

Date :14th August,2017

The Mumbai Stock Exchange,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001.

Dear Sir,

SUB: ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH,2017- UNDER REGULATION 34(1) of the (Listing Obligations and Disclosure Requirements) Regulations,2015

Attached pls. find the Annual Report for the Financial Year 2016-17 under Regulation 34(1) of the LODR,2015.

Thanking you,

Yours faithfully,
for **KILBURN OFFICE AUTOMATION LTD.**


K.KRISHNAN
COMPLIANCE OFFICER

Encl:as above:

Kilburn Office Automation Ltd.

CIN : L27106WB1980PLC033140

Regd. & Corp. Office : Shantiniketan, 15th & 16th Floor, 8, Camac Street, Kolkata - 700 017

Tel. : (033) 22828501, 2282-7722, Fax : (033) 2282-4627, E-mail : koalcorporate@kilburn.in

Website : www.kilburn.in

KILBURN OFFICE AUTOMATION LIMITED

Regd. Office : Shantiniketan, 15th Floor, 8, Camac Street, Kolkata - 700 017
CIN: L27106WB1980PLC033140

Ph.: 033 - 2282- 8501 / 2282- 7722, Fax : 033 - 2282- 4627
E.mail : koalcorporate@kilburn.in ; Website : www.kilburn.in

36TH ANNUAL GENERAL MEETING

DATE
TUESDAY, 12TH SEPTEMBER, 2017
TIME : 11.00 A.M.

ATTENDANCE SLIP

VENUE
BHARATIYA BHASHA PARISHAD
36A, SHAKESPEARE SARANI
KOLKATA - 700 017

Name & Address of Member

Serial No.

I certify that I am a Member / Proxy for the Member holding
Please ✓ in the box

Member Proxy

Name of the Proxy in Block Letters

Signature of Member / Proxy attending

NOTES: i) Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Attendance Slip which should be signed and deposited before entry to the Main Auditorium.
ii) Duplicate Attendance Slip will not be issued at the venue.

ELECTRONIC VOTING

Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 36th AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014.

Your e-voting user ID and password are provided below:

Electronic Voting Event Number (EVEN)	User ID	Password
170802013		

KILBURN OFFICE AUTOMATION LIMITED

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36TH ANNUAL GENERAL MEETING

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM

I / We, being the Member(s) of _____ shares of Kilburn Office Automation Limited, hereby appoint

(1) Name: _____ Address: _____

E-mail ID: _____ Signature: _____, or failing him

(2) Name: _____ Address: _____

E-mail ID: _____ Signature: _____, or failing him

(3) Name: _____ Address: _____

E-mail ID: _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting (AGM) of the Company to be held on the Tuesday, 12th September, 2017 at 11.00 a.m. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Option (✓)	
		For	Against
Ordinary Business - Ordinary Resolutions			
1	ADOPTION OF AUDITED FINANCIAL STATEMENTS AND REPORTS OF BOARD OF DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED 31 ST MARCH, 2017.		
2	APPOINTMENT OF MR. SANDEEP KUMAR JALAN, DIRECTOR WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.		
3	APPOINTMENT OF M/S.RAKESH SETHIA & CO., CHARTERED ACCOUNTANTS, AS STATUTORY AUDITORS AND FIXING HIS REMUNERATION.		
Special Business - Special Resolution			
4	RE-APPOINTMENT OF MR. VARADARAJAN VANCHI AS THE MANAGING DIRECTOR OF THE COMPANY.		

Signed this day of 2017 Signature of Member: _____

Affix
Revenue
Stamp

Note: This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company at Shantiniketan, 15th Floor, 8, Camac Street, Kolkata - 700 017 not less than 48 hours before the commencement of the AGM on 9th September, 2017.

Kilburn Office Automation Ltd.

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

CIN : L27106WB1980PLC033140

Phone No. (033)-2282-8501/2282-7722, Fax No. (033)-2282-4627

E-mail : koalcorporate@kilburn.in, Website : www.kilburn.in

NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Company will be held at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017, on 12th day of September, 2017 at 11.00 a.m. to transact the following business :-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 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. Sandeep Kumar Jalan, (holding DIN 00015836), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix his remuneration and in this regard to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT the tenure of M/s. **RAKESH SETHIA & CO.**, (Firm Registration No.327065E), Chartered Accountants who were appointed as Statutory Auditors of the Company for 3 (Three) years at the Annual General Meeting held on 10th September, 2014, subject to ratification at every subsequent Annual General Meeting & expires at this ensuing Annual General Meeting and the aforesaid Auditor pursuant to Section 139 of the Companies Act, 2013, shall be appointed as the Statutory Auditor of the Company for a further period of 5 (five) years from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at such a remuneration as recommended by the Audit Committee and decided by the Board of Directors of the Company for the approval of the shareholders at this ensuing Annual General Meeting and their re-appointment shall be subject to the ratification of the shareholders at every Annual General Meetings."

SPECIAL BUSINESS :-

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT Mr. Varadarajan Vanchi (DIN-00015985), be and is hereby re-appointed as the Managing Director (Key Managerial Personnel-KMP) of the Company with effect from 5th November, 2016 for a further period of one year (i.e., from 14th November, 2016 to 13th November, 2017), subject to the provisions of Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 (with any amendment or re-enactment thereof) on the terms and the conditions of such re-appointment and the remuneration enumerated"

Place: Kolkata

Date : 27th May, 2017

Registered Office :

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

For and on behalf of the Board

SANDEEP KUMAR JALAN

CHAIRMAN

DIN-00015836

www.kilburn.in

Kilburn Office Automation Ltd.

NOTES

1. **The Register of Members of the Company will remain closed from 5th September, 2017 to 12th September, 2017 (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. The proxy Form in order to be valid, should be duly stamped, executed and deposited at the registered office of the Company at least forty eight hours before the time fixed for the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten) Percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. Shareholders are requested to bring the duly filled Admission Slip alongwith their Copy of the Annual Report at the Annual General Meeting.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
5. The Members are requested to:
 - (a) Intimate change in their registered address, if any, to the Company's Registrars and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata -700 001 in respect of their holdings in physical form.
 - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
 - (c) Register their email address and changes there in from time to time with M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata -700001, for shares held in physical form and with their respective Depository Participants for shares held in demat form.
6. Corporate /Institutional Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.
7. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata -700001, and have it duly filled in and sent back to them.
8. Electronic copy of the Annual Report for 2016-17 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 36th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Notice of 36th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Kilburn Office Automation Ltd.

10. Members may also note that the Notice of the 36th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.kilburn.in for their download.

11. Voting through Electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and **Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, as amended from time to time, the Company is pleased to provide members holding shares in physical form or in dematerialized form the facility to exercise means and the business may be transacted through e-voting services by Central Depository Services Limited (CDSL).

The instructions for e-voting are as under:

- a. Log on to the e-voting website: www.evotingindia.com during the voting period.
- b. Click on : "**SHAREHOLDERS**" tab
- c. Now, select Electronic Voting Event No. as mentioned in the Attendance slip along with "**KILBURN OFFICE AUTOMATION LIMITED**".
- d. Now Enter your **USER ID** (as mentioned in the Attendance Slip)
 - i. For CDSL: 16 digits beneficiary ID.
 - ii. FOR NSDL: 8 Characters DP ID followed by 8 digits client ID
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image verification as displayed and Click on LOGIN.
- f. If you are holding shares in Demat Form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the E-Voting particular provided in the attendance Slip and fill up the same in the appropriate boxes.
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which their are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For members holding shares in physical form, the details in attendance slip can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVEN "**KILBURN OFFICE AUTOMATION LIMITED**" for which you choose to vote.
- l. On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- m. Click on the "**RESOLUTION FILE LINK**" if you wish to view the entire Resolutions.
- n. After selecting the resolution you have decided to vote on click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
- o. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify the vote.
- p. You can also take out print out of the voting done by you clicking on "**CLICK HERE TO PRINT**" option on the voting page.

