



KILBURN REPROGRAPHICS LIMITED

REPORT
AND
ACCOUNTS
1998-2000



KILBURN REPROGRAPHICS LTD.**DIRECTORS**

SANDEEP KUMAR JALAN

- Chairman &
Managing Director
- Managing Director

V. VANCHI

A. KHAITAN

RAJIV KHAITAN

SAMIR GHOSH

C. R. PAUL

P. MAJUMDAR

MANMOHAN SINGH

A. D. NANAIYA

COMPANY SECRETARY

D. K. GHOSH

**REGISTRARS & SHARE
TRANSFER AGENTS**

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, 2ND FLOOR
SURENDRA MOHAN GHOSH SARANI
CALCUTTA-700 001

AUDITORS

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS

SOLICITORS

KHAITAN & CO.

BANKERS

CANARA BANK
UNITED BANK OF INDIA
CENTRAL BANK OF INDIA

REGISTERED OFFICE

FOUR MANGOE LANE
SURENDRA MOHAN GHOSH SARANI
CALCUTTA-700 001

CORPORATE OFFICE

"SHANTINIKETAN"
15 & 16TH FLOOR,
8, CAMAC STREET,
CALCUTTA 700 017

FACTORY

"BHASA", DIAMOND HARBOUR ROAD
P.O. BISHNUPUR
DIST. 24-PARGANAS (S)
PIN - 743 503

REGIONAL OFFICES

EASTERN REGIONAL OFFICE
7, RED CROSS PLACE
CALCUTTA - 700 001

WESTERN REGIONAL OFFICE
GRESHAM ASSURANCE HOUSE
SIR PHIROZESHAH MEHTA ROAD
(ABOVE ANZ GRINDLAYS BANK)
FORT, MUMBAI - 400 001

SOUTHERN REGIONAL OFFICE
200, PETERS ROAD, ROYAPETTAH,
CHENNAI - 660014

NORTHERN REGIONAL OFFICE
B-161/4, GAUTAM NAGAR
GULMOHAR HOUSE, 4TH FLOOR
NEW DELHI 110 049

KILBURN REPROGRAPHICS LTD.

KILBURN REPROGRAPHICS LIMITED**NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held at Gyan Manch, 11, Pretoria Street, Calcutta-700 071, on Tuesday, the 26th day of September, 2000 at 11.00 a.m. to transact the following business :-

1. To receive, consider and adopt the Profit & Loss Account for the financial period ended 31st March, 2000 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Directors in place of Mr. S. K. Jalan and Mr. A. Khaitan, who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS :

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting held on 19th March, 1999 and in view of Section 293(1)(d) of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors for borrowing from time to time all such sums of money as it may deem requisite or proper for the purpose of business of the Company notwithstanding that moneys to be borrowed together with the monies already borrowed by the Company (apart from Cash Credit and temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) provided that the total amount upto which the moneys may be borrowed by the Board of Directors and shall not exceed the sum of Rs.75 Crores.

5. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT Pursuant to Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, sanctions and permissions as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company located at "Bhasa", Diamond Harbour Road, P.O. Bishnupur, Dist. 24-Parganas (S), Pin-743 503 for such a consideration and on such other terms and conditions, as may be deemed fit by the Board of Directors in the interest of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may in their absolute discretion to execute all such documents and writings as they may consider necessary, fit and proper for the purpose of giving effect to above Resolution."

6. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution :-

"RESOLVED THAT following new Articles be and are hereby inserted after Article 44 of the Articles of Association of the Company :-

44A - Nomination

Save as provided in Section 109A of the Act, no nomination of a Share shall be registered unless a proper nomination Form duly completed and executed by the Shareholder/s has been delivered to the Company.

Every nomination Form shall be in the prescribed Form and in accordance with the provisions of Section 109A of the Act.

7. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution :-

"RESOLVED THAT following new Articles be and are hereby inserted after Article 47 of the Articles of Association of the Company :-

47A-Dematerialisation of Shares

Definitions 47A - (1) For the purpose of this Article :-

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository.

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"SEBI" means Securities & Exchange Board of India.

