

kilburn 

**Annual
Report
And
Accounts
2014-2015**

Kilburn Office Automation Limited

Kilburn Office Automation Ltd.

DIRECTORS

MR. SANDEEP KUMAR JALAN	(DIN-00015836)	- CHAIRMAN
MR. VARADARAJAN VANCHI	(DIN-00015985)	- MANAGING DIRECTOR
MR. AMRESH KUMAR JAIN	(DIN-01120626)	
MR. MADHUSUDAN SEN	(DIN-00056874)	
(Resigned on 28-07-2015)		
SMT. JHUMUR BHATTACHARJEE	(DIN-07015112)	
MR. DILIP MUKHERJEE	(DIN-07244118)	
(Appointed on 28-07-2015)		

CHIEF FINANCIAL OFFICER

MR. PRONAB KUMAR CHATTERJEE

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

RAKESH SETHIA & CO.,
CHARTERED ACCOUNTANTS

BANKERS

CANARA BANK
INDIAN OVERSEAS 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 / 2282-7722
FAX NO. (033)-2282-4627
E-MAIL : koalcorporate@kilburn.in

Kilburn Office Automation Ltd.

BOARD'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

TO THE MEMBERS OF Kilburn Office Automation Limited

Your Directors submit their Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2015.

FINANCIAL RESULTS

Your Company recorded the following results for the Financial Year ended 31st March, 2015:-

Particulars	Financial Year Ended 2014-15 ₹	Financial Year Ended 2013-14 ₹
Gross Operating Loss	(1,95,28,557)	(6,35,54,488)
Depreciation	10,15,391	9,58,776
Net Loss Before Exceptional Items and Taxation	(2,05,43,948)	(6,45,13,264)
Exceptional Items	-	5,11,71,897
Net Loss Before Extra Ordinary Items and Taxation	(2,05,43,948)	(1,33,41,367)
Deferred Tax	-	(7,84,198)
Loss For The Period After Taxation	(2,05,43,948)	(1,25,57,169)
Loss Brought Forward Previous Year	(9,07,95,944)	(7,82,38,775)
Depreciation Adjustment	(3,20,504)	-
Deficit Carried To Balance Sheet	(11,16,60,396)	(9,07,95,944)

PERFORMANCE REVIEW:

The performance of the Company during the year continued to be disappointing. The Company registered operating revenues of ₹ 13.02 crores during the year resulting in a growth of 68% over the previous year. This growth was achieved by putting sustained efforts on disposal of the Company's stock of Coin Vending Machines and other office products. In spite of such efforts, the Company ended the year with an operational loss of ₹ 1.95 crores.

Due to difficult business environment, the Company sold its Coin Vending Machine business during the year in two tranches to M/S Kusters Engineering India Pvt. Ltd. and M/S Techmart Digital Systems Pvt. Ltd. in terms of duly executed Business Transfer Agreements with these Companies.

FUTURE PROSPECTS:

As reported in the previous year, the Company has discontinued all its manufacturing activities. The Company is currently in the process of liquidating its inventory of Digital Duplicators, Ammonia Printing Machines and other Banking Products. The Company is also exploring suitable diversification opportunities.

SHARE CAPITAL

The Paid-up Share Capital as on 31st March, 2015 is ₹ 7,95,01,000/- comprising of 67,50,100 Equity Shares of ₹ 10/- each amounting to ₹ 6,75,01,000/- and 11% 1,20,000 Cumulative Redeemable Preference Shares @ ₹ 100/- each amounting to ₹ 1,20,00,000/-. During the year, the Company has not issued any securities.

DEPOSITS

The Company had discontinued its Fixed Deposit Scheme from 2013-2014. The total deposits outstanding as on 31st March, 2015 aggregated to ₹ 4,98,000/- (Previous Year 31st March, 2014 ₹ 43,90,000/-) which include deposits matured and remaining unclaimed of ₹ 2,43,000/-. The Company has not accepted deposits from the the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposit) Rules, 2014.

Kilburn Office Automation Ltd.

Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, Extract of Annual Return is Annexed as **Annexure 1** in Form **MGT-9**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Amresh Kumar Jain, Smt. Jhumur Bhattacharjee and Mr. Madhusudan Sen are Independent Directors (IDs) on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company. Mr. Amresh Kumar Jain and Mr. Madhusudan Sen were appointed as the Independent Directors for 5 (Five) years at the Annual General Meeting held on 10th September, 2014.

Mr. Sandeep Kumar Jalan, Non-Executive and Non-Independent Director (bearing DIN-00015836) retires by rotation and being eligible offers himself for re-appointment.

Due to the sudden demise of one of our Independent Director Mr. Allapanda Deviah Nanaiya on 18/9/2014, Smt. Jhumur Bhattacharjee was appointed in the casual vacancy as a Non-Executive, Independent and Woman Director on 11-11-2014 to hold the office till the date of Annual General Meeting. It is proposed to appoint Smt. Jhumur Bhattacharjee as a Woman & Independent Director for 5 (five) years at the ensuing Annual General Meeting.

Due to the ill-health, Mr. Madhusudan Sen resigned from the Board on 28-7-2015. Mr. Dilip Mukherjee (holding DIN-07244118) was appointed as an Additional Director on the Board on 28-7-2015. It is proposed to appoint Mr. Dilip Mukherjee as an Independent Director for 5 (five) years at the ensuing Annual General Meeting.

All the Independent Directors have given declarations they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

In view of the provisions of the Section 203 of the Companies Act, 2013, Mr. Varadarajan Vanchi, Managing Director and Mr. Pronab Kumar Chatterjee, Chief Financial Officer were identified as the Key Managerial Personnel (KMP) of the Company.

DETAILS OF BOARD MEETINGS

During the year, 5 (five) number of Board meetings were held, details of which are given below:

Date of the meeting	No. of Directors attended the meeting
17-04-2014	4
29-05-2014	4
31-07-2014	4
11-11-2014	5
12-02-2015	4

Committees of Board

The details of composition of the Committees of the Board of Directors are as under:-

a. Audit Committee

SI. No.	Name	Chairman/ Members
1	Mr. Amresh Kumar Jain	Chairman
2	Smt. Jhumur Bhattacharjee	Member
3	Mr. Madhusudan Sen	Member

Kilburn Office Automation Ltd.

During the year, the Committee met on 17-04-2014, 29-05-2014, 31-07-2014, 11-11-2014 and 12-02-2015.

Vigil mechanism/Whistle Blower Policy

The Company has a strict Vigil Mechanism/Whistle Blower Policy to deal with fraud and mismanagement in accordance with the provisions of Section 177(9) of the Companies Act, 2013.

b. Nomination & Remuneration Committee

Sl. No.	Name	Chairman/ Members
1	Mr.Amresh Kumar Jain	Chairman
2	Smt.Jhumur Bhattacharjee	Member
3	Mr.Madhusudan Sen	Member

During the year, the Committee met on 11-11-2014.

c. Stakeholders Relationship Committee

Sl. No.	Name	Chairman/ Members
1	Mr.Amresh Kumar Jain	Chairman
2	Mr.Sandeep Kumar Jalan	Member
3	Mr.Varadarajan Vanchi	Member

During the year, the Committee met on 29-05-2014 and 12-02-2015.

d. Independent Directors Meeting and Criteria for evaluation of Directors

During the year under review, the Independent Directors met on 13-02-2015, for the purpose :-

- Evaluation of the performance of Non-Executive Directors and the Board of Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Remuneration Policy

All the Non-Executive (Independent and Non-Independent) Directors are entitled to receive Sitting Fees for attending the Board/Audit Committee Meetings.

Mr.Varadarajan Vanchi was re-appointed as the Managing Director of the Company for one year from 14-11-2014 to 13-11-2015 at the Board Meeting held on 11-11-2014. His remuneration pursuant to Schedule V read with Section 196 and other applicable provisions of the Companies Act, 2013 were recommended by the Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 at its meeting held on 11-11-2014. The said re-appointment and remuneration policy was approved by the Board of Directors which is being ratified by the shareholders at the ensuing Annual General Meeting.

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The information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is inclosed as **Annexure - 2.**

Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) 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 the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place adequate Internal Financial Control System commensurate with the size, scale and complexity of its operations. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws, regulations, safeguarding assets and economic and efficient use of resources.