Kilburn Office Automation Ltd.

- q. If Demat account holders have forgotten the changed password then enter the USER ID and image verification code (CAPTCHA CODE) click on Forgot Password and enter the details as prompted by the system.

For Non-Individual shareholders and Custodians.

- r. Corporate/Instiitutional shareholders(i.e. other than Individuals, HUF, NRI etc) are required to log on to [http:// www.evotingindia.co.in](http://www.evotingindia.co.in) and register themselves as Corporate:-
- They should submit a scanned copy of the registration form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Authorised Person/Custodian, if any, in PDF Format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQ) and e-voting manual available at www.evotingindia.com. You can also contact the helpdesk on the toll free number: 1800-200-5533.
- III. The E-Voting period begins from 9th September, 2017 (9.00 A.M.) and ends on 11th September, 2017 (5.00 P.M.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of 5th September, 2017 may cast their vote electronically.
- The E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the shareholders by electronic means, the shareholders shall not be allowed to change it subsequently or cast his vote by any other means.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity capital of the Company as on the cut-off/entitlement date of 5th September, 2017.
- V. The facility for voting through ballot paper shall be made available at the AGM and only such members attending the meeting who have not cast their vote by e-voting shall be entitled to exercise their right at the meeting through Ballot Paper.
- VI. Mr. Sunil Kumar Banerjee Practising Company Secretary has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Chairman shall at the AGM,at the end of the discussion on resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the e-voting.
- VIII. The Scrutinizer shall after the conclusion of the voting at the AGM will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall have not later than three days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing,who shall counter sign the same and declare the results of the voting therewith.
- IX. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and of CDSL immediately after the same is declared by the Chairman/authorised person and the same shall also be simultaneously forwarded to the Mumbai Stock Exchange (BSE) for placing it on their respective website.

Kilburn Office Automation Ltd.

ANNEXURE TO THE NOTICE OF THE ANNUAL GENERAL MEETING INFORMATION FOR THE RE-APPOINTMENT OF DIRECTORS-(In Pursuance of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director(s)	MR. SANDEEP KUMAR JALAN
Date of Birth	20.07.1963
Date of appointment	29.03.1989
Qualifications	B.Com (Hons.),MBA
Expertise in specific functional areas	Rich and varied experience in business, administration and commerce.
List of outside Directorships held	<ol style="list-style-type: none">1. Kilburn Chemicals Limited-Managing Director2. The Scottish Assam India Limited- Director3. Just Desserts Limited-Director4. Sandeep Investments Limited-Director5. Supriya Finance Limited-Director6. Kilburn Software Technologies India Limited - Director7. Shreyans Investments Private Limited - Director8. Arham Vyapaar Pvt. Ltd. - Director9. Ana Vincom Pvt. Ltd. - Director10. Saket Fiscal services Pvt. Ltd. - Director11. Pushpdant Vyapaar Pvt. Ltd.-Director
Memberships/Chairman of Committees held in other Public Companies	<ol style="list-style-type: none">1. Kilburn Chemicals Limited-Member of Shareholders' Grievance Committee

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013

ITEM NO. 4

The term of office of Mr. Varadarajan Vanchi as the Managing Director (holding DIN-00015985) of the Company expired on 13th November,2016.Considering his qualifications, extensive business experience, skills and capabilities, the Board of Directors, at its meeting held on 5th November, 2016 has re-appointed Mr. Varadarajan Vanchi as the Managing Director and Key Managerial Personnel (KMP) of the Company for another 1(One) Year effective from 14th November,2016 and upto 13th November,2017 and the same is being placed before the shareholders at the ensuing Annual General Meeting for their ratification.

The re-appointment and remuneration package of Mr. Varadarajan Vanchi was also approved by the Remuneration Committee at its meeting held on 5th November, 2016.

The details of the terms and conditions including remuneration of Mr. Varadarajan Vanchi as the Managing Director of the Company :-

Period : Mr. Varadarajan Vanchi shall be the Managing Director of the Company for another 1 (One) Year with effect from 14th November 2016 and upto 13th November, 2017.

Duties: Mr. Varadarajan Vanchi, subject to the superintendence, control and direction of the Board, shall perform such duties and exercise such powers which

Kilburn Office Automation Ltd.

have been or may from time to time be entrusted to or vested on him by the Board. The proposed agreement also sets out the mutual rights and obligations of the concerned parties and the administrative details.

Remuneration :

Salary :- Rs.40,000/= p.m.

Perquisites & Allowances:- In addition to the above remuneration, Mr. Varadarajan Vanchi shall also be entitled to company accommodation, car running and maintenance expenses, re-imbursment of Drivers' Salary, Telephone/Mobile expenses Security Expenses and besides benefits of Provident Fund and Gratuity etc., in accordance with the rules of the Company.

MINIMUM REMUNERATION: In the event of loss or inadequacy of profits in any year during the tenure of his office, the Company will pay remuneration to him for that year within the ceiling limit laid down in paragraphs (A) of Section II of Part II of Schedule V to the Companies Act, 2013.

Memorandum of Interest : None of the Directors of the Company except Mr. Varadarajan Vanchi-(Key Managerial Personnel) and Smt. Jayanti Vanchi (Wife of Mr. Varadrajagan Vanchi-KMP) is/are concerned or interested in the said resolution.
Number of Shares held- 1389 Nos. of Equity Shares.

Information in terms of Schedule V to the Companies Act, 2013

I. General Information:

- (1) Nature of Industry:
Office Automation
- (2) Date or expected date of commencement of commercial production:
The Company is an existing company and is in operation.
- (3) In case of new companies, expected date of commencement of activities as per Project approval by Financial Institutions appearing in the Prospectus:
Not applicable.
- (4) Financial Performance based on given indicators:
The Financial Performance of the Company based on given indicators for the last four financial years were as under :-

PARTICULARS	YEAR ENDED 31ST MARCH, 2017	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015	YEAR ENDED 31ST MARCH, 2014
TURNOVER	3,86,818	3,43,92,108	12,89,08,343	7,30,78,277
NET LOSS	(75,60,924)	(79,83,529)	(2,05,43,948)	(9,30,44,523)
AMOUNT OF PREFERENCE DIVIDEND	Nil	Nil	Nil	Nil
PERCENTAGE OF PREFERENCE DIVIDEND	Nil	Nil	Nil	Nil

- (5) Foreign Investments or Collaborators:
Nil

Kilburn Office Automation Ltd.

II. Information about the Appointee:

(1) Background Details:

Mr. Varadarajan Vanchi is a Bachelor in Mechanical Engineering (B.M.E.), aged about 69 years and has been associated with this company as a Director since 1994. Mr. Vanchi has served the company with distinction for several years and has notable achievements to his credit. He held several important positions like Vice President–Corporate Planning in Macneill & Magor Co. Ltd. and President in Kilburn Office Automation Ltd.(Formerly Kilburn Reprographics Ltd.).

(2) Past Remuneration:

The remuneration of Mr. V. Vanchi as Managing Director was as under for the year ended 31st March 2017 :

	₹
Salary, Perquisites and others	8,71,019
Company's contribution to Provident, & Gratuity Funds	80,677
	<u>9,51,696</u>

(3) Recognition or Awards:

Not material.

(4) Job Profile and his suitability:

Mr. Varadarajan Vanchi is overall in charge of affairs and business of the Company subject to the superintendence, control and direction of the Board. Mr. Vanchi has very vast exposure not only in sales and marketing, but also in other functions such as finance, commercial, logistics and human resources. The Board found Mr.Vanchi best suited for the responsibilities assigned to him. Since the Company is in the process of overall restructuring exercise his expertise is needed for the Company.

(5) Remuneration Proposed:

Details are provided in the Explanatory Statement.

(6) Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of origin)

The Remuneration structure of Mr. Varadarajan Vanchi is much lower than what is drawn by his peers in comparable Companies.

(7) Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Nil

III. Other Information:

(1) Reasons of loss/inadequacy of profits:

Poor market conditions resulting in unremunerative pricing.