"Depositories Act" means the Depositories Act, 1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force.

"Depository" means a Company formed and registered under Companies Act, 1956 and which has been granted a certificate of registration to act as a Depository under the Securities & Exchange Board of India.

"Security" means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

Securities in Depositories to be in fungible form

- 4) All the securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B and 187C of the Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- 5) a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents

- 6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- 7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a Depository

- 8) Nothing contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive Numbers of Securities held in a Depository

- 9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

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Register and Index of Beneficial Owners

- 10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

Date : 17th August, 2000

By Order of the Board
KILBURN REPROGRAPHICS LIMITED
S K JALAN
CHAIRMAN & MANAGING DIRECTOR

NOTES:

1. The Register of Members of the Company will remain closed from 19th September, 2000 to 26th September, 2000 (both days inclusive).
2. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and to vote in his stead 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 or its Corporate Office at Shantiniketan Building (15th & 16th Floor) 8, Camac Street, Calcutta 700 017 not less than forty eight hours before the meeting.
3. Members are requested to notify any change in their registered addresses to the Company's Registrar and Share Transfer Agents immediately.
4. Members who have multiple accounts in identical names or joint names in the same order are requested to send the relevant Share Certificate(s) to the Company's Registrar and Share Transfer Agents for consolidation of such multiple accounts into a single account to facilitate better service.
5. Shareholders are requested to bring the admission slip alongwith their Copy of the Reports at the Annual General Meeting.
6. The Relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
7. A copy of the Nomination Form is attached.

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KILBURN REPROGRAPHICS LTD.

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

ITEM 4

At the Annual General Meeting of the Company held on 19th March, 1999, the Company had accorded its consent under Section 293(1)(d) of the Companies Act, 1956, to the Directors for borrowing upto Rs. 50 Crores (apart from cash credit and temporary loans obtained from the company's bankers in the ordinary course of business). Recently, the Company has entered into a tie-up with WIPRO for marketing of Computer peripherals and is exploring the various possibilities for increasing the business activities. The Company is trying for similar ventures with other Multinational Companies, as a result of which substantial fund requirements may be necessary for meeting the increased volume of business. Therefore, the need has arisen for seeking the approval of the Members to increase the aforesaid borrowing power to the extent of Rs. 75 Crores (apart from cash credit and temporary loans obtained from the company's bankers in the ordinary course of business).

The Board recommends the resolution for acceptance by members.

No Director of the Company is interested in or concerned with the Resolution.

ITEM NO.5

Due to the stoppage of the manufacturing of Mechanical Franking Machines vide Govt. of India's Circular No. 41-4/95 PO dated 22/01/96 (issued by the Dept. of Posts), the factory located at "Bhasa", Diamond Harbour Road, P.O. Bishnupur, Dist. 24-Parganas (s), Pin - 743 503, is grossly under-utilised. In order to ease the tight liquidity situation, the management is exploring various ways and means for disposing of the said factory.

The sale, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company requires the approval of the shareholders pursuant to Section 293 (1) (a) of the Companies Act, 1956.

The Board recommends the resolution for acceptance by members.

No Director of the Company is interested in or concerned with the Resolution.

ITEM NO.6

The Central Government, vide the Companies Amendment Act, 1999 has inserted New Sections 109A and 109 B providing for Nomination facility for Registered Members of the Company. These Provisions also provide for transmission of shares to these nominees. In line with these modifications, it is proposed to amend the Articles of Association of the Company.

The Board recommends the resolution for acceptance by members.

No Director of the Company is interested in or concerned with the Resolution.

ITEM NO.7

After the enactment of the Depositories Act, 1996 and introduction of the Depository System, some of the provisions of the Companies Act, 1956, relating to issue, holding, transfer and transmission of the shares & other securities have been amended.

Consequently, it is proposed to add new provisions in the Articles of Association of the Company.

The Board recommends the resolution for acceptance by members.

No Director of the Company is interested in or concerned with the Resolution.

KILBURN REPROGRAPHICS LTD.