The policies and procedures adopted by the Company ensures the orderly and efficient conduct of business and adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of the records and timely preparation of reliable financial information.

The Company has appointed M/s. Jain, Binod & Associates, Chartered Accountants as the Internal Auditor of the Company. The Company has implemented Tally ERP 9 solution which further reinforces the Management Information System (MIS).

Statutory Auditors, their Report and Notes to Financial Statements

In the last AGM held on 10th September, 2014, M/s. Rakesh Sethia & Co., Chartered Accountants have been appointed Statutory Auditors of the Company for a period of 3 (three) years. The ratification of the appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting. The Statutory Auditor has confirmed his eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company.

Further, the report of the Statutory Auditors alongwith notes to Schedules is enclosed to this report. The Directors are of the view that notes to the Accounts adequately provide the necessary information and answers to the observations of the Auditors in their Report..

Secretarial Audit

In pursuance of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made there under, the Company has appointed

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M/s. Sunil Kumar Banerjee, Practicing Company Secretary to undertake Secretarial Audit of the Company. The report of the Secretarial Auditor is enclosed as **Annexure - 3 in MR-3** to this report. The report adequately provides the necessary information with certain observations.

Related party transactions

All the Related Party transactions pursuant to Section 188 of the Companies Act, 2013 that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel (KMP) which may have a potential conflict with the Company at large.

All the Related Party transactions are placed before the Audit Committee as also the Board for their approval.

Human Resources

The Company has recognized that good human resource development is essential for the success, growth and improvement of the Company. Human relations in the Company continued to be cordial and satisfactory.

Statement containing salient features of financial statements of subsidiaries

Pursuant to sub-section (3) of Section 129 of the Act, the Company does not have any subsidiary companies.

Business Risk Management Policy / Risk Mitigation

In terms of the requirement of the Act, the Company has developed and implemented the Business Risk Management Policy and the Audit Committee of the Board reviews the same periodically like interest risk, technological obsolescence etc.,

Significant and material orders passed by the regulators

During the year under review, the Compounding of Offences under Section 621A of the erstwhile Companies Act, 1956 for alleged violation of the Sections 209, 217(3), 211(1) & (2) & 211(3A) of the said Act in respect of the scrutiny of the Annual Audited Accounts for the Financial Years ended 31st March, 2010, 31st March, 2011 and 31st March, 2012 have been settled by The Company Law Board (CLB), Kolkata Bench, Kolkata vide their Order dated 23/05/2014 imposed compounding fees towards its Managing Director and other Non-Executive Directors viz., Mr. Sandeep Kumar Jalan, Mr. Madhusudan Sen, Mr. Amresh Kumar Jain including erstwhile Directors Mr. Manmohan Singh, Mr. C.R. Paul, Late Mr. A.D. Nanaiya of the Company. The Compounding fees were duly paid. Hence, the said order does not impact the going concern status and company's operations.

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

Statement Pursuant to the Provisions of Sec. 134(3)(m) of the Companies Act, 2013 Read with Rule 8 of The Companies (Accounts) Rules, 2014 is given below:-

A. Conservation of Energy:- NOT APPLICABLE

B. Technology Absorption :- NOT APPLICABLE

C. Foreign Exchange Earnings & Outgo

a) **Foreign Exchange Earnings** : Nil

b) **Total Foreign exchange used** :

During the year, the Company has incurred expenditure in foreign exchange comprising of ₹86,911/- on CIF value of imports.

PARTICULARS OF EMPLOYEES

Industrial relations in the Company continued to be cordial and satisfactory. Pursuant to the provisions of Section 197 of the Companies Act, 2013 Read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

CORPORATE GOVERNANCE

Pursuant to the Sebi's Order No. CIR/CFD/POLICY CELL/7/2014 September 15, 2014, the Corporate Governance pursuant to Clause 49 of the Listing Agreement, is not applicable to the Company for the year under review.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder, the Corporate Social Responsibility is not applicable to the Company.

ACKNOWLEDGEMENTS

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 : 28th July, 2015

SANDEEP KUMAR JALAN
CHAIRMAN-DIN-00015836

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN :-L27106WB1980PLC033140
- ii) Registration Date :-25TH NOVEMBER,1980
- iii) Name of the Company :-KILBURN OFFICE AUTOMATION LTD.
- iv) Category / Sub-Category of the Company : Company having Share Capital
- v) Address of the Registered Office and contact details:
"SHANTINIETAN",15TH FLOOR,
8,CAMAC STREET, KOLKATA-700017.
PHONE NO.-(033)-2282-8501/7721,
FAX NO.-(033)-2282-4627
E-MAIL ID-koalcorporate@kilburn.in
- vi) Whether listed company Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any:-
MAHESHWARI DATAMATICS PRIVATE LIMITED,
6, MANGO LANE, 2ND FLOOR,
SURENDRA MOHAN GHOSH SARANI,
KOLKATA-700001.
PHONE NO.-(033)-2243-5809/5029/2248-2248
FAX NO.-(033)-2248-4787
e-mail-mdpl@cal.vsnl.net.in/mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SI. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1.	OFFICE AUTOMATION PRODUCTS	2817	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SI. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	SHREE DURGA AGENCIES LIMITED, "SHANTINIKETAN",15TH FLOOR, 8,CAMAC STREET,KOLKATA-700017.	L67120WB19 73PLC029108	ASSOCIATE	31.07	2(6)

Kilburn Office Automation Ltd.

I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year-1-4-2014				No. of Shares held at the end of the year-31-3-2015 %				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	3700	-	3700	0.0548	3700	-	3700	0.0548	NIL
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	3426396	2200	3428596	50.7933	3426296	2200	3428596	50.7933	NIL
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	3430096	2200	3432296	50.8481	3430096	2200	3432296	50.8481	NIL
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter									
(A) =(A)(1)+(A)(2)	3430096	2200	3432296	50.8481	3430096	2200	3432296	50.8481	NIL
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	-	6200	6200	0.0919	-	6200	6200	0.0919	NIL
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	6200	6200	0.0919	-	6200	6200	0.0919	NIL

Kilburn Office Automation Ltd.

Category of Shareholders	No. of Shares held at the beginning of the year-1-4-2014				No. of Shares held at the end of the year-31-3-2015				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	923381	45851	969232	14.3588	899394	45851	945245	14.0034	-2.4748
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1016461	587413	1603874	23.7607	1042333	581914	1624247	24.0626	1.2702
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	709658	-	709658	10.5133	719258	-	719258	10.6555	1.3528
(c) Non-Resident Indians	10215	3800	14015	0.2076	9045	3800	12845	0.1903	-8.3482
(d) Clearing Members	4825	-	4825	0.0715	9	-	9	0.0001	-99.8135
(e) Trusts	10000	-	10000	0.1481	10000	-	-	0.1481	NIL
Sub-total (B)(2):-	2674540	637064	3311604	49.060	2680039	631565	3311604	49.0600	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	2674540	643264	3317804	49.1519	2680039	637765	3317804	49.1519	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	6104636	645464	6750100	100.0000	6110135	639965	6750100	100.0000	NIL

Kilburn Office Automation Ltd.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year-1-4-2014			Share holding at the end of the Year-1-4-2014 to 31-3-2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mr.Sandeep Kumar Jalan	400	0.0059	NIL	400	0.0059	0.0059	NIL
2.	Late Mr.Bजारंग Prasad Jalan	3100	0.459	NIL	3100	0.459	NIL	NIL
3.	Smt.Divya Jalan	200	0.0030	NIL	200	0.0030	NIL	NIL
4	Shree Durga Agencies Limited	2096925	31.0651	NIL	2096925	31.0651	NIL	NIL
5.	Nirvan Commercial Company Limited	1178028	17.4520	NIL	1178028	17.4520	NIL	NIL
6.	Supriya Finance Limited	129082	1.9123	NIL	129082	1.9123	NIL	NIL
7.	Sandeep Investments Limited	22361	0.3313	NIL	22361	0.3313	NIL	NIL
8	Saket Fiscal Services Pvt. Ltd.	2200	0.0326	NIL	2200	0.0326	NIL	NIL
	TOTAL	3433296	50.8481	NIL	3433296	50.8481	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year-1-4-2014		Cumulative Shareholding during the year 1-4-2014 to 31-3-2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year-1-4-2014	3432296	50.8481	3432296	50.8481
	Date wise Increase /Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g.allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year-31-3-2015	3432296	50.8481	3432296	50.8481