(2) Steps taken or proposed to be taken for improvement:

The Company is in the process of restructuring its business activities and is also exploring suitable diversification opportunities.

(3) Expected increase in productivity and profits in measurable terms:

This will depend entirely on the diversification opportunity identified for implementation.

IV. Disclosures

The following Disclosures are to be stated in the Corporate Governance Report pursuant to Regulation

Kilburn Office Automation Ltd.

27 of the SEBI's (Listing Obligation and Disclosure Requirements) 2015. However, since the Corporate Governance Report is not applicable to the Company this financial year, the reasons have already been stated in the point on Corporate Governance in the Board's Report. However, the following disclosures are detailed below:-

- i) All elements of remuneration package such as Salary, benefits of the Managing Director has been stated in the Notice.

Bonuses, Stock options, pensions to the Non-Executive Directors/Managing Director-**NIL**

- ii) Details of fixed component and Performance Linked incentives - **NIL**

- iii) Service Contracts, Notice, notice period, severance fees-

The agreement with the Managing Director is contractual in nature and is for a period of one year (i.e. from 14th November, 2016 to 13th November, 2017).

The agreement may be terminated by either party by giving a notice of not less than three months in writing.

The Contract of employment with the Managing Director is pursuant to Section 190 of the Companies Act, 2013.

- iv) Stock Option details - **NIL**

The Board of Directors of the Company recommends the passing of the resolution by the shareholders as set out in Item No.4 of the Notice.

None of the Directors of the Company except Mr. Varadarajan Vanchi-(Key Managerial Personnel) and Smt. Jayanti Vanchi (Wife of Mr. Varadrajjan Vanchi-KMP) is concerned or interested in the said resolution.



kilburn 

**Annual
Report
And
Accounts
2016-2017**

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)	- NON-EXECUTIVE AND INDEPENDENT DIRECTOR
	SMT. JHUMUR BHATTACHARJEE (DIN-07015112)	- NON-EXECUTIVE AND INDEPENDENT DIRECTOR
	MR.DILIP MUKHERJEE (DIN-07244118)	- NON-EXECUTIVE AND INDEPENDENT DIRECTOR

CHIEF FINANCIAL OFFICER (CFO) NILIMESH CHAUDHRI

REGISTRARS & SHARE TRANSFER AGENTS MAHESHWARI DATAMATICS PVT. LTD.
23,R.N.MUKHERJEE ROAD,5TH FLOOR,
KOLKATA-700 001.
PHONE NO. (033)-2243-5029/2248-2248
FAX NO.(033)-2248-4787
E-MAIL : mdpl@cal.vsnl.net.in ; mdpldc@yahoo.com

AUDITORS RAKESH SETHIA & CO.,
CHARTERED ACCOUNTANTS

BANKERS CANARA BANK
CENTRAL BANK OF INDIA
STATE 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, 2017

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, 2017.

FINANCIAL RESULTS

Your Company recorded the following results for the Financial Year ended 31st March, 2017:-

Particulars	Financial Year Ended 2016-17 ₹	Financial Year Ended 2015-16 ₹
Gross Operating Loss	(73,39,484)	(74,57,874)
Depreciation	2,21,440	5,25,655
Net Operating Loss	(75,60,924)	(79,83,529)
Loss Brought Forward From Previous Year	(11,96,43,925)	(11,16,60,396)
Deficit Carried Forward To Balance Sheet	(12,72,04,849)	(11,96,43,925)

PERFORMANCE REVIEW:

The Company continued its focus on disposal of inventory of its past marketing range viz., Ammonia Printing Machines, Digital Duplicators and Spares and Consumables. The operating revenues decreased further to Rs.0.0386 Crores viz., Rs.3.44 Crores in the previous year. The Company ended the year with an operational loss of Rs. 75.60 Lakhs as against Rs.79.83 Lacs in the previous year.

FUTURE PROSPECTS:

The Company's sustained efforts to identify suitable diversification opportunities in its areas of expertise did not result in any material progress during the year. However, conscious efforts are on in this direction.

SHARE CAPITAL

The Paid-up Share Capital as on 31st March, 2017 is Rs.7,95,01,000/- comprising of 67,50,100 Equity Shares of Rs.10/= each amounting to Rs.6,75,01,000/- and 11% 1,20,000 Cumulative Redeemable Preference Shares @ Rs.100/- each amounting to Rs.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. Despite efforts to identify and re-pay the unclaimed deposits, the total amount of fixed deposits matured and remaining unclaimed with the Company as on 31st March, 2017 is Rs.2,85,000/-.

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

Mr. Amresh Kumar Jain, Smt. Jhumur Bhattacharjee and Mr. Dilip Mukherjee are Independent Directors (IDs) on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they

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fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as IDs of the Company. Mr. Amresh Kumar Jain was appointed as the ID for 5 (Five) years at the Annual General Meeting held on 10th September, 2014 and Smt.Jhumur Bhattacharjee and Mr. Dilip Mukherjee were appointed as IDs for 5 (Five) years at the Annual General Meeting held on 31st August,2015.

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

All the Independent Directors have given declarations that 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.Nilimesh Chaudhri,Chief Financial Officer are the Key Managerial Personnel(KMP) of the Company.

DETAILS OF BOARD MEETINGS

During the year, 4(four) number of Board meetings were held, details of which are given below:

Date of the meeting	No. of Directors attended the meeting
27-05-2016	4
09-08-2016	4
05-11-2016	5
04-02-2017	5

Committees of Board

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

a. Audit Committee

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

During the year, the Committee had met on 27-05-2016, 09-08-2016, 05-11-2016 and 04-02-2017.

Vigil mechanism

The Company has a strict Vigil Mechanism/Whistle Blower Policy to deal with the 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.Dilip Mukherjee	Member

During the year, the Committee had met on 05-11-2016.

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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 had met on 27-05-2016 and 04-02-2017.

d. Board Evaluation and Independent Directors Meeting

The formal evaluation of the performance of the Independent Directors, Non-Independent Director and Managing Director of the Company was carried out by the Board in accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Rules related thereto and Section 178 of the Companies Act, 2013 and Schedule IV to the Act and the same was found to be satisfactory.

During the year under review, the Independent Directors met on 04-02-2017, inter-alia to discuss:-

- 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. Their appointment, attributes, qualifications and experience match with the Company's criteria..

Mr.Varadarajan Vanchi was re-appointed as the Managing Director of the Company for one year from 14-11-2016 to 13-11-2017 at the Board Meeting held on 05-11-2016. 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 at its meeting held on 05-11-2016. 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.

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 the 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;

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- (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 AND THEIR ADEQUACY

The Company has in place adequate an 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 implemented Tally ERP 9 solution which supports the Management Information System (MIS) needs of the Company. M/s. Jain, Binod & Associates, Chartered Accountants, have been appointed as the Internal Auditors of the Company. The internal control systems are monitored and evaluated by the Internal Auditors and their audit reports are reviewed by the Audit Committee of the Board of Directors on periodical basis.

Statutory Auditors, their Report and Notes to Financial Statements

In the last AGM held on 10th September, 2014, M/s. Rakesh Sethia & Co., (FRN 327065E) Chartered Accountants have been appointed Statutory Auditors of the Company for a period of 3 (three) years i.e., until the conclusion of three consecutive Annual General Meetings. However, the ratification of re-appointment of the Statutory Auditors from the shareholders is to be sought at every AGM. The ratification of the appointment of Statutory Auditors was sought at the last AGM held on 5th September, 2016.

The period of the office of the Statutory Auditors viz., M/s. Rakesh Sethia & Co., (FRN 327065E) Chartered Accountants expires at this ensuing Annual General Meeting. However, the Audit Committee of the Board of Directors of the Company have recommended their appointment for a further period of 5 years which was also approved by the Board and is being placed at this ensuing Annual General Meeting for the approval of the shareholders. The said re-appointment shall be ratified by the members at every Annual General Meetings.