DIRECTORS' REPORT

FOR THE FINANCIAL PERIOD ENDED 31ST MARCH, 2000

Your Directors submit their report together with the Audited Accounts of the Company for the Financial period ended 31st March, 2000.

PERFORMANCE OF THE COMPANY

Your Company recorded the following Results for the period 01-10-98 to 31-03-2000 (18 months)

| | Year ended 31.03.2000 (18 months) (Rs.) | Year ended 30.09.98 (12 months) (Rs.) |
|--|--|--|
| Gross Operating Loss | (2,18,36,372) | (52,14,296) |
| Depreciation | 33,55,534 | 19,86,864 |
| Profit Before Tax/(Loss) | (2,51,91,906) | (72,01,160) |
| Profit After Tax/(Loss) | (2,51,91,906) | (72,01,160) |
| Profit brought forward from previous year | 42,78,231 | 1,27,29,391 |
| Profit available for Appropriation | — | 55,28,231 |
| Appropriations | | |
| Transfer to Debenture Redemption Reserve | — | 12,50,000 |
| Surplus/Deficit carried to Balance Sheet | (2,09,13,675) | 42,78,231 |

CHANGE OF ACCOUNTING YEAR

The Company had obtained permission from the Registrar of Companies, West Bengal for extending the accounting year to 18 months i.e. upto 31st March, 2000. Hence the Balance Sheet and Profit & Loss under review are for the 18 month period, 1st October 1998 to 31st March, 2000.

PERFORMANCE REVIEW

Extreme recessionary conditions persisted for all the Company's products during the period under review. Though the Company was able to sustain market shares in its traditional areas of strengths, margins were extremely under pressure. Total turnover during the period was Rs. 55.47 crores as compared to Rs 51.51 crores in the previous financial period of 12 months. The service income revenues, which hit an all-time low in the previous financial period, registered a healthy growth and was Rs. 8.70 crores as against Rs. 3.03 crores in the previous financial year.

In view of the loss sustained during the period under review, your Directors are unable to recommend any dividend for the year.

FUTURE PROSPECTS

Your Company's business on Mailing Equipment in tie-up

with M/s Pitney Bowes Inc., USA is progressing satisfactorily. Various advanced products like Digital Tax Meters, Cutters, Production Mail Equipments were identified and launched. The Department of Posts, New Delhi has just approved the "Postage By Phone" proposal for implementation on Pilot Basis in Mumbai. Popularisation of this concept of re-setting meters over phone is expected to lead to user convenience and improve market volumes.

Your Company has also entered into a strategic business relationship with the Peripheral Divn. of M/s Wipro Ltd. for marketing a select range of Dot Matrix, Line Printers and Multi-functional Devices throughout the country. The initial response to this tie-up in terms of business is encouraging. The Company is in the process of identifying other products in synergy with its marketing strengths to ensure better utilisation of the marketing infra-structure and overheads.

Simultaneously the Company is exploring possibilities of providing software solutions for various net-based applications like Electronic Bill Presentment & Payment (EBPP) etc.

With a continuously growing MIF (machines-in-field), your Company expects a steady rise in service income revenues over the years.

CAPITAL ISSUE

To augment its capital base, your Company made a preferential issue of 24,00,000 equity shares of Rs. 10/- each aggregating Rs. 2.40 crores and 1,20,000 11% Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating Rs. 1.20 crores during the year.

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'.

STATEMENT PURSUANT TO THE PROVISIONS OF SEC.217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Is given in Annexure 'B'.

DIRECTORS

Mr.S.K. Jalan and Mr. A.Khaitan 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.

AUDITORS

Messrs. Lovelock & Lewes, Chartered Accountants, the Auditor 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 the observations of the Auditors in their Report.

KILBURN REPROGRAPHICS LTD.**ACKNOWLEDGEMENTS**

Your Directors are grateful for the co-operation and continued guidance and support extended by the Bankers, Financial Institutions, Securities & Exchange Board of India and other Government Agencies. The Director appreciate the dedicated and sincere services rendered by the employees at all levels. Finally, the Directors owe a debt of

gratitude to all the shareholders for their support.