Kilburn Office Automation Ltd.**(iv) Shareholding Pattern of top ten Shareholders****(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year 1-4-2014		Increase/ Decrease During the Year	Shareholding at the end of the year 31-3-2015	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Williamson Magor and Co.Ltd.	89,000	1.3185	Decrease	-	-
2	Babock Borsig Ltd	-	-	Increase	89,000	1.3185
3	Bishnauth Investments Limited (Formerly From Metals Centre Limited)	545095	8.0754	No Transfer	545095	8.0754
4	VSL Securities Pvt. Ltd.	45478	0.6737	No Transfer	45478	0.6737
5	Mr. Raj Kumar Lohia	112538	1.6672	Decrease	87003	1.2889
6	Mr. Pushpa Kishor Parikh	45431	0.6730	Increase	64183	0.9508
7	Mr. Kishor Pravinchandra Parikh	47860	0.7090	Increase	51850	0.7681
8	Mr. Dheeraj Kumar Lohia	93478	1.3848	Decrease	90000	1.3333
9	Mr. Vijayben P Parikh	95511	1.4150	Increase	124227	1.8404
10	Smt. Snehlata Singhi	74021	1.0966	No Transfer	74021	1.0966

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors/KMP	Shareholding at the beginning of the year 1-4-2014		Increase/ Decrease During the Year	Shareholding at the end of the year 31-3-2015	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Mr.Sandeep Kumar Jalan, Director	400	0.0059	No Transfer	400	0.0059
2	Mr.Varadarajan Vanchi, Managing Director	1389	0.0020	No Transfer	1389	0.0020

Kilburn Office Automation Ltd.**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(IN ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	72,960	34,01,57,322	43,90,000	34,46,20,282
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	72,960	34,01,57,322	43,90,000	34,46,20,282
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	72,960	9,85,93,000	38,92,000	10,25,57,960
Net Change	72,960	9,85,93,000	38,92,000	10,25,57,960
Indebtedness at the end of the financial year				
i) Principal Amount	-	24,15,64,322	4,98,000	24,20,62,322
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	43,728	43,728
Total (i+ii+iii)	-	24,15,64,322	5,41,728	24,21,06,050

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (IN ₹)**

Sl. No.	Particulars of Remuneration	Mr. Varadarajan Vanchi, Managing Director	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,52,819	19,52,819
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,92,137	2,92,137
	(c) Profits in lieu of salary under u/s 17(3) Income-tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission- as % of profit- others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total	22,44,956	22,44,956

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Kilburn Office Automation Ltd.

B. Remuneration to other directors:

(IN ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Mr. Amresh Kumar Jain	Mr.Madhusudan Sen	Mr.A.D. Nanaiya	Smt. Jhumur Bhattacharjee	
	• Fees for attending board / committee meetings	27,000	3000	12,000	12,000	54,000
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	27,000	3000	12,000	12,000	54,000
2.	Other Non-Executive Directors	Mr.S.K. Jalan				
	• Fee for attending board / committee meetings	15,000	NIL	NIL	NIL	15,000
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	15,000	NIL	NIL	NIL	15,000
	Total (B)=(1+2)	42,000	3000	12,000	12,000	69,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

(IN ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	NOT APPLICABLE	NOT APPLICABLE	8,68,536	8,68,536
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			3375	3375
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			-	-
2	Stock Option	NOT APPLICABLE	NOT APPLICABLE	NIL	NIL
3	Sweat Equity	NOT APPLICABLE	NOT APPLICABLE	NIL	NIL
4	Commission - as % of profit - others, specify...	NOT APPLICABLE	NOT APPLICABLE	NIL	NIL
5	Others, please specify	NOT APPLICABLE	NOT APPLICABLE	NIL	NIL
	Total	NOT APPLICABLE	NOT APPLICABLE	8,71,911	8,71,911

Kilburn Office Automation Ltd.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ CLB/COURT]	Appeal made, if any (giveDetails)
A. COMPANY					
Penalty	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Punishment	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Compounding	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
B. DIRECTORS					
Penalty	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Punishment	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Compounding	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Mr. Varadarajan Vanchi, Managing Director	211(3A), CA, 1956	PROFIT & LOSS ACCOUNT AND BALANCE SHEET TO COMPLY WITH ACCOUNTING STANDARDS	₹ 18,000/= PAID	CLB	NOT APPLICABLE
Mr. Varadarajan Vanchi, Managing Director	209(3)(b), CA, 1956	BOOKS OF ACCOUNTS	₹ 6,000/= PAID	CLB	NOT APPLICABLE
Mr. Varadarajan Vanchi, Managing Director	211(1)&(2) CA, 1956	TRUE AND FAIR VIEW OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	₹ 12,000/= PAID	CLB	NOT APPLICABLE
Mr. Varadarajan Vanchi, Managing Director	217(3)CA,1956	BOARDS' REPORT	₹ 15,000/= PAID	CLB	NOT APPLICABLE
Mr. C.R.Paul, Director	217(3)CA,1956	BOARDS' REPORT	₹ 3,000/= PAID	CLB	NOT APPLICABLE

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Mr. Sandeep Kumar Jalan, Director	217(3)CA,1956	BOARDS' REPORT	₹ 3,000/= PAID	CLB	NOT APPLICABLE
Mr. Manmohan Singh, Erstwhile Director	217(3)CA,1956	BOARDS' REPORT	₹ 3,000/= PAID	CLB	NOT APPLICABLE
Mr. A.D. Nanaiya, Erstwhile Director	217(3)CA,1956	BOARDS' REPORT	₹ 3,000/= PAID	CLB	NOT APPLICABLE
Mr. Madhusudan Sen, Director	217(3)CA,1956	BOARDS' REPORT	₹ 3,000/= PAID	CLB	NOT APPLICABLE
Mr. Amresh Kumar Jain	217(3)CA,1956	BOARDS' REPORT	₹ 3,000/= PAID	CLB	NOT APPLICABLE

C. OTHER OFFICERS IN DEFAULT

Penalty	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Punishment	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Compounding	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE

For and on behalf of the Board

Place: Kolkata
Date : 28th July, 2015

SANDEEP KUMAR JALAN
CHAIRMAN-DIN-00015836

Annexure 2

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH,2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
KILBURN OFFICE AUTOMATION LIMITED
(CIN-L27106WB1980PLC033140)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KILBURN OFFICE AUTOMATION LIMITED** (hereinafter called the company). **Secretarial Audit** was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March,2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March,2015**, according to the provisions of :-

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952.
7. Employees State Insurance Act, 1948.
8. Employers Liability Act, 1948.
9. Equal Remuneration Act, 1976.
10. Indian Contract Act, 1972.

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11. Income Tax Act,1961 and Indirect Tax Laws.
12. Indian Stamp act,1999.
13. Industrial Disputes Act,1947.
14. Negotiable Instruments Act,1881.
15. Payment of Bonus Act,1965.
16. Payment of Gratuity Act,1972.
17. Consumer Protection Act.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Mumbai Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations as placed below as “**ANNEXURE-A**”:

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there are no instances of:-

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Place : KOLKATA
Date : 27th May, 2015

SUNIL KUMAR BANERJEE
PRACTISING COMPANY SECRETARY
FCS No. : 2189
C P No : 4652

ANNEXURE-A

1. Despite the fact that the Company has complied with the provisions, rules, regulations guidelines and standards, it is felt that the compliance mechanism systems, procedures can be further strengthened and improved.
2. Section 203 of the Companies Act, 2013 , in regard to the appointment of Key Managerial Personnel (KMP) has been checked.
The Company has re-appointed and varied the terms of remuneration package of Mr. Varadarajan Vanchi and his re-appointment is for a further period of one year from 14-11-2014 to 13-11-2015.
The Company had Chief Financial Officer(CFO) during the year under review. However, the appointment of Company Secretary(CS) is yet to be made.
3. The Company has not accepted any public deposit during the year under review under the provisions of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules,2014.
4. Pursuant to the Sebi's Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the Corporate Governance pursuant to Clause 49 of the Listing Agreement was not applicable during the year under review.
5. On the basis of the information and explanations, it was found that the Company is having two legal cases pending in the Labour Court of Pune, under Industrial Disputes Act,1947.
6. There is a ECGC legal case pending at Jaipur against the Company in the Consumer Court.The estimated liability in the case is ₹ 95,000/=.
7. According to the information and explanations and papers furnished to me, I would report that the Gratuity and Leave Encashment payable to the employees as on 31st March, 2015 are ₹ 17,34,426 and ₹ 6,48,757 respectively.
8. The Compounding of Offences under Section 621A of the erstwhile Companies Act,1956 for alleged violation of the Sections 209, 217(3), 211(1) & (2) & 211(3A) of the said Act in respect of the scrutiny of the Annual Audited Accounts for the Financial Years ended 31st March, 2010, 31st March, 2011 and 31st March, 2012 have been settled by The Company Law Board (CLB) Eastern Region Bench, Kolkata vide their Order dated 23-5-2014. The Compounding Fees imposed on its Managing Director and other Non-Executive Directors (erstwhile Directors Mr. Manmohan Singh, Mr. C.R. Paul, Late Mr. A.D. Nanaiya) were duly paid.
9. A case has been filed by a shareholder seeking certain documents form the Company at Bankshall Court, Kolkata. No financial liability of the Company would arise in the said case.
10. A dispute regarding Income Tax amounting to ₹ 275 Lacs for the Assessment Year 2005-2006 has been pending with CIT(A)-Kolkata.