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 answer 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 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 2 in MR-3** to this report. The Directors are of the view that the Secretarial Auditors' note adequately provide the necessary information and answer to the observations of the Auditor in his Report.

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

Kilburn Office Automation Ltd.

Managerial Personnel 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.

The Policy on Related Party Transactions is uploaded on the Company's website and may be accessed at the link <http://www.koalcorporate@kilburn.in>.

Thus disclosure in Form No.AOC-2 is not required.

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 Subsidiary/Joint Ventures/Associates

Pursuant to sub-section (3) of section 129 of the Act, the Company does not have any subsidiary /joint ventures. However, Shree Durga Agencies Ltd. is an associate, since its holding in the Company is 31.07% which is above 20%.

Loans, Guarantees and Investments

There are no loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 and hence the said provision is not applicable.

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, there are no significant and material orders passed by the regulators or courts or tribunals impacting 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 stated 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** : Nil

During the year under review, the Company has not incurred any expenditure in foreign exchange.

PARTICULARS OF EMPLOYEES

The Company is currently having a strength of only 4(four employees) on its rolls of which one is on retainer basis. However, The provisions of Section 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.

MANAGERIAL REMUNERATION

Pursuant to the provisions of Section Section 197(12) of the Companies Act, 2013 Read with Rule 5(1)

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of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company is attached here as **Annexure-3** and forms a part of Directors' Report.

FRAUD REPORTING

There was no fraud reported by the Auditors of the Company to the Audit Committee or the Board of Directors of the Company.

CORPORATE GOVERNANCE

Pursuant to the new circular notified by SEBI dated 2nd September, 2015 by SEBI's (Listing Obligations and Disclosure Requirements), 2015, the Corporate Governance pursuant to Regulation 27 shall not be applicable to the Companies having paid up equity share capital not exceeding Rs.10 crores and Net Worth not exceeding Rs.25 crores.

Since the Paid up Share capital was Rs.7.95,01,000/- and Networth was negative i.e., Rs. (49,87,079)/- as per the Audited Accounts for the Financial Year ended 31st March, 2017, hence the criteria for applicability of Corporate Governance as per Regulation 27 of the LODR, 2015 is not applicable to the Company.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Directors state that there are no such cases in respect of the above mentioned Act.

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 (MCA), 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 the employees of the Company.

For and on behalf of the Board

SANDEEP KUMAR JALAN
CHAIRMAN
DIN-00015836

Place: Kolkata

Date : 27th May, 2017

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2017

[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)-2282-8501/7722
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,
23, R.N. MUKHERJEE ROAD, 5TH FLOOR,
SURENDRA MOHAN GHOSH SARANI,
KOLKATA-700001.
PHONE NO.-(033)-2243-5029/2248-2248
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.

IV. 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-1-4-2016				No. of Shares held at the end of the year-31-3-2017 %				%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	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	3426396	2200	3428596	50.7933	3426396	2200	3428596	50.7933	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	3430096	2200	3428596	50.8481	3430096	2200	3432296	50.8481	-
(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	-
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	-	6200	6200	0.0919	-	6200	6200	0.0919	-
(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	-

Kilburn Office Automation Ltd.

Category of Shareholders	No. of Shares held at the beginning of the year-1-4-2016				No. of Shares held at the end of the year-31-3-2017				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	884172	45851	930023	13.7779	976135	45851	1021986	15.1403	9.888
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1044340	578489	1622829	24.0416	1030084	577689	1607773	23.8185	-0.9278
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	732457	-	732457	10.8511	654849	-	654849	9.7013	-10.5956
(c) Non-Resident Indians	10545	3800	14345	0.2125	10546	3800	14346	0.2126	0.001
(d) Clearing Members	1950	-	1950	0.0289	2650	-	2650	0.0393	35.974
(e) Trusts	10000	-	10000	0.1481	10000	-	10000	0.1481	-
Sub-total (B)(2):-	2683464	628140	3311604	49.060	2683464	628140	3311604	49.0601	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	2683464	634340	3317804	49.1520	2683464	634340	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)	6113560	636540	6750100	100.0000	6113560	636540	6750100	100.0000	NIL

Kilburn Office Automation Ltd.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1-4-2016			Share holding at the end of the Year 1-4-2016 to 31-3-2017			% 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	3500	0.0519	NIL	3500	0.0519	NIL	NIL
2.	Smt. Divya Jalan	200	0.0030	NIL	200	0.0030	NIL	NIL
3	Shree Durga Agencies Limited	2096925	31.0651	NIL	2096925	31.0651	NIL	NIL
4.	Nirvan Commercial Company Limited	1178028	17.4520	NIL	1178028	17.4520	NIL	NIL
5.	Supriya Finance Limited	129082	1.9123	NIL	129082	1.9123	NIL	NIL
6.	Sandeep Investments Limited	22361	0.3313	NIL	22361	0.3313	NIL	NIL
7	Saket Fiscal Services Pvt. Ltd.	2200	0.3626	NIL	2200	0.3626	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-1-4-2016		Cumulative Shareholding during the year 1-4-2016 to 31-3-2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year-1-4-2016	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):	No change during the year			
	At the end of the year-31-3-2017	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 1-4-2016		Increase/ Decrease During the Year	Shareholding at the end of the year 31-3-2017	
		No. of shares	% of total shares of the company	No. of shares	No. of shares	% of total shares of the company
1	Bishnauth Investments Ltd.	545095	8.0754	No Transfer	545095	8.0754
2	Babock Borsig Limited	89000	1.3185	No Transfer	89000	1.3185
3	VSL Securities Pvt. Ltd.	45478	0.6737	No Transfer	45478	0.6737
4	Darkin Vincom Pvt. Ltd.	NIL	NIL	Increase	97418	1.4432
5	Mr.Vijayben P Parikh	130142	1.9280	Decrease	30000	0.4444
6	Mr.Dheeraj Kumar Lohia	90000	1.3333	No Transfer	90000	1.3333
7	Mr. Raj Kumar Lohia	87003	1.2889	No Transfer	87003	1.2889
8	Ms. Pushpa Kishor Parikh	74855	1.1089	Decrease	62173	0.9211
9	Mr. Kishor Pravinchandra Parikh	56151	0.8319	Increase	74507	1.1038
10	Ms. Snehlata Singhi	74021	1.0966	No Transfer	74021	1.0966
11	Ms. Rama Sen	67502	1.0000	No Transfer	67502	1.0000

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors/KMP	Shareholding at the beginning of the year 1-4-2016		Increase/ Decrease During the Year	Shareholding at the end of the year 31-3-2017	
		No. of shares	% of total shares of the company	No. of shares	No. of shares	% of total shares of the company
1	Mr.Sandeep Kumar Jalan, Director	3500	0.0519	No Transfer	3500	0.0519
2	Mr.Varadarajan Vanchi, Managing Director	1389	0.0206	No Transfer	1389	0.0206

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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	NIL	21,86,73,522	3,10,000	21,89,83,522
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	4,200	4,200
Total (i+ii+iii)	NIL	21,86,73,522	3,14,200	21,89,87,722
Change in Indebtedness during the financial year				
• Addition	NIL	47,05,000	NIL	47,05,000
• Reduction	NIL	7,17,98,727	29,200	7,18,27,927
Net Change	NIL	(6,70,93,727)	(29,200)	(6,71,22,927)
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	15,15,79,795	2,85,000**	15,18,64,795
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	15,15,79,795	2,85,000	15,18,64,795

Note : ** (Public Deposits) - Principal Amount matured but not claimed by the Depositors.

