

kilburn 

**Annual
Report
And
Accounts
2008-2009**

KILBURN OFFICE AUTOMATION LIMITED

Kilburn Office Automation Ltd.

DIRECTORS

SANDEEP KUMAR JALAN
V. VANCHI
C. R. PAUL
M. SINGH
A. D. NANAIYA
M. SEN
AMRESH KUMAR JAIN

- CHAIRMAN
- MANAGING DIRECTOR

COMPANY SECRETARY

D. K. GHOSH

**REGISTRARS & SHARE
TRANSFER AGENTS**

MAHAESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, 2ND FLOOR,
KOLKATA-700 001.
PHONE NO. (033)-2243-5809/5029
FAX NO. (033)-2248-4787
E-MAIL : mdpl@cal.vsnl.net.in

AUDITORS

PATNI & CO.
CHARTERED ACCOUNTANTS

SOLICITORS

MUKHERJEE & BISWAS

BANKERS

CANARA BANK
UNITED BANK OF INDIA
CENTRAL BANK OF INDIA

**REGISTERED & CORPORATE
OFFICE**

"SHANTINIKETAN", 15TH & 16TH FLOOR,
8, CAMAC STREET,
KOLKATA-700 017.
PHONE NO. (033)-2282-8501/8268/8272
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)-2453-7925/26
E-MAIL : koalfactory@kilburn.in

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Kilburn Office Automation Ltd.

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held at Gyan Manch, 11, Pretoria Street, Kolkata-700 071, on Monday, the 24th day of August, 2009 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, 2009 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. S.K. Jalan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. C.R. Paul, 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: 29th June, 2009

For and on behalf of the Board
S. K. Jalan
Chairman

NOTES

1. The Register of Members of the Company will remain closed from 17th August, 2009 to 24th August, 2009 (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.

Kilburn Office Automation Ltd.

**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. S. K. JALAN	MR. C. R. PAUL
Age	46 Years	80 Years
Date of appointment	29.03.1989	30.12.1987
Qualifications	B.Com (Hons.), MBA	M.Sc. (Applied Physics)
Expertise in specific functional areas	Rich and varied experience in business, administration and commerce.	Power Technologist and General Management
List of outside Directorships held	<ol style="list-style-type: none"> 1. Kilburn Chemicals Limited Managing Director 2. The Scottish Assam India Limited Alternate Director 3. Shree Durga Agencies Limited Director 4. KRL Finance & Investments Limited Director 5. Just Desserts Limited Director 6. Sandeep Investments Limited Director 7. Supriya Finance Limited Director 8. Kilburn Software Technologies India Limited Director 9. Buckingham Financial Services Limited Director 10. Shreyans Investments Private Limited Director 11. Smart Card Techno Services Private Limited Director 	<ol style="list-style-type: none"> 1. Philips Carbon Black Limited Director
Memberships/Chairman of Committees held in other Public Companies	<p>Kilburn Chemicals Limited Member of Shareholders' Grievance Committee</p>	<ol style="list-style-type: none"> 1. Philips Carbon Black Limited Member of Audit Committee 2. Philips Carbon Black Limited Member of Remuneration Committee 3. Philips Carbon Black Limited Chairman of Shareholders Grievance Committee

Kilburn Office Automation Ltd.**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2009**

Your Directors submit their Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2009.

FINANCIAL RESULTS:

Your Company recorded the following results for the Financial Year ended 31st March, 2009.

	Financial Year Ended 31st March, 2009	Financial Year Ended 31st March, 2008
Gross Operating Profit	1,71,44,298	1,41,96,483
Depreciation	27,19,791	27,89,490
Net Profit Before Taxation	1,44,24,507	1,14,06,993
Current Tax	(16,34,300)	(12,25,000)
Deferred Tax Credit	25,67,392	12,07,589
Fringe Benefit Tax	(7,90,536)	(6,94,000)
Net Profit after Taxation	1,45,67,063	1,06,95,582
Profit /(Loss) brought forward from Previous Year	12,82,538	(94,13,044)
Surplus carried to Balance Sheet	1,58,49,601	12,82,538

DIVIDEND:

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

PERFORMANCE REVIEW:

The Company was able to register a revenue growth of 20.3% over the previous year. Operating income increased to Rs.3673 lacs against Rs.3052 lacs in the previous year. This growth was possible due to a healthy rise of 18% on Copier operations of the Company as also a marginal shift of product-mix towards high-end Copiers. Besides the Company fared well in the marketing of Coin Vending Machines and other Banking Products, which were launched during the year under review. Operating profits however increased only marginally due to pressure on margins and intense competition arising out of the impact of global melt down. The Company finalised marketing tie-ups for additional new products during the year to diversify its marketing range with a view to optimal usage of its pan-India sales and servicing infra-structure.