SUNIL KUMAR BANERJEE
PRACTISING COMPANY SECRETARY

FCS No. : 2189

C P No : 4652

Place : KOLKATA

Date : 27th May, 2015

Kilburn Office Automation Ltd.

ANNEXURE -3

As per the provisions of section 197 of the Companies Act 2013 read with Companies (Appointment and remuneration of Managerial Personnel) Rules 2014, every listed company are required to disclose following information in the Board Report	
Variation in Market Capitalization (Rs.)	-14445214
Price earning Ratio as at the closing date of current financial year	-1.65
Price earning Ratio as at the closing date of prevoius financial year	-1.56
Percentage increase over decrease in the market quotations of the shares of the company in comparision to the rate at which the company came out the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the company as at the close of current financial year and previous financial year	N.A
Ratio of the remuneration of each director to the median remuneration of the employees of the company for financial year	
Name	Ratio of remuneration of each director/ to median remuneration to employees
Shri Varadarajan Vanchi, Managing Director	8.28
Shri Pronab Kumar Chatterjee, Chief Financial Officer	3.22
Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager	
Name	% increase
Shri Varadarajan Vanchi,Managing Director	nil
Shri Pronab Kumar Chatterjee- Chief financial Officer	nil
Percentage increase in the median remuneration of employees in the financial year	nil
Number of permanent employees on the roll of company	9
Explanation on the relationship between average increase in remuneration and company performance	Net Loss
Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	increase in remuneration of KMP-nil
Average percentile increase already made in the salaries of employees other than the managerial personnel	increase in non managerial personnel -nil
In the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Managerial Personnel -nil
Comparision of the each remuneration of the Key Managerial Personnel against the performance of the Company	Same as above
Key parameters for any variable component of remuneration availed by the directors	Nil
Ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Nil
We affirm that the remuneration paid to the Managerial and non Managerial Personnel is as per the remuneration policy of the company	

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
KILBURN OFFICE AUTOMATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **KILBURN OFFICE AUTOMATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the

Kilburn Office Automation Ltd.

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and subject to our remarks in paragraph 2 below the consequential effect of which on the net asset position of the company as at 31st March, 2015 and the Profit/(Loss) for the year ended on that date is not ascertainable and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
and
- (b) in the case of Statement of Profit and Loss, of the Loss for the year ended on that date;
and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order , 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. We report that:
As indicated in Note No. 2.39, 2.40 and 2.41, we are unable to express an opinion on the recoverability of Loans and Advances, Deposits & Sundry Debtors and the resultant provision, if any, that may arise there from.
3. *The aggregate impact of our observations in paragraph 2 above on the results for the year ended 31st March, 2015 and the net assets position as at that date cannot be readily ascertained.*
4. As required by section 143(3) of the Act, we report that:
 - a. Subject to our remarks in paragraph 2 above and other relevant notes, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account.
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015

Kilburn Office Automation Ltd.

taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.29 (b) to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Date: 29th May, 2015

For **Rakesh Sethia & Co.**
Firm Registration No.327065E
Chartered Accountants
Rakesh Sethia
Proprietor
Membership No. 063487

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report to the members of **KILBURN OFFICE AUTOMATION LIMITED** for the year ended on March 31, 2015. In term of the information and explanations given to us and books of account examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- 1) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, the physical verification of fixed assets as on March 31, 2015 was conducted by the management during the year. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- 2) The management has conducted physical verification in respect of finished goods, stores, spare parts and raw material at reasonable intervals. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compares to book records.
- 3) The company has not granted any loans or advances in the nature of loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting

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whether the receipt of principal and interest are regular and whether reasonable steps for recovery of over-dues of such loans are taken does not arise.

- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 73, section 76 and other relevant provisions of the Companies Act, 2013 and the companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the members and the public. No order has been passed by the National Company Law Tribunal or Company Law Board or any court or any other tribunal with regard to deposits.
- 6) According to the information and explanations provided by the management, the company is not engaged in production of any such goods or provision of any such services for which the central government has prescribed particulars relating to utilization of material or labour or other items of cost. Hence, the provisions of section 148(1) of the Act do not apply to the company. Hence in our opinion no comment on maintenance of cost records under section 148(1) of the Act is required.
- 7) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth tax, custom duty, value added tax, excise duty, cess and other statutory dues applicable to it though there is delay in some cases.

According to the information and explanations given, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Customs Duty and Excise Duty were outstanding, as at 31st March' 2015 for a period of more than six months from the date they became payable except Income Tax of ₹ 6,09,290/-, Service Tax of ₹ 8,17,740/- and Professional Tax ₹ 52,007/-.

According to the records of the company, there are no dues of Sales Tax, Income Tax, Value Added Tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited on account of any dispute except:

Name of Statute	Nature of Dues	Amount (₹ In Lakhs)	Assessment Year	Forum where dispute is pending
Income Tax Act' 1961	Income Tax	275.00	2005-2006	CIT – Appeals – Kolkata

- 8) The accumulated losses of the company have exceeded fifty percent of its net worth as at 31st March 2015. The company has incurred a cash loss of ₹ 2,02,25,127/- in the current financial year and ₹1,16,24,055 /-in the immediate preceding financial year. In arriving at the accumulated losses and net worth as above, we have considered the qualifications which are quantifiable in the audit reports of the years to which these losses pertain.
- 9) According to records of the company, the company has not borrowed from financial institutions or banks or issued debentures till 31st March 2015. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture does not arise.

Kilburn Office Automation Ltd.

- 10) According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 11) According to the records of the company, the company has not obtained any term loans. Hence, comments under the clause are not called for.
- 12) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Kolkata
Date: 29th May, 2015

For **Rakesh Sethia & Co.**
Firm Registration No.327065E
Chartered Accountants
Rakesh Sethia
Proprietor
Membership No. 063487

Kilburn Office Automation Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2015

<u>Particulars</u>	<u>Note No</u>	(Amount in ₹)	
		<u>As at</u> <u>31st March, 2015</u>	<u>As at</u> <u>31st March, 2014</u>
<u>EQUITY AND LIABILITIES</u>			
1) Shareholder's Funds			
a) Share Capital	2.1	79,501,000	79,501,000
b) Reserves and Surplus	2.2	(67,943,626)	(47,079,174)
2) Non-Current Liabilities			
a) Long-Term Borrowings	2.3	-	327,960
b) Long Term Provisions	2.4	792,322	4,908,021
3) Current Liabilities			
a) Short-Term Borrowings	2.5	241,819,322	343,841,322
b) Trade Payables	2.6	15,864,279	43,862,315
c) Other Current Liabilities	2.7	11,835,778	20,068,132
Total		281,869,075	445,429,576
<u>ASSETS</u>			
1) Non-Current Assets			
a) Fixed Assets	2.8		
Tangible Assets		1,076,867	3,460,211
b) Deferred Tax Assets (Net)	2.9	30,032,431	30,032,431
c) Long term Loans and Advances	2.10	50,087,303	55,183,824
d) Other Non Current Assets	2.11	-	1,435
2) Current Assets			
a) Inventories	2.12	70,310,434	186,514,787
b) Trade Receivables	2.13	84,629,704	119,123,832
c) Cash and Bank Balances	2.14	5,780,672	12,848,347
d) Short-term Loans And Advances	2.15	39,778,554	38,033,427
e) Other Current Assets	2.16	173,110	231,282
Total		281,869,075	445,429,576