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	4,80,000	4,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,91,019	3,91,019
	(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, Retirement Benefits	80,677	80,677
	Total	9,51,696	9,51,696

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	Smt. Jhumur Bhattacharjee	Mr. Dilip Mukherjee	
	• Fees for attending board / committee meetings	24,000	24,000	24,000	72,000
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	24,000	24,000	24,000	72,000
2.	Other Non-Executive Directors	Mr.S.K. Jalan			
	• Fee for attending board / committee meetings	6,000	NIL	NIL	6,000
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	6,000	NIL	NIL	6,000
	Total (B)=(1+2)	30,000	24000	24,000	78,000

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

(IN ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	Mr. Nilimes Chaudhri - CFO	Total
1	Gross salary	NOT APPLICABLE	NOT APPLICABLE	4,37,560	4,37,560
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			NIL	NIL
	(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-Health Insurance	NOT APPLICABLE	NOT APPLICABLE	3,600	3,600
	Retirement Benefits			30,373	30,373
	Total			4,71,533	4,71,533

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
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

SANDEEP KUMAR JALAN
CHAIRMAN
DIN-00015836

Place: Kolkata
Date : 27th May, 2017

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2017

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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,2017**, 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,2017**, 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 as amended in 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (f) 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,Employees Pension Scheme,1995.
7. Employees State Insurance Act,1948.
8. Employers Liability Act,1948.
9. Equal Remuneration Act,1976.
10. Indian Contract Act,1972.
11. Income Tax Act,1961 and Indirect Tax Laws.
12. Indian Stamp act,1999.
13. Industrial Disputes Act,1947.
14. Negotiable Instruments Act,1881.

Kilburn Office Automation Ltd.

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 (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements), 2015 and erstwhile Listing Agreement entered into by the Company with Mumbai Stock Exchange.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations as placed below as **"ANNEXURE-A"** (which forms part of the report).

I further report that the Board of Directors of the Company is constituted with 1 Managing Director, 3 Non-Executive and Independent Directors and 1 Non-Executive and Non-Independent Director. 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.
- (vi) Issue and Listing of Debt Securities.
- (vii) Delisting of Equity Shares.

Place : KOLKATA
Date : 27th May, 2017

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

ANNEXURE-A **OBSERVATIONS**

1. The Company has complied with the provisions, rules, regulations, guidelines and standards so far as stated and there has been no delay in filing of forms/returns during the year under review. However, endeavour needs to be made on sustained basis for strengthening and improving the systems with a view to strictly adhere to the compliance mechanisms and procedures.
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 14-11-2016 to 13-11-2017.

The Company had appointed Chief Financial Officer (CFO) on 9-11-2015.

The appointment of Company Secretary (CS) was not made during the year under review. However,

Kilburn Office Automation Ltd.

the Compliance job is looked after by the Compliance Officer, designated by the Board to that effect, who is yet to complete the Final Stage examinations conducted by The Institute of Company Secretaries of India (ICSI). Due compliances were made by the Company during the year under review and as already stated there had been no delay in filings in any case.

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. According to information and explanations given by the management, there are some unclaimed public deposits amounting to Rs.2,85,000 on the day of this report.
4. Regulation 27 SEBI's (Listing Obligations and Disclosure Requirements), Regulations, 2015, issued by SEBI on 30th November, 2015., in regard to Corporate Governance shall not be apparently applicable to the Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, Hence the Company is exempted from this regulation during the year under review.
5. The Company's Provident Fund is exempted pursuant to provisions of the Act and exempted provisions of the said Act are also applicable. As explained by the management, due compliance has been made under the said acts.
6. According to the explanations given by the management, ESIC is not applicable to the Company under review.
7. According to the explanations given by the management, Professional Taxes were paid during the year under review.
8. A legal case is pending at ECGC Jaipur against the Company in the Consumer Court. The estimated liability will be Rs.95,000/- at the time when it may arise.
9. On the basis of the information and explanations, it was observed that the Company is having two legal cases under Industrial Disputes Act, 1947 pending in the Labour Courts, Pune and Saket New Delhi. The Management is of the opinion that the outcome of the case will be in favour of the Company.
10. According to the information and explanations and papers furnished to me, I would report that the Gratuity and Leave Encashment liability of the employees as on 31st March, 2017 are Rs.11,46,389 and Rs.4,39,836 respectively.
11. A case has been filed by a shareholder seeking certain documents from the Company at Bankshall Court, Kolkata and the same is pending.
12. The disputes regarding Income Tax amounting to Rs.275 Lacs, Rs.1.50 Lacs and Rs.3.26 Lacs for the Assessment Years 2005-2006, 2011-12 and 2014-15 have been pending with CIT (Appeals)-Kolkata.
13. As explained and declared by the Management, the Related Party Transactions under Section 188 of the Companies Act, 2013 are maintained at arms' length.
14. According to the information and explanations given to me, the Company is gradually discontinuing its current operations and is also in the process of identifying new business opportunities. However, the Company is liquidating its inventories and collecting its trade receivables. In the present scenario, **no sector specific law is apparently applicable in respect of the Company.**
15. Since the Company is not engaged in manufacturing activities, the Pollution Control laws are apparently not applicable.

Place : KOLKATA
Date : 27th May, 2017

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

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.)	2835042
Price earning Ratio as at the closing date of current financial year	-2.09
Price earning Ratio as at the closing date of previous financial year	-2.30
Percentage increase over decrease in the market quotations of the shares of the company in comparison 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	1.56
Shri Nilimesh Chaudhuri, Chief Financial Officer	0.78
Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager	
Name	% increase
Shri Varadarajan Vanchi, Managing Director	
Shri Nilimesh Chaudhuri - Chief financial Officer	
Percentage increase in the median remuneration of employees in the financial year	nil
Number of permanent employees on the roll of company	3
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
Comparison 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

I have audited the accompanying financial statements of **KILBURN OFFICE AUTOMATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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

My responsibility is to express an opinion on these financial statements based on my audit.

I 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.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I 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 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.

I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Opinion

In my opinion and ***subject to my remarks in paragraph 2 below the consequential effect of which on the net asset position of the company as at 31st March, 2017 and on the losses for the year***

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ended on that date is not ascertainable and to the best of my information and according to the explanations given to me, 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, 2017;
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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. We report that:
 - a. As indicated in Note No. 2.30, 2.34, 2.36 and 2.37, I am unable to express an opinion on the recoverability of Loans and Advances, Deposits, Sundry Debtors and the Sundry Creditors resultant provision, if any, that may arise there from.
 - b. As indicated in Note No. 2.39 of the financial statements, further provision for Deferred tax asset for the year has not been recognized for this year.
3. *The aggregate impact of my observations in paragraph 2 above on the results for the year ended 31st March, 2017 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. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of our audit.
 - b. In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my 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 my 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, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "Annexure B"; and
 - g. 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 my information and according to the explanations given to me :
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.26 and 2.32 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.

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- iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealing in Specified Bank Notes (SBN's) during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.29 to the Notes to Financial Statement.

Place: 29B, Rabindra Sarani, Kolkata-700073
Date: 27th May, 2017

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in my report to the members of the Company on the financial statements for the year ended on March 31, 2017. In term of the information and explanations given to me and books of account examined by me in the normal course of audit and to the best of my knowledge and belief, I report that:

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. A major portion of fixed assets has been physical verified by the management in accordance with a phased programme of verification adopted by the company. In my opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on such verification.
According to the information and explanation received by me, as the company owns no immovable properties, the requirement on reporting whether title deeds of immovable properties held in the name of the company is not applicable.
- 2) The management has conducted physical verification in respect of finished goods, stores, spare parts and raw materials at reasonable intervals. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- 3) The company has not granted any loans or advances in the nature of loans to parties covered in the registered maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting whether the terms and conditions of loans are prejudicial to the interests of the company, whether reasonable steps for recovery of overdues of such loans are taken does not arise.
- 4) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) In my opinion and according to the information and explanations given to me, 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 Deposit Rules 2014 with regard to the deposit 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 deposit.
- 6) I have been informed by the management, no cost records have been prescribed under section 148(1) of the Companies Act, 2013 in respect of products manufactured by the company.
- 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, service tax, duty of custom, duty of excise, value added tax, cess have generally been

Kilburn Office Automation Ltd.

regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given, no undisputed amounts payable in respect of income tax, sales tax, value added tax, customs duty and excise duty were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable **except as per below statement:**