FUTURE PROSPECTS:

Office Automation Products are drivers of economic growth. Market for these Products is expected to register healthy growth in years to come. Your Company has excellent Distributorship tie-ups with Global Leaders in this regard.

On Copiers and MFPs, your Company has plans to diversify its product range to cover high-end(60 cpm & above) B/W Copiers as also a range of colour Copiers in tie-up with Kyocera Mita India Pvt. Ltd. Your Company has established a virtual dominance in the marketing of Coin Vending Machines and Note Counting Machines. It has recently launched Cheque Drop Machines and Note Strapping/Wrapping Machines.

Your Company is working closely with its Principal to launch Remotely Managed Digital Franking Machines in tune with the Department of Posts' migration policy.

Considering all of the above, your Company is hopeful of stepping up its operational performance in coming years.

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. A Statement pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure "B".

Kilburn Office Automation Ltd.**DIRECTORS:**

Mr. S.K.Jalan and Mr.C.R.Paul 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, 2009 and of the profit 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. 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, Financial Institutions, 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: 29th June, 2009

For and on behalf of the Board
S. K. Jalan
Chairman

Kilburn Office Automation Ltd.

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 and in some cases local assemblies are done. Factory roofing provide for maximum natural light available.

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) and (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 :

Two Models of Stamp Cancelling Machines have been perfected in consultation with the Postal Authorities.

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

Desk Top Stamp Cancelling Machines will help in liquidating the inventory of manual / mechanical Franking Machines manufacture of which have been discontinued few years back.

3) Future plan of Action :

Company is targeting production of Note Counting Machines to make optimum utilization of its available infrastructure.

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 mainly Digital Copiers & Multi-functional Products. During the year, the Company has incurred expenditure in foreign exchange equivalent to Rs.3,50,06,283 comprising of Rs.3,46,58,733 import of finished goods and components and Rs.3,47,550 for travelling & others.

Place: Kolkata

Date: 29th June, 2009

For and on behalf of the Board

S. K. Jalan
Chairman

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Kilburn Office Automation Ltd.

Annexure 'B' to the Directors' Report
Statement pursuant to the Provisions of Sec. 217(2A) of the Companies Act, 1956
Read with Companies (Particulars of Employees) Rules, 1975

Employees throughout the year and were in respect of remuneration which in the aggregate was more than Rs.24,00,000 p.a.

Name of Employees	Designation	Remuneration (Rs.)	Qualifications and Experience	Date of Commencement of employment	Age	Particulars of last employment
Mr. V. Vanchi	Managing Director	28,53,253	B.E. (Hons) DCM 35 Years	01.02.92	62 Years	Vice-President Corporate Planning Macneill & Magor Limited

Place: Kolkata
Date: 29th June, 2009

For and on behalf of the Board
S. K. Jalan
Chairman

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REPORT ON CORPORATE GOVERNANCE

Your Company has been practising 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 Exchanges are as under :-

I. 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, 2009:-**

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, 2008, 24th June, 2008, 28th July, 2008, 31st October, 2008 and 29th January, 2009.

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 :

Names 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 Chairman & Non-Independent	8	-	1	-	5	Yes
2. Mr. V. Vanchi	Executive Managing Director	7	-	-	2	5	Yes
3. Mr. A. D. Nanaiya	Non-Executive Independent Director	1	-	2	-	2	No
4. Mr. C. R. Paul	Non-Executive Independent Director	1	-	2	1	4	Yes
5. Mr. M. Singh	Non-Executive Independent Director	-	-	-	-	1	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.

Membership/Chairmanship of Audit Committee, Remuneration Committee and Shareholders / Investors Grievance Committee have been considered.

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