Significant Accounting Policies 1

Notes To The Financial Statements 2

The accompanying notes are an integral part of the financial statements

As per attached report on even date

Place : Kolkata
Date : May 29, 2015

For **Rakesh Sethia & Co**
Firm Reg. No. 327065E
Chartered Accountants
CA Rakesh Sethia
(Proprietor)
Membership No. 063487

For and on behalf of Board
Sandeep Kumar Jalan
Chairman
Varadarajan Vanchi
Managing Director
Pronab Kumar Chatterjee
Chief Financial Officer

Kilburn Office Automation Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No	Year ended	Year ended
		31st March, 2015	31st March, 2014
INCOME			
I) Revenue From Operations	2.17	128,908,343	73,078,277
II) Other Income	2.18	1,245,732	4,076,953
III) Total Revenue		130,154,075	77,155,230
IV) EXPENDITURE			
Cost of Materials Consumed	2.19	11,329,635	584,610
Purchase of Stock-in-Trade	2.20	4,197,479	46,124,999
Changes in Inventories	2.21	104,874,719	4,583,634
Employee Benefit Expense	2.22	10,922,379	27,955,782
Financial Costs	2.23	1,712,332	29,802,335
Depreciation Expenses	2.24	1,015,391	958,776
Other Expenses	2.25	16,646,088	31,658,359
Total Expenses		150,698,023	141,668,494
V) Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (III - IV)		(20,543,948)	(64,513,264)
VI) Exceptional Items	2.26	-	51,171,897
VII) Profit / (Loss) Before Extraordinary Items and Tax (V + VI)		(20,543,948)	(13,341,367)
VIII) Extraordinary Items		-	-
IX) Profit / (Loss) Before Tax (VII + VIII)		(20,543,948)	(13,341,367)
X) Tax Expenses	2.27		
1) Current tax		-	-
2) Deferred tax		-	(784,198)
XI) Profit / (Loss) For The Period (IX - X)		(20,543,948)	(12,557,169)
XII) Earning per equity share of face Value of ₹ 10/- each	2.28		
Basic & Diluted (in ₹)		(3.24)	(2.06)

Significant Accounting Policies 1

Notes To The Financial Statements 2

The accompanying notes are an integral part of the financial statements

As per attached report on even date

For **Rakesh Sethia & Co**

Firm Reg. No. 327065E

Chartered Accountants

CA Rakesh Sethia

(Proprietor)

Membership No. 063487

For and on behalf of Board

Sandeep Kumar Jalan

Chairman

Varadarajan Vanchi

Managing Director

Pronab Kumar Chatterjee

Chief Financial Officer

Place : Kolkata

Date : May 29, 2015

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Kilburn Office Automation Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended 31st March, 2015 ₹	Year ended 31st March, 2014 ₹
A. Cash Flow from Operating Activities		
Net Profit Before tax and extraordinary Items	(20,543,948)	(13,341,367)
Adjustment for:		
Interest charged	1,712,332	29,802,335
Depreciation	1,015,391	958,776
(Profit)/ Loss on sale of Fixed Assets	501,296	(55,782,248)
Interest Income	(701,902)	(1,829,624)
Liabilities no longer required written back	(69,775)	-
(Gain)/Loss on Exchange Fluctuation	-	1,628
Debtors Written off	-	759,121
Sundry Balances Written off	(189)	(2,213)
Operating Profit Before Working Capital Changes	(18,086,796)	(39,433,592)
Adjustments for:		
Trade payables ,Other liabilities & Provisions	(41,730,354)	(262,827,603)
Inventories	116,204,354	5,161,904
Trade Receivables and Other Current & Non Current Asset	37,876,636	192,667,761
Cash Generated From Operations	94,263,841	(104,431,530)
Tax Paid (net of refund)	-	-
Net Cash From Operating Activities	94,263,841	(104,431,530)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-	(729,005)
Sale of Fixed Assets	546,152	65,178,250
Proceeds from Fixed Deposit (Bank)	4,889,605	7,823,788
Interest received	701,902	1,829,624
Net Cash used in Investing Activities	6,137,659	74,102,657

Kilburn Office Automation Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	Year ended 31st March, 2015	Year ended 31st March, 2014
	₹	₹
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) from Fixed Deposits (Net)	(3,892,000)	(11,871,000)
Increase in cash credit / Term Loan /Book Overdraft from bank	1,617,762	(126,368,500)
Proceeds/(Repayment) from/to Inter Corporate Deposits(Net)	(98,593,000)	195,580,000
Interest Paid	(1,712,332)	(29,802,335)
Net Cash Flow used in Financing Activities	(102,579,570)	27,538,165
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,178,071)	(2,790,708)
Opening Cash and Cash Equivalents	2,202,070	4,992,778
Closing Cash and Cash Equivalents	23,999	2,202,070

Notes :

a) Cash & Cash Equivalents at the End of the Year

Cash In Hands	5,852	40,056
Cash at Bank	13,147	2,162,014
Cheques In Hand	5,000	-
	23,999	2,202,070

b) Figure in brackets represents cash outflows.

c) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

d) Previous years figures have been rearranged and/or re-grouped wherever necessary.

As per our Report of even date.

For **Rakesh Sethia & Co**

Firm Reg. No. 327065E

Chartered Accountants

CA Rakesh Sethia

(Proprietor)

Membership No. 063487

For and on behalf of Board

Sandeep Kumar Jalan

Chairman

Varadarajan Vanchi

Managing Director

Pronab Kumar Chatterjee

Chief Financial Officer

Place : Kolkata

Date : May 29, 2015

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE : 1

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Preparation of Financial Statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principals in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B) System of Accounting

The financial statements have been prepared under the historical cost convention using accrual method of accounting.

C) Use of Estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets & liabilities disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenue and expenses for the year. Actual results could differ from these estimates.

D) Revenue Recognition

Sales represent invoiced value of goods supplied including excise duty but exclude sales tax. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

E) Fixed Assets and Depreciation

Fixed Assets are carried at cost less Depreciation. Cost includes inward freight, duties and taxes and expenses incidental to acquisition and installation and also a share of pre-operative expenses in case of assets acquired/constructed before commencement of commercial production. Assets acquired under Hire Purchase agreement have been capitalized as per accepted accounting practices although the ownership on such assets will vest on a future date.

All fixed assets are depreciated on straight-line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Profit or Loss on disposal of fixed asset is recognized in Statement of Profit & Loss. An impairment loss is recognized where applicable when the carrying value of fixed assets exceeds their resale value or value in use whichever is higher.

F) Inventories

Finished Goods and Components are valued at lower of cost (weighted average) or net realizable value.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

G) Foreign Currency Transactions

Transactions in foreign currency are recorded in rupees by applying the rate of exchange ruling on the date of transaction. Gain or loss on settled transactions is recognized in Profit & Loss Account except for fixed assets acquired from a company outside India, which are adjusted to carrying amount of fixed assets. Unsettled transactions as at the year-end are translated at the closing rate and the gain or loss is recognized in Profit & Loss Account except for liabilities incurred for purchase of fixed assets, which are adjusted to the carrying amount of fixed assets.

H) Government Grants

Subsidies received on capital account are credited to Capital Reserve.

I) Retirement Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered. The Company contributes to Provident Fund and Superannuation Fund which is administered by duly constituted and approved independent Trust / Government and such contributions are charged against revenue every year.

The Company's liability in respect of gratuity payable in future to employees is actuarially ascertained every year and is funded with Life Insurance Corporation of India under Group Gratuity Scheme.

The Company's liability in respect of leave encashment payable in future to employees is actuarially ascertained every year and is funded in Fixed Deposits with Banks.

J) Provision for Current and Deferred Tax

Current Tax represents the amount that would be payable based on computation of tax as per the prevailing taxation laws under the Income Tax Act, 1961.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are only recognized if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

K) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	2014-2015 ₹	2013-2014 ₹
2.1 SHARE CAPITAL		
Authorised Share Capital :		
80,00,000 Equity Shares of ₹ 10/- each	80,000,000	80,000,000
2,00,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	20,000,000	20,000,000
	100,000,000	100,000,000
Issued, Subscribed and Paid-up :		
67,50,100 Equity Shares of ₹ 10/- each fully paid-up	67,501,000	67,501,000
1,20,000 11% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid-up	12,000,000	12,000,000
	79,501,000	79,501,000

2.1.1 Terms attached to Equity shares

Each holder of Equity shares is entitled to one vote per share.