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income Tax Act, 1961	Income Tax	1.19 Lacs	AY 07-08	-	-	-
Income Tax Act, 1961	Income Tax	1.54 Lacs	AY 08-09	-	-	-
Income Tax Act, 1961	Income Tax	3.36 Lacs	AY 09-10	-	-	-
Service Tax	Service Tax	7.31 Lacs	From FY 2007-08 to 2009-10	-	-	-
Professional Tax	Professional Tax	0.74 Lacs	From FY 2012-13 to 2014-15	-	-	-

According to the records of the company, there are no dues of sales tax, value added tax, customs duty and excise duty, cess which have not been deposited on account of any dispute **except :-**

Statement of Disputed Dues

Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of Certain Claims	2.75 Crores	Financial Year 2004-05	CIT(A) - Kolkata
Income Tax Act, 1961	Disallowance of Certain Claims	1.50 Lacs	Financial Year 2010-11	CIT(A) - Kolkata

- 8) According to records of the company, the company has not borrowed from financial institutions or banks or government issued debentures till 31st March 2017. Hence in my opinion, the questions of reporting on defaults in repayment of loans or borrowing to a financial institutions bank, government or dues to debentures.
- 9) According to the records of the company, the company has not raised any moneys by way of Initial Public Offer or Further Public Offer. Nor has the company obtained any term loan hence, comments under the clause are not called for.
- 10) Based upon the audit procedures performed and information and explanations given by the management, I report that no fraud on the company by its officers or employees nor any fraud by the company has been noticed or reported during the course of our audit.

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- 11) According to the information and explanations give to me and based on my examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In my opinion, and to the best of my information & explanations provided by the management, I am of the opinion that the company is not a nidhi, hence, in my opinion, the requirement of clause 3(xii) of the order do not apply to the company.
- 13) According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations give to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: 29B, Rabindra Sarani, Kolkata-700073
Date: 27th May, 2017

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON
THE FINANCIAL STATEMENTS OF KILBURN OFFICE AUTOMATION LIMITED
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 (“the Act”)**

I have audited the internal financial controls over financial reporting of **KILBURN OFFICE AUTOMATION LIMITED** (“the Company”) as of March 31, 2017 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

My responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing,

Kilburn Office Automation Ltd.

issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained are sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: 29B, Rabindra Sarani, Kolkata-700073
Date: 27th May, 2017

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

Kilburn Office Automation Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No	(Amount in ₹)	
		As at 31st March, 2017	As at 31st March, 2016
<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	(83,488,079)	(75,927,155)
2) Non-Current Liabilities			
a) Long Term Provisions	2.3	439,836	479,356
3) Current Liabilities			
a) Short-Term Borrowings	2.4	151,579,795	218,688,522
b) Trade Payables	2.5	5,122,547	5,137,947
c) Other Current Liabilities	2.6	3,941,278	6,388,250
Total		157,096,377	234,267,920
<u>ASSETS</u>			
1) Non-Current Assets			
a) Fixed Assets			
Tangible Assets	2.7	349,198	570,638
b) Deferred Tax Assets (Net)	2.8	30,032,431	30,032,431
c) Long term Loans and Advances	2.9	47,057,380	49,813,876
2) Current Assets			
a) Inventories	2.10	36,056,815	36,328,326
b) Trade Receivables	2.11	20,788,098	54,877,684
c) Cash and Bank Balances	2.12	1,651,845	27,964,289
d) Short-term Loans And Advances	2.13	21,021,957	34,542,023
e) Other Current Assets	2.14	138,653	138,653
Total		157,096,377	234,267,920

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.**
Chartered Accountants
Rakesh Sethia
Proprietor
Membership No. 063487
Firm Reg. No. 327065E
Place : Kolkata
Date : May 27, 2017

For and on behalf of Board
Sandeep Kumar Jalan **Varadarajan Vanchi**
Chairman Managing Director
DIN-00015836 DIN-00015985

Nilimes Chaudhri
Chief Financial Officer

Kilburn Office Automation Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

<u>Particulars</u>	<u>Note No</u>	<u>Year ended 31st March, 2017</u>	<u>Year ended 31st March, 2016</u>
INCOME			
I) Revenue From Operations	2.15	386,818	34,392,108
II) Other Income	2.16	667,361	676,967
III) Total Revenue		1,054,179	35,069,075
IV) EXPENDITURE			
Cost of Materials Consumed	2.17	-	-
Purchase of Stock-in-Trade	2.18	27,400	13,690
Changes in Inventories	2.19	271,511	33,982,108
Employee Benefit Expense	2.20	2,240,364	3,275,672
Financial Costs	2.21	-	35,703
Depreciation Expenses	2.22	221,440	525,655
Other Expenses	2.23	5,854,390	5,219,776
Total Expenses		8,615,105	43,052,604
V) Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (III - IV)		(7,560,924)	(7,983,529)
VI) Exceptional Items		-	-
VII) Profit / (Loss) Before Extraordinary Items and Tax (V + VI)		(7,560,924)	(7,983,529)
VIII) Extraordinary Items		-	-
IX) Profit / (Loss) Before Tax (VII + VIII)		(7,560,924)	(7,983,529)
X) Tax Expenses	2.24		
Current tax		-	-
XI) Profit / (Loss) For The Period (IX - X)		(7,560,924)	(7,983,529)
XII) Earning per equity share of face Value of ₹ 10/- each	2.25		
Basic & Diluted (in ₹)		(1.32)	(1.38)

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.**

Chartered Accountants

Rakesh Sethia

Proprietor

Membership No. 063487

Firm Reg. No. 327065E

Place : Kolkata

Date : May 27, 2017

For and on behalf of Board

Sandeep Kumar Jalan

Chairman

DIN-00015836

Varadarajan Vanchi

Managing Director

DIN-00015985

Nilimes Chaudhri

Chief Financial Officer

Kilburn Office Automation Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
A. <u>Cash Flow from Operating Activities</u>		
Net Profit Before tax and extraordinary Items	(7,560,924)	(7,983,529)
<u>Adjustment for:</u>		
Interest charged	-	28,114
Depreciation	221,440	525,655
Interest Income	(125,376)	(268,465)
Liabilities no longer required written back	-	(74,700)
Sundry Balances Written off	42	2,808
Operating Profit Before Working Capital Changes	<u>(7,464,818)</u>	<u>(7,770,117)</u>
<u>Adjustments for:</u>		
Trade payables ,Other liabilities & Provisions	(2,380,762)	(14,444,745)
Inventories	271,511	33,982,108
Trade Receivables and Other Current & Non Current Asset	50,366,107	36,569,939
Cash Generated From Operations	<u>40,792,038</u>	<u>48,337,185</u>
Tax Paid (net of refund)	-	-
Net Cash From Operating Activities	<u>40,792,038</u>	<u>48,337,185</u>
B. <u>Cash Flow from Investing Activities</u>		
Purchase of Fixed Assets	-	(19,426)
Proceeds from Fixed Deposit (Bank)	1,609,309	3,104,919
Interest received	125,376	268,465
Net Cash used in Investing Activities	<u>1,734,685</u>	<u>3,353,958</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016 (Contd.)

	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) from Fixed Deposits (Net)	(25,000)	(188,000)
Increase in cash credit / Term Loan /Book Overdraft from bank	(111,130)	(3,295,695)
Proceeds/(Repayment) from/to Inter Corporate Deposits(Net)	(67,093,727)	(22,890,800)
Interest Paid	-	(28,114)
Net Cash Flow used in Financing Activities	<u>(67,229,857)</u>	<u>(26,402,609)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(24,703,134)	25,288,534
Opening Cash and Cash Equivalents	25,312,533	23,999
Closing Cash and Cash Equivalents	<u>609,399</u>	<u>25,312,533</u>

Notes :

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

Cash In Hands	8,578	3,611
Cash at Bank	600,821	25,308,922
	<u>609,399</u>	<u>25,312,533</u>

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.**

Chartered Accountants

Rakesh Sethia

Proprietor

Membership No. 063487

Firm Reg. No. 327065E

Place : Kolkata

Date : May 27, 2017

For and on behalf of Board

Sandeep Kumar Jalan

Chairman

DIN-00015836

Varadarajan Vanchi

Managing Director

DIN-00015985

Nilimes Chaudhri

Chief Financial Officer

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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 are valued at lower of cost or net realizable value.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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 2017

2.1 SHARE CAPITAL	2016-2017	2015-2016
	₹	₹
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
	<u>100,000,000</u>	<u>100,000,000</u>
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
	<u>79,501,000</u>	<u>79,501,000</u>

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:

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

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

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

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 2017 (Contd.)