For and on behalf of the Board

Place : Calcutta

Date : 17th August, 2000

S.K.JALAN
CHAIRMAN &
MANAGING DIRECTOR

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 existing plant and machinery of the Company and construction of Factories have been planned to avail of the maximum natural light facilities as ventilation. The Company does not have intense requirements of energy.

- b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy :
No substantial investments required for reduction of consumption of energy at present.

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

Our existing energy consumption itself is not substantial and impact of measures taken as per para (a) above cannot be gauged accurately.

B) Technology Absorption

- a) Research & Development (R & D)

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

Apart from undertaking R & D for product development of our existing products like Plastic Comb Binding Machine, Stamp Cancelling Machine, our own R & D has successfully carried out new product development of :

- (i) Advance model of Plastic Comb Binding Machine and
(ii) Modified version of Stamp Cancelling Machine for use in Revenue applications.

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

- i) In spite of rising cost of basic inputs for our existing products, our Company has been able to curtail the cost to a large extent due to indigenous components and continuous effort to develop cheaper alternatives.

- (ii) Due to the knowledge acquired in developing the above and undertaking value engineering in respect of the existing products, the Company has acquired expertise for future diversification/expansion.

- 3) Future plan of action :

Keeping in view the fast changing scenario in the

Industry, the Company will carry out research and development for introduction of new products, respond to the market need by way of modification and improvement of its existing products and curtail the cost of production by way of value engineering and import substitution.

- 4) Expenditure on R & D :

- a) Capital

- b) Recurring

- c) Total

- d) Total R & D expenditure as percentage of total turnover

Research & Development is carried out by the Company as part of Production Process and therefore, no separate cost has been booked under the head "Research & Development."

- b) Technology, absorption, adaption and innovation :

As a consequence of the continuing efforts of the Company towards upgradation of technology, the Company has had no occasion to import any technology, during the last year. R & D activities are being directed mainly towards expanding the existing product range.

Imported Technology :

The Company has not imported any technology.

C) Foreign Exchange Earnings & Outgo

- a) Activities relating to export, initiatives taken to increase exports, development of new export markets for products and services and export plans.

- b) Total Foreign exchange used and earned :

The expenditure in foreign exchange has been equivalent to Rs. 14,48,75,652/- comprising of Rs. 14,31,42,394/- being the CIF value of imports of raw materials, finished goods and components and Rs. 17,33,258/- for books and periodicals, travelling and others.

Foreign Exchange earnings - Commission : Rs. 1,95,800/-

For and on behalf of the Board

Place : Calcutta

Date : 17th August, 2000

S K JALAN
CHAIRMAN &
MANAGING DIRECTOR

KILBURN REPROGRAPHICS LTD.

ANNEXURE 'B' TO THE DIRECTORS ' REPORT

**STATEMENT PURSUANT TO THE PROVISIONS OF SEC.217(2A) OF THE COMPANIES ACT, 1956.
READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**

| Name of the Employees | Designation/ Nature of Duties | Remuneration (Rs.) | Qualification and experience | Date of Commence- ment of empl- oyment | Age | Particulars of last employment |
|-----------------------|----------------------------------|-----------------------|-------------------------------------|---|-----|---|
| Jalan S K | Chairman & Managing Director | 13,36,325 | B.Com (Hons.), MBA (14 years) | 1.1.91 | 37 | Sr.Executive Shree Hanuman Jute Mills Limited |
| Vanchi V | Managing Director | 12,71,356 | B.E (Hons.),DCM (27 years) | 1.2.92 | 52 | Vice President - Corporate Planning Macneill & Magor Limited |

Note :

1. The Gross remuneration shown above is subject to tax and Companies Salary,allowances,commission,income-tax value of perquisite as per Income Tax Rule and Company's contribution to Provident Fund/Superannuation Fund.
2. Mr.S.K.Jalan,Chairman & Managing Director is related to Mr.A.Khaitan,Director.

Place : Calcutta
Date : 17th August,2000

For and on behalf of the Board
S K JALAN
CHAIRMAN & MANAGING DIRECTOR