2.1.2 Terms attached to Preference shares

1,20,000 11% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable at par in two equal instalments at the end of the 19th and 20th year from date of allotment i.e. 12/03/2019 and 12/03/2020

2.1.3 The reconciliation of the number of Equity Shares outstanding is set out below:

<u>Particulars</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
At the beginning of the period	6,750,100	6,750,100
Add: Issued during the period	-	-
Outstanding at the end of reporting date	6,750,100	6,750,100

The reconciliation of the number of Preference Shares outstanding is set out below:

<u>Particulars</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
At the beginning of the period	120,000	120,000
Add: Issued during the period	-	-
Outstanding at the end of reporting date	120,000	120,000

2.1.4 The details of Shareholders holding more than 5% of Equity shares :

Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Shree Durga Agencies Limited	2096925	31.07	2096925	31.07
Nirvan Commercial Company Limited	1178028	17.45	1178028	17.45
Bishnauth Investments Limited (Formerly:Metals Centre Limited)	545095	8.08	545095	8.08

The details of Shareholders holding more than 5% of Preference shares :

Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Sandeep Kumar Jalan	30000	25.00	30000	25.00
Divya Jalan	30000	25.00	30000	25.00
S.K.Jalan (HUF)	30000	25.00	30000	25.00
B.P.Jalan & Sons (HUF)	30000	25.00	30000	25.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	2014-2015 ₹	2013-2014 ₹
2.2 RESERVES AND SURPLUS		
Capital Reserve		
Balance as per the last financial statements	1,000,000	1,000,000
Securities Premium Account		
Balance as per the last financial statements	14,455,400	14,455,400
General Reserve		
Balance as per the last financial statements	28,261,370	28,261,370
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per the last financial statements	(90,795,944)	(78,238,775)
Less: Depreciation Adjustment*	320,504	-
	(91,116,448)	(78,238,775)
Add/(Less): Profit / (Loss) during the year	(20,543,948)	(12,557,169)
Closing Balance	(111,660,396)	(90,795,944)
Total Reserve & Surplus	(67,943,626)	(47,079,174)
2.3 LONG TERM BORROWINGS		
Deposits (Unsecured)		
Fixed Deposit from Public	-	255,000
Loan (Secured)		
From Bank	-	72,960
	-	327,960
2.4 LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision For Gratuity	28,447	38,447
Provision For Leave Encashment	763,875	509,749
Provision For Super Annuation	-	4,335,662
Provision For Pension	-	24,163
	792,322	4,908,021
2.5 SHORT TERM BORROWINGS		
Loans repayable on demand		
From Related Parties (Unsecured) #	241,564,322	340,157,322
Deposits (Unsecured)		
Fixed Deposit from Public	255,000	3,684,000
	241,819,322	343,841,322

Loan from related parties includes enterprises over which Key Managerial Personnel (KMP) or Relatives of KMP exercises significant influence.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	2014-2015 ₹	2013-2014 ₹
2.6 TRADE PAYABLES		
Trade Payables	15,864,279	43,862,315
	15,864,279	43,862,315
2.7 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts		
- From Bank	-	291,840
Book Overdraft with Banks	3,406,825	1,452,946
Deposits matured but not claimed	243,000	451,000
Liabilities for Expenses	2,394,146	4,230,053
Statutory Dues Payable (Net)	-	1,103,123
Payable To Employees	1,796,351	4,527,231
Advance from Customers	797,015	4,018,809
Advance from Others	626,679	626,679
Other Liabilities	2,571,762	3,366,451
	11,835,778	20,068,132
2.9 DEFERRED TAX ASSETS (NET)		
On account of Carry Forward Losses	29,082,601	29,082,601
Disallowance U/S 43B	1,014,518	1,014,518
On account of Depreciation	(64,688)	(64,688)
	30,032,431	30,032,431
2.10 LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Security Deposits	892,654	1,040,654
Loan to Employees	49,194,649	54,143,170
	50,087,303	55,183,824
2.11 OTHER NON CURRENT ASSETS		
Deferred Finance Charges	-	1,435
	-	1,435
2.12 INVENTORIES		
(As certified by the management)		
Raw Materials	-	11,329,635
Work in Progress	-	361,443
Finished Goods #	70,310,434	174,823,710
	70,310,434	186,514,787

Finished Goods includes ₹ 30,08,340/- (P.Y. ₹ 30,08,340/-) for Goods-in-transit.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

Amount in ₹

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.14	Addition	Disposal/ Deduction	As at 31.03.15	As at 01.04.14	For the Year	Disposal/ Reversal	Adjustment*	As at 31.03.15	As at 31.03.14
Electrical Installation	617,393	-	306,398	310,995	289,257	55,229	182,638	62,590	224,438	328,136
Plant & Machinery	905,502	-	682,887	222,615	850,596	6,563	677,363	22,253	202,049	54,906
Furniture & Fixtures	2,931,501	-	981,399	1,950,102	2,186,774	161,691	881,290	3,686	1,470,861	744,727
Motor Vehicles	1,928,048	-	1,158,633	769,415	931,539	238,961	494,126	-	676,374	996,509
Office Equipments	12,070,847	-	9,757,194	2,313,653	10,734,914	552,947	9,603,645	231,975	1,916,191	1,335,933
Total	18,453,291	-	12,886,511	5,566,780	14,993,080	1,015,391	11,839,062	320,504	4,489,913	1,076,867
Previous Year	30,886,166	729,005	13,161,878	18,453,291	17,800,182	958,776	3,765,876	-	14,993,082	3,460,209
										-

* Adjustment in Fixed Assets as per Schedule II of the Companies Act, 2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	2014-2015 ₹	2013-2014 ₹
2.13 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	84,428,773	31,916,151
Other Receivables	200,931	87,207,681
	84,629,704	119,123,832
2.14 CASH AND CASH EQUIVALENTS		
a) Cash and Cash Equivalent		
Balances With Banks		
On Current Account	13,147	2,162,014
Cheques/Drafts in hand	5,000	-
Cash in hand (As certified by management)	5,852	40,056
b) Other Bank Balances		
Deposits with original maturity for more than 12 months #	5,756,673	10,646,277
	5,780,672	12,848,347
# Fixed Deposits of ₹ 57.57 Lac (P.Y. ₹ 106.46 Lac) includes Accrued Interest.		
2.15 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Security/Tender Deposits	20,424,325	22,164,327
Other Advances		
Balance with Revenue Department (Net)	4,597,642	-
Advance to Suppliers	9,120,947	9,970,273
Advances to Staffs	1,861,681	2,116,038
Advance to Others	3,765,940	3,765,940
Prepaid Expenses	8,019	16,849
	39,778,554	38,033,427
2.16 OTHER CURRENT ASSETS		
Deferred Finance Charges	-	27,247
Other Current Assets	173,110	204,035
	173,110	231,282

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	2014-2015 ₹	2013-2014 ₹
2.17 REVENUE FROM OPERATION		
<u>Sales of Products</u>		
Traded Goods	123,017,410	57,075,153
Manufactured Goods	-	11,147,569
	123,017,410	68,222,722
Less : Excise Duty	-	-
	123,017,410	68,222,722
<u>Sales of Services</u>		
Service Income	5,890,933	4,855,555
	128,908,343	73,078,277
2.18 OTHER INCOME		
<u>Interest Income</u>		
On Fixed Deposits	701,902	1,829,624
On Others	103	1,349
Other Non-Operating Income		
Discount Rceived	-	11,270
Miscellaneous Income	473,952	2,234,710
Liabilities Written off	69,775	-
	1,245,732	4,076,953
2.19 COST OF MATERIAL CONSUMED		
Raw Material Consumed	11,329,635	584,610
	11,329,635	584,610
2.20 PURCHASE OF STOCK IN TRADE		
Purchase of Goods Traded	4,197,479	46,124,999
	4,197,479	46,124,999

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	2014-2015 ₹	2013-2014 ₹
2.21 CHANGES IN INVENTORIES		
<u>Opening Stock</u>		
Finished Goods	174,823,710	179,412,334
Work in Progress	361,443	356,453
	175,185,153	179,768,787
<u>Less : Closing Stock</u>		
Finished Goods	70,310,434	174,823,710
Work in Progress	-	361,443
	70,310,434	175,185,153
Changes in Inventories	104,874,719	4,583,634
2.22 EMPLOYEE BENEFITS EXPENSES		
Salary & Bonus	9,346,653	24,684,401
Contribution to Provident & Other Funds	984,519	1,820,036
Staff Welfare Expenses	591,207	1,451,346
	10,922,379	27,955,782

2.22.1As per Accounting Standard 15 “Employee benefits”, the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plans

Contribution to defined Contribution Plans, recognised as expense for the year is as under:

	2014-15	2013-14
Employers Contribution to Provident Fund (₹)	414,103	936,846
Employers Contribution to Pension Scheme (₹)	175,146	366,546

The Company’s Provident Fund is exempted under section 17 of the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate.

