of finished goods and components.

For and on behalf of the Board

Place: Kolkata

Date : 30th May, 2013

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, 2013:-

The Board of Directors of your Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance management, legal and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Clause 49(1)(A) of the Listing Agreement.

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, four Board Meetings were held on 31.05.2012, 14.08.2012, 8.11.2012, and 12.02.2013.

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 :

Kilburn Office Automation Ltd.

	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	-	4	Yes
2. Mr.V.Vanchi	Executive Managing Director	5	-	-	2	4	Yes
3.Mr.A.D.Nanaiya	Non-Executive Independent Director	1	-	3	-	-	No
4.Mr.C.R.Paul	Non-Executive Independent Director	1	-	2	1	2	Yes
5.Mr.M.Singh	Non-Executive Independent Director	1	-	3	-	1	No
6.Mr.M.Sen	Non-Executive Independent Director	-	-	-	-	4	Yes
7.Mr. Amresh Kumar Jain	Non-Executive Independent Director	-	-	-	-	4	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.

(ii) CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its Board members and Senior Management Personnel who have affirmed their compliance therewith. The Code of Conduct is available on the Company's website. A Certificate of affirmation in this regard is appended.

C. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Amresh Kumar Jain, Mr. C. R. Paul and Mr. M. Sen. Mr. Amresh Kumar Jain is the Chairman of the Committee.

The Audit Committee met four times during the year on 31.05.2012, 14.08.2012, 8.11.2012, and 12.02.2013.

The terms of reference of the Audit Committee are set out in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

D. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Mr.M.Sen, Mr.C.R.Paul and Mr. Amresh Kumar Jain. Mr. M. Sen is the Chairman of the Committee.

The Remuneration Committee met on 31.05.2012.

The Committee is empowered to recommend/ fix/ revise the remuneration packages of the Whole Time / Managing Director based on performance and other defined criteria.

Kilburn Office Automation Ltd.

The remuneration policy generally consists of basic remuneration, perquisites and performance incentives.

The details of remuneration paid to Directors for the year ended 31st March, 2013 are as follows:

Names of the Directors	Sitting Fees (₹)	Salary (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)
Mr. S.K.Jalan, Chairman	18,000	—	—	—	18,000
Mr. V.Vanchi, Managing Director	—	30,00,000	—	4,68,000	34,68,000
Mr. A. D. Nanaiya	—	—	—	—	—
Mr. C. R. Paul	12,000	—	—	—	12,000
Mr. M. Singh	3,000	—	—	—	3,000
Mr. M. Sen	33,000	—	—	—	33,000
Mr. Amresh Kumar Jain	27,000	—	—	—	27,000

The Company does not have any Employee Stock Option Scheme.

The agreement with the Managing Director is contractual in nature and is for a period of one year (i.e. from 14th November, 2012 to 13th November, 2013). The agreement may be terminated by either party by giving a notice of not less than three months in writing.

E. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee comprises of Mr.S.K.Jalan, Mr.V.Vanchi and Mr.M.Sen

Mr.M.Sen is the Chairman of the Committee.

The Shareholders/Investors Grievance Committee met twice during the year on 31.05.2012 & 12.02.2013.

All valid requests for share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March 2013.

Computation of complaints received and resolved during the year ended 31st March, 2013:-

a	No. of complaints received from Shareholders mainly for non receipt of annual report, share certificate etc	NIL
b	No. of Complaints resolved	NIL
c	No. of pending share transfers as on 31.03.2013	NIL