	2016-2017 ₹	2015-2016 ₹
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	(119,643,925)	(111,660,396)
Add/(Less): Profit / (Loss) during the year	(7,560,924)	(7,983,529)
Closing Balance	(127,204,849)	(119,643,925)
Total Reserve & Surplus	(83,488,079)	(75,927,155)
2.3 LONG TERM PROVISIONS		
Provision For Leave Encashment	439,836	479,356
	439,836	479,356
2.4 SHORT TERM BORROWINGS		
Loans repayable on demand		
From Related Parties (Unsecured) #	151,579,795	218,673,522
Deposits (Unsecured)		
Fixed Deposit from Public	-	15,000
	151,579,795	218,688,522
Loan from related parties includes enterprises over which key managerial personnel (KMP) or Relatives of KMP exercise significant influence.		
2.5 TRADE PAYABLES		
Trade Payables	5,122,547	5,137,947
	5,122,547	5,137,947
2.6 OTHER CURRENT LIABILITIES		
Book Overdraft with Banks	-	111,130
Deposits matured but not claimed	285,000	295,000
Liabilities for Expenses	2,641,073	2,461,629
Statutory Dues Payable	822,401	849,794
TDS Payable	48,788	46,412
Payable To Employees	105,466	2,004,588
Other Liabilities	38,550	619,697
	3,941,278	6,388,250

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

	2016-2017 ₹	2015-2016 ₹
2.8 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
2.9 LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Security Deposits	583,874	892,654
Other Advances	46,473,507	48,921,222
	47,057,380	49,813,876
2.10 INVENTORIES		
(As certified by the management)		
Finished Goods	36,056,815	36,328,326
	36,056,815	36,328,326
2.11 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	20,776,923	54,852,285
Other Receivables	11,175	25,401
	20,788,098	54,877,684
2.12 CASH AND CASH EQUIVALENTS		
a) Cash and Cash Equivalent		
Balances With Banks		
On Current Account	600,821	25,308,922
Cash in hand (As certified by management)	8,578	3,611
b) Other Bank Balances		
Deposits with original maturity for more than 12 months #	1,042,446	2,651,755
	1,651,845	27,964,289

Fixed Deposits of ₹ 26.52 Lac (P.Y. ₹ 57.57 Lac) includes Accrued Interest.

**NOTE 2.7
TANGIBLE ASSETS**

Amount in ₹

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.16	Addition	Disposal/ Deduction	As at 31.03.17	As at 01.04.16	For the Year	Disposal/ Reversal	As at 31.03.17	As at 31.03.17	As at 31.03.16
Electrical Installation	310,995	-	-	310,995	279,667	15,638	-	295,305	15,690	31,328
Plant & Machinery	222,615	-	-	222,615	208,612	2,872	-	211,484	11,131	14,003
Furniture & Fixtures	1,950,102	-	-	1,950,102	1,630,650	159,789	-	1,790,439	159,663	319,452
Motor Vehicles	769,415	-	-	769,415	730,943	-	-	730,943	38,474	38,472
Office Equipments	2,333,079	-	-	2,333,079	2,165,696	43,141	-	2,208,837	124,242	167,383
Total	5,586,206	-	-	5,586,206	5,015,568	221,440	-	5,237,008	349,198	570,638
Previous Year	5,566,780	19,426	-	5,586,206	4,489,913	525,655	-	5,015,568	570,638	-

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

	2016-2017	2015-2016
	₹	₹
2.13 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Security/Tender Deposits	6,233,052	18,902,961
Other Advances		
Balance with Revenue Department (Net)	6,426,295	6,404,803
Advance to Suppliers	7,333,728	7,643,390
Advances to Staffs	1,024,505	1,551,448
Advance to Others	-	21,588
Prepaid Expenses	4,377	17,835
	21,021,957	34,542,023
2.14 OTHER CURRENT ASSETS		
Other Current Assets	138,653	138,653
	138,653	138,653
2.15 REVENUE FROM OPERATION		
<u>Sales of Products</u>		
Traded Goods	352,318	34,278,964
<u>Sales of Services</u>		
Service Income	34,500	113,144
	386,818	34,392,108
2.16 OTHER INCOME		
Interest Income		
On Fixed Deposits	125,376	268,465
On Income Tax Refund	10,574	251,836
Other Non-Operating Income		
Miscellaneous Income	531,412	81,966
Liabilities Written off	-	74,700
	667,361	676,967
2.17 COST OF MATERIAL CONSUMED		
Raw Material Consumed	-	-
	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

	2016-2017 ₹	2015-2016 ₹
2.18 PURCHASE OF STOCK IN TRADE		
Purchase of Goods Traded	27,400	13,690
	<u>27,400</u>	<u>13,690</u>
2.19 CHANGES IN INVENTORIES		
Opening Stock		
Finished Goods	36,328,326	70,310,434
Less : Closing Stock		
Finished Goods	36,056,815	36,328,326
Changes in Inventories	<u>271,511</u>	<u>33,982,108</u>
2.20 EMPLOYEE BENEFITS EXPENSES		
Salary & Bonus	2,051,737	2,976,018
Contribution to Provident & Other Funds	127,580	165,310
Staff Welfare Expenses	61,047	134,344
	<u>2,240,364</u>	<u>3,275,672</u>

2.20.1As 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:

	2016-17	2015-16
Employers Contribution to Provident Fund (₹)	72,534	104,464
Employers Contribution to Pension Scheme (₹)	30,166	51,299

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.

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

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

	Gratiuty (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
Defined Benefit obligation at beginning of year	1,186,374	1,734,426	479,356	648,757
Current Service Cost	35,686	42,365	-	19,843
Interest Cost	90,758	135,285	36,671	50,603
Actuarial (Gain) / Loss	(43,256)	119,779	(11,791)	115,189
Benefits Paid	(123,173)	(845,481)	(64,400)	(355,036)
Defined Benefit obligation at year end	1,146,389	1,186,374	439,836	479,356

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

	Gratiuty (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
Fair Value of Plan assets at beginning of year	1,663,830	2,329,283	450,000	750,000
Expected return on plan assets	138,930	209,635	37,575	67,500
Actuarial Gain / (Loss)	(8,347)	(29,607)	(14,980)	(12,464)
Employer Contribution	-	-	-	-
Benefits paid	(123,173)	(845,481)	(64,400)	(355,036)
Fair Value of Plan assets at year end	1,671,240	1,663,830	408,195	450,000
Actual return on plan assets	180,028	180,028	22,595	55,036

iii) Reconciliation of fair value of assets and obligations:

	Gratiuty (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
Fair value of Plan assets	1,671,240	1,663,830	408,195	450,000
Present value of obligation	1,146,389	1,186,374	439,836	479,356
Net Assets / (Liability)	524,851	477,456	(31,641)	(29,356)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

iv) Expenses recognised during the year :				
	Gratuity (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	35,686	42,365	-	19,843
Interest Cost	90,758	135,285	36,671	50,603
Expected return on Plan assets	(138,930)	(209,635)	(37,575)	(67,500)
Actuarial (Gain) / Loss	(34,909)	149,386	3,189	127,653
Net Cost	(47,395)	117,401	2,285	130,599
v) Investment Detail :	% Invested		% Invested	
	2016-17	2015-16	2016-17	2015-16
Insurance Policy	100%	100%	-	-
Fixed Deposit with Bank	-	-	100%	100%
vi) Actuarial assumptions :				
	Gratuity (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	6.77%	7.65%	6.77%	7.65%
Expected Rate of return on plan assets (per annum)	8.25%	8.35%	8.25%	8.35%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