Defined Benefit Plan

The employees’ gratuity fund scheme is lying with Life Insurance Corporation of India and it is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. Under the PUC method a ‘projected accrued benefit’ is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The ‘projected accrued benefit’ is based on the Plan’s accrual formula and upon service as of the beginning or end of the year, but using a members final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the ‘projected accrued benefits, as of the beginning of the year for active members.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

The employees leave encashment is funded and is lying with HDFC Standard Life Insurance Company Limited and it is defined benefit scheme (In FY 2013-14). The Defined benefit scheme is recognised in the same manner as gratuity.

The company has also taken the actuarial valuation to determine the liability of gratuity and leave encashment as mentioned below:

i) Reconciliation of opening and closing balances of Defined Benefit Obligation:

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
Defined Benefit obligation at beginning of year	30,55,548	7,376,478	2,213,129	3,921,809
Current Service Cost	586,692	570,538	23,675	20,418
Interest Cost	244,444	648,891	199,182	352,963
Actuarial (Gain) / Loss	(674,730)	(266,563)	(737,229)	(1,382,061)
Benefits Paid	(949,528)	(5,273,796)	(1,050,000)	(700,000)
Defined Benefit obligation at year end	1,734,426	3,055,548	648,757	2,213,129

ii) Reconciliation of opening and closing balances of fair value of plan assets

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
Fair Value of Plan assets at beginning of year	3,017,101	4,723,636	1,703,380	2,319,254
Expected return on plan assets	256,454	341,810	144,787	197,137
Actuarial Gain / (Loss)	(4,744)	(13,926)	(62,126)	(113,011)
Employer Contribution	10,000	3,974,035	13,959	-
Benefits paid	(949,528)	(6,008,454)	(1,050,000)	(700,000)
Fair Value of Plan assets at year end	2,329,283	3,017,101	750,000	1,703,380
Actual return on plan assets	-	-	82,661	84,126

iii) Reconciliation of fair value of assets and obligations

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
Fair value of Plan assets	2,329,283	3,017,101	750,000	1,703,380
Present value of obligation	1,734,426	3,055,548	648,757	2,213,129
Net Assets / (Liability)	594,857	(38,447)	101,243	(509,749)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

iv) Expenses recognised during the year

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
Current Service Cost	58,692	570538	23,675	20,418
Interest Cost	244,444	648891	199,182	352,963
Expected return on Plan assets	(256,454)	(341,810)	(144,787)	(197,137)
Actuarial (Gain) / Loss	(669,986)	(266563)	(675,103)	(1,269,050)
Net Cost	(623,304)	611056	(597,033)	(1,092,806)

v) Investment Detail

	% Invested		% Invested	
	2014-15	2013-14	2014-15	2013-14
Insurance Policies	100%	100%	100%	100%

vi) Actuarial assumptions

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	7.80%	8.00%	7.80%	9.00%
Expected Rate of return on plan assets (per annum)	9.00%	8.50%	9.00%	8.50%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

Note: The company has recognised expenses and liability in respect to Gratuity and Leave Encashment on the basis of data provided by the Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited, Fund Manager respectively in the financial statements.

2.23 FINANCE COST

Interest Expenses

on loan from Banks	9,848	15,573,272
on loan from Others	491,216	2,428,481

Other Borrowing Cost

Bill Discounting Charges	1,096,464	9,245,419
Bank Guarantee Commission & Other Bank Charges	114,804	1,995,369
Brokerage	-	559,794
	1,712,332	29,802,335

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	2014-2015 ₹	2013-2014 ₹
2.24 DEPRECIATION EXPENSES		
Depreciation on Tangible Assets	1,015,391	958,776
	1,015,391	958,776
2.25 OTHER EXPENSES		
Rent	2,211,866	3,493,930
Repairs - Buildings	449,040	536,084
Repairs - Machinery	-	16,470
Insurance Expenses	70,959	635,841
Rates & Taxes	3,201,931	3,814,859
Advertisement	37,618	92,572
Motor Car Expenses	2,814	176,825
Carriage Freight & Packing Expenses	834,675	2,305,120
Commission Paid	-	751,709
Debtors written off	-	759,121
Legal & Professional Charges	1,892,363	2,870,310
Power & Fuel (including Electricity)	697,423	1,314,275
Printing & Stationery	250,786	378,581
Service Expenses	111,471	196,343
Telephone Expenses	593,752	1,235,437
Tour, Travelling & Conveyance	3,384,588	9,241,379
Loss on Sale of Fixed Assets	501,296	-
Loss on Foreign Exchange Fluctuation	-	1,628
Payment to Auditors		
As Audit Fees	300,000	300,000
As Tax Audit Fees	60,000	60,000
Miscellaneous Expenses	2,045,506	3,477,876
	16,646,088	31,658,359
2.26 EXCEPTIONAL ITEMS		
Profit / (Loss) on Sale of Fixed Asset	-	55,782,248
Retrenchment Compensation #	-	(4,610,351)
	-	51,171,897
<p># Company has closed down its factory operations and surrendered its manufacturing registration during the year 2013-14. Company has paid ₹ 46.10 Lacs to its workmen as retrenchment compensation</p>		
2.27 TAX EXPENSES		
Current Tax		
Provision for Taxation	-	-
Deferred Tax		
Deferred Tax Liability/(Asset)	-	(784,198)
2.28 EARNING PER SHARE		
Profit / (Loss) after taxation	(20,543,948)	(12,557,169)
Less: Dividends on Cumulative Preference share	1,320,000	1,320,000
Profit /(Loss) after taxation attributable to Equity Shareholders (A)	(21,863,948)	(13,877,169)
No of Equity shares of ₹ 10/- each fully paid up (B)	6,750,100	6,750,100
Basic & Diluted Earnings per share (A/B)	(3.24)	(2.06)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

2.29 Contingent Liabilities :

- a) 11% Cumulative Redeemable Preference Shares - arrear dividend from 01.04.2002 to 31.03.2015 ₹ 1,71,59,812/- (from 01.04.2002 to 31.03.2014 - ₹ 1,58,39,812/-).
- b) (i) A legal case is pending at ECGC Jaipur against the company in the consumer court, liability which may arise in the future can not be estimated at this stage. Total Amount involved in the case is ₹ 95,000/-.
- (ii) Two cases are pending against the Company under Industries Disputes Act, 1947 in the Labour Court of Pune.
- (iii) A case has been filed by a shareholder seeking certain documents from the Company at Bankshall Court, Kolkata. No financial liability of the company would arise in the said case.
- c) Bank Guarantee - ₹ 22,14,856/- (and as on 31.3.2014 - ₹ 80,90,675/-)

2.30 Managerial Remuneration :	2014-2015	2013-2014
Remuneration to Managing Director	Amount (₹)	Amount (₹)
Salary	2,244,956	2,760,000
Company's contribution to Provident, Superannuation and Gratuity Funds	260,416	374,400
	2,505,372	3,134,400

2.31 Quantitative Information For The Year Ended 31st March, 2015 :

Details of Traded Goods

Particulars	Units	2014-2015		2013-2014	
		Qty.	Amount (₹)	Qty.	Amount (₹)
Opening Stock					
Office Automation Products	Nos	817	29,970,029	954	34,151,172
Other Finished Components		-	144,340,682	-	145,261,162
Purchases					
Office Automation Products	Nos	32	3,690,043	454	44,716,957
Other Finished Components		-	585,191	-	1,408,042
Sales					
Office Automation Products	Nos	433	16,374,248	591	66,166,424
Other Finished Components		-	106,643,162	-	1,095,798
Closing Stock					
Office Automation Products	Nos	416	29,892,274	817	29,970,029
Other Finished Components		-	39,905,161	-	144,340,682

Details of manufactured Finished Goods:

Particulars of Turnover & Stock

Class of Goods	Op. Stock	Production	Cl. Stock	Sales	
				Qty.	Amount (₹)
Office Automation Products	61	-	61	-	-
	(61)	(4)	(61)	4	960,500

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

Raw Materials consumed :

<u>Particulars</u>	<u>2014-2015</u>		<u>2013-2014</u>	
	<u>% of total consumption</u>	<u>Amount (₹)</u>	<u>% of total consumption</u>	<u>Amount (₹)</u>
Indigenous	100%	11,329,635	100%	584,610
Imported	-	-	-	-
Total	100%	11,329,635	100%	584,610

Raw Materials consumed (Indigenous):

<u>Particulars</u>	<u>Units</u>	<u>2014-2015</u>		<u>2013-2014</u>	
		<u>Qty.</u>	<u>Amount (₹)</u>	<u>Qty.</u>	<u>Amount (₹)</u>
1/3 Hp Geared Motor	Nos.	-	-	-	-
Lamp Control 3KW	Nos.	-	-	-	-
Others		-	11,329,635	-	584,610
		-	11,329,635	-	584,610

Work in Progress:

<u>Class of Item</u>	<u>Unit</u>	<u>2014-2015</u>		<u>2013-2014</u>	
		<u>Qty.</u>	<u>Amount (₹)</u>	<u>Qty.</u>	<u>Amount (₹)</u>
Office Automation Products	Nos	-	-	-	361,443
Total		-	-	-	361,443

	<u>2014-2015</u>	<u>2013-2014</u>
	<u>Amount</u>	<u>Amount</u>
	<u>₹</u>	<u>₹</u>
2.32 C.I.F.Value of Imports :		
i) Raw Materials	Nil	Nil
ii) Finished Goods & Components	86,911	1,054,269

2.33 Expenditure in Foreign Currency

Travelling Expenses	-	254,593.00
	-	254,593.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

2.34 Debtors amounting to ₹ Nil (Prev. Year ₹ 759,121/-) has been written off as in the opinion of the management, realization from those Debtors are doubtful.

2.35 In the opinion of the management all current assets as at 31st March, 2015, including loans and advances, deposits and trade receivables have a value on realization in the ordinary course of business at least equal to the amounts at which they have been stated in the Balance Sheet of the company as at that date.

2.36 Based on the information available with the company, the balance due to Micro and Small enterprises, as defined under the Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is ₹ Nil (P.Y. ₹ Nil). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

2.37 The Company has received Order Under Section 143(3)/147 of the Income Tax Act, 1961 for the financial year 2004-05 in which certain disallowances were made by the income tax department while computing the tax liability of the company and accordingly demand of ₹ 2.75 Crore has been raised by the Authority. But an appeal has been preferred by the Company with CIT(Appeals) for defending the case and management is hoping that the case will be decided in the favour of the company so no provision has been made in regard to demand raised by the Income Tax Department.

2.38 Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

- a) Key Managerial Personnel (KMP): Mr. V. Vanchi and Mr. S.K. Jalan
- b) Relatives of Key Managerial Personnel (KMP): Mrs. V. Vanchi
- c) Associates :- Shree Durga Agencies Limited
- d) Enterprises over which KMP or Relatives of KMP exercises significant influence:
 - ✓ Kilburn Chemicals Limited
 - ✓ Nirvan Commercial Co. Limited
 - ✓ Supriya Finance Limited
 - ✓ Pushpdant Vyapaar Private Limited
 - ✓ Arham Vyapaar Private Limited
 - ✓ Ana Vincom Private Limited
 - ✓ Maryada Advisory Services Private Limited
 - ✓ Sandeep Investments Limited

e) Transactions & Outstanding Balances for the year 2014-2015 with Related Parties:

Amount in ₹

Name of the Party	Nature of Transaction	Volume of Transaction		Outstanding as on	
		2014-15	2013-14	31.03.2015	31.03.2014
Mr V.Vanchi	Remuneration	16,69,333.00	31,34,400.00	-	-
Mrs. V.Vanchi	Rent	10,32,000.00	12,15,000.00	-	-
Nirvan Commercial Co. Limited	Loan (Taken)	-	2,20,00,000.00	-	2,56,00,000.00
	Loan (Repaid)	2,20,00,000.00	-	-	-
Shree Durga Agencies Limited	Loan (Taken)	3,00,05,000.00	14,69,25,000.00	13,75,06,000.00	14,43,25,000.00
	Loan (Repaid)	3,68,24,000.00	8,51,00,000.00	-	-
Kilburn Chemicals Limited	Loan (Taken)	6,00,000.00	-	1,36,77,322.00	1,56,77,322.00
	Loan -Repaid	26,00,000.00	-	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

Name of the Party	Nature of Transaction	Volume of Transaction		Outstanding as on	
		2014-15	2013-14	31.03.2015	31.03.2014
Supriya Finance Limited	Loan (Taken)	25,00,000.00	7,72,00,000.00	1,74,91,000.00	5,95,25,000.00
	Loan -Repaid	4,45,34,000.00	3,04,25,000.00	—	—
Pushpdant Vyapaar Private Limited	Loan (Taken)	—	4,78,00,000.00	4,49,50,000.00	4,51,50,000.00
	Loan -Repaid	2,00,000.00	26,50,000.00	—	—
Araham Vyapaar Private Limited	Loan (Taken)	38,00,000.00	4,70,50,000.00	—	89,00,000.00
	Loan -Repaid	1,27,00,000.00	3,81,50,000.00	—	—
Ana Vincom Private Limited	Loan (Taken)	—	3,40,00,000.00	2,79,40,000.00	2,79,40,000.00
	Loan -Repaid	—	60,60,000.00	—	—
Sandeep Investment Ltd.	Loan (Taken)	—	1,28,00,000.00	—	1,28,00,000.00
	Loan -Repaid	1,28,00,000.00	—	—	—
Maryada Advisory Services Private Limited	Loan (Taken)	9,00,000.00	4,99,00,000.00	—	2,40,000.00
	Loan -Repaid	11,40,000.00	4,96,60,000.00	—	—

f) The management certifies that there were no other payments to key management personnel or their relatives.

g) Provision to be made with regard to Outstanding Amount : ₹ Nil

2.39 Loans and Advances of ₹ 4,91,94,649/- (P.Y. ₹ 5,41,43,170/-) represent the amount advanced in the normal course of operations to sustain and grow the Company's sales and after-sales service activities through its dealer distribution network. The management is of opinion that all these amounts are good and is confident of its recovery and accordingly feels that no provision for the same is required at this stage.

2.40 Deposits amounting to ₹ 1,25,00,000/- (P.Y. ₹ 1,25,00,000/-) were given to certain parties as deposits against opening up of service network in respect of some of the products of the Company and use of godown facility for storing service components relevant for the same. As the Company still continues active business relationship with these parties, the management is of opinion that all these amounts are good and is confident of its recovery and accordingly feels that no provision for the same is required at this stage.

2.41 Debtors outstanding over six months include ₹ 3,19,16,151/- (P.Y. ₹ 6,73,57,212/-) representing amounts receivable against sale of products in earlier years wherein payments are delayed on account of technical issues, which the company is trying to resolve. In the opinion of the management, these amounts are good and fully recoverable and therefore no provision is considered necessary against these dues at this stage.

2.42 Balance of Trade Receivables and Trade Payables are subject to confirmation.

2.43 Previous year figures have been regrouped and/or rearranged wherever necessary.

Signatures Note to 1 to 2

As per attached report on even date

For **Rakesh Sethia & Co**
Firm Reg. No. 327065E
Chartered Accountants
CA Rakesh Sethia
(Proprietor)
Membership No. 063487

For and on behalf of Board
Sandeep Kumar Jalan
Chairman
Varadarajan Vanchi
Managing Director
Pronab Kumar Chatterjee
Chief Financial Officer

Place : Kolkata
Date : May 29, 2015

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