2.21 FINANCE COST

Interest Expenses		
on loan from Others	-	28,114
Other Borrowing Cost		
Bank Guarantee Commission	-	7,589
	-	35,703

2.22 DEPRECIATION EXPENSES

Depreciation on Tangible Assets	221,440	525,655
	221,440	525,655

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

	2016-2017 ₹	2015-2016 ₹
2.23 OTHER EXPENSES		
Rent	63,443	481,632
Repair & Maintenance - Buildings/Godowns	16,884	354,066
Insurance Expenses	14,374	25,540
Rates & Taxes	2,650,458	553,303
Advertisement	33,364	23,512
Carriage Freight & Packing Expenses	500	5,873
Commission Paid	-	27,225
Legal & Professional Charges	1,583,751	1,192,671
Power & Fuel (including Electricity)	63,125	338,243
Printing & Stationery	107,751	145,636
Telephone Expenses	90,611	108,374
Tour, Travelling & Conveyance	376,739	604,638
Payment to Auditors		
As Audit Fees	300,000	300,000
As Tax Audit Fees	60,000	60,000
Miscellaneous Expenses	493,389	999,063
	5,854,390	5,219,776
2.24 TAX EXPENSES		
Current Tax	-	-
Provision for Taxation	-	-
2.25 EARNING PER SHARE		
Profit / (Loss) after taxation	(7,560,924)	(7,983,529)
Less: Dividends on Cumulative Preference share	1,320,000	1,320,000
Profit / (Loss) after taxation attributable to Equity Shareholders (A)	(8,880,924)	(9,303,529)
No of Equity shares of ₹ 10/- each fully paid up (B)	6,750,100	6,750,100
Basic & Diluted Earnings per share (A/B)	(1.32)	(1.38)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

2.26 Contingent Liabilities :

- a) 11% Cumulative Redeemable Preference Shares - arrear dividend from 01.04.2002 to 31.03.2017 ₹ 1,97,99,812/- (from 01.04.2002 to 31.03.2016 - ₹ 1,84,79,812/-).
- 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 and One Case is filed against the company at Saket Court, New Delhi. Management is hopeful that the outcome of all the cases will be in favour of the company hence no provision is required.
- (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 - ₹ 3,68,690/- (and as on 31.3.2016 - ₹ 15,52,872/-)

2.27 Managerial Remuneration :	2016-2017	2015-2016
	Amount (₹)	Amount (₹)
Remuneration to Managing Director		
Salary, Perquisites & others	871,019	787,688
Company's contribution to Provident, Superannuation and Gratuity Funds	80,677	80,677
	951,696	868,365

2.28 Quantitative Information For The Year Ended 31st March, 2017 :

Details of Traded Goods

Particulars	Units	2016-2017		2015-2016	
		Qty.	Amount (₹)	Qty.	Amount (₹)
Opening Stock					
Office Automation Products	Nos	153	36,328,326	416	69,797,435
Purchases					
Office Automation Products	Nos	29	27,400	6	13,690
Sales					
Office Automation Products	Nos	37	352,318	269	34,278,964
Closing Stock					
Office Automation Products	Nos	145	36,056,815	153	36,328,326

2.29 Disclosure in accordance with MCA Notification dated 30th March, 2017

Particulars	SBN's	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	655,000	52,717	707,717
Add: Withdrawl from Bank Accounts	-	90,000	90,000
Add : Permitted Receipts	-	-	-
Less : Permitted Payments	-	127,470	127,470
Less : Deposited in Bank	655,000	-	655,000
Closing Cash in hand as on 30.12.2016	-	15,247	15,247

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

2.30 In the opinion of the management all current assets as at 31st March, 2017, 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.

2.31 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.

2.32 i) 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.

ii) The Company has received Order Under Section 143(3)/263/143(3) of the Income Tax Act, 1961 for the financial year 2010-11 in which certain disallowances were made by the income tax department while computing the tax liability of the company and accordingly demand of ₹ 1.50 Lacs 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.

iii) The Company has received Order Under Section 143(3) of the Income Tax Act, 1961 for the financial year 2013-14 in which Ld. DCIT has not given Tax Credit (TDS) of Rs. 3.26 lacs. An appeal has been preferred by the Company with CIT (Appeals) to claim tax credit as mentioned above.

2.33 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, Mr. S.K. Jalan, Mr. N. Choudhary (CFO)
- 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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

- Ana Vincom Private Limited
- Maryada Advisory Services Private Limited
- Sandeep Investments Limited

e) Transactions & Outstanding Balances for the year 2016-17 with Related Parties:

Amount in ₹

Name of the Party	Nature of Transaction	Volume of Transaction		Outstanding as on	
		2016-17	2015-16	31.03.2017	31.03.2016
Mr V.Vanchi	Remuneration	9,51,696	8,68,365	47,962	—
Mr. P.K. Chatterjee	Remuneration	—	6,98,997	—	—
Mr. N. Chaudhuri	Remuneration	4,08,960	4,61,836	30,179	—
Mrs. V.Vanchi	Rent	2,88,000	2,88,000	21,600	21,600
Nirvan Commercial Co. Limited	Loan (Taken)	—	29,00,000	25,00,000	25,00,000
	Loan (Repaid)	25,00,000	4,00,000	—	—
Shree Durga Agencies Limited	Loan (Taken)	20,40,000	2,01,30,000	11,56,95,400	13,93,76,200
	Loan (Repaid)	2,57,20,800	1,82,59,800	—	—
Kilburn Chemicals Limited	Loan (Taken)	—	—	1,29,01,650	1,31,77,322
	Loan (Repaid)	2,75,672	5,00,000	—	—
Supriya Finance Limited	Loan (Taken)	—	3,25,000	—	37,80,000
	Loan (Repaid)	37,80,000	1,40,36,000	—	—
Pushpdant Vyapaar Private Limited	Loan (Taken)	24,65,000	—	2,29,82,745	4,37,00,000
	Loan (Repaid)	2,31,82,255	12,50,000	—	—
Araham Vyapaar Private Limited	Loan (Taken)	2,00,000	1,00,00,000	—	—
	Loan (Repaid)	2,00,000	1,00,00,000	—	—
Ana Vincom Private Limited	Loan (Taken)	—	—	—	1,61,40,000
	Loan (Repaid)	1,61,40,000	1,18,00,000	—	—
Maryada Advisory Services Private Limited	Loan (Taken)	—	97,00,000	—	—
	Loan Repaid	—	97,00,000	—	—

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

2.34 Loans and Advances of ₹ 4,64,73,507/- (P.Y. ₹ 4,89,21,222/-) 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017 (Contd.)

- 2.35** Deposits amounting to ₹ Nil (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.
- 2.36** Debtors outstanding over six months include ₹ 59,18,220/- (P.Y. ₹ 2,89,16,151/-) 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.
- 2.37** Balance of Trade Receivables and Trade Payables are subject to confirmation.
- 2.38** Balance with Canara Bank (A/c. No. 21951) is subject to confirmation.
- 2.39** As there is no reasonable certainty over sufficient future taxable income of the Company against which deferred tax assets can be realized, no further deferred tax assets have been recognised by the Company.
- 2.40** 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.**
Chartered Accountants
Rakesh Sethia
Proprietor
Membership No. 063487
Firm Reg. No. 327065E
Place : Kolkata
Date : May 27, 2017

For and on behalf of Board
Sandeep Kumar Jalan **Varadarajan Vanchi**
Chairman Managing Director
DIN-00015836 DIN-00015985

Nilimes Chaudhri
Chief Financial Officer

If undelivered please return to :

Mareshwari Datamatics Pvt. Ltd.

(Unit: Kilburn Office Automation Ltd.)

6, Mangoe Lane, 2nd Floor,

Surendra Mohan Ghosh Sarani,

Kolkata-700 001.