

# 21<sup>ST</sup> ANNUAL REPORT



2013 - 2014

KOME - ON  
COMMUNICATION LIMITED

  
**Annual Report 2013 – 2014**

**Board of Directors**

:

***Shri Bhagyesh Bhatnagar***

Chairman & MD & CFO

***Shri Suresh N Vekaria***

Director

***Shri Deepak B Mehta***

Director

**Practicing Company Secretary**

***Shri Dilip Motwani & Co.***

Practicing Company Secretary

**Bankers**

Sarvodaya Commercial Co-op Bank Ltd

Canara Bank

**Auditors**

***M/s Kalpesh A Mehta & Co.***

Chartered Accountants

A-12, Mangaldeep Apartment

Nr. Tulsi Row House, Jodhpur Village Road

Satellite, Ahmedabad – 380015

**Registered Office**

A/903 Fairdeal House

Navrangpura, Ahmedabad – 380 009

**Studio**

Hiranya Apartment

Opp. Tulip Bungalows, Drive-in Road

Thaltej, Ahmedabad 380 054

**Share Transfer Agent & Registrar**

***M/s Share Pro Services (Inida) Pvt Ltd***

Satam Estate, 3<sup>rd</sup> Floor, Cardinal Gracious Road,

Above Bank of Baroda, Chakala,

Andheri (E), Mumbai 400 099

**NOTICE**

**NOTICE** is hereby given that the **TWENTYFIRST ANNUAL GENERAL MEETING of KOME – ON COMMUNICATION LIMITED** will be held on Monday the 29<sup>th</sup> September, 2014 at A-903, Fairdeal house, Navrangpura, Ahmedabad - 380 009 at 1.30 p.m. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive , consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2014 , the Profit and Loss account for the year ended on 31<sup>st</sup> March 2014 and the reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Surjesh Nanjibhai Vekaria who retires on rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
“RESOLVED THAT M/s Kalpesh A Mehta & Co., Chartered Accountants, Ahmedabad, be and is hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.”

**Place: Ahmedabad**

**Date : 26th June, 2014**

**For and on Behalf of the Board**

sd/-

**Bhagyesh Bhatnagar**

**Chairman & Managing Director**

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER . PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING . ‘A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING
2. Re-appointment of Director: At the ensuing Annual General Meeting, Shri. Suresh Nanjibhai Vekaria, Director retires by rotation and being eligible, offers himself for reappointment. The details pursuant of Clause 49 of the listing agreement are furnished in the Corporate Governance Report forming part of the Annual Report and explanatory statement is annexed hereto:
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
4. The Company has notified closure of Register of Members and Transfer Books thereof from 22<sup>nd</sup> September 2014 to 29<sup>th</sup> September 2014 (both days inclusive) as per section 154 of the Companies Act, 1956.
5. Members are requested to bring their copy of Annual Report at the meeting and produce the Attendance Slip at the Entrance , where the Annual General Meeting will be held .
6. In case of joint holders attending the meeting only such joint holder, who is higher in the order of names will be entitled to vote.
7. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the Attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
8. Members, desiring any information pertaining to account, are requested to write to the Company 10 days before the date of meeting, so that the information can be made available at the meeting.
9. Members are advised to refer to the section titled “Investor Information” provided in this Annual Report.
10. The Ministry of Corporate Affairs has taken a ‘Green Initiative in Corporate Governance’ by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e- mail address with the Company can now register the same with the registrars M/s Sharepro Services(India) Limited of the Company. The members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only.

  
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**DIRECTORS REPORT**

**To  
The Members**

Your Directors have pleasure in presenting the Twenty-first Annual Report on the Business of the Company and the Audited Statements of Accounts for the year ended 31st March 2014 and Auditors Report thereon.

**OPERATIONS:**

The Company operates its business in the field of Entertainment Industry by providing consultation to various production houses and also operates in the area of developing and marketing serials, feature films software for electronic channels also lets out studio equipments related to entertainment.

During the year under preview, the company has rendered their professional expertise consultancy in developing software on demand for few production houses. Your Company has started getting positive response from the industry immediately after the Hon'ble Gujarat High court order in favour of the Promoters & Directors of the Company. It shall take pretty time to regain the lost reputation due to false cases filed by the authorities.

Being in a competitive market the Company has a threat of new creative concept to be copied by other production houses by initiating minor changes in the program.

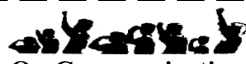
**FINANCIAL RESULTS:**

SR.NO.	PARTICULARS	Financial Year Ended 2013 – 2014 (Rupees)	Financial Year Ended 2012 – 2013 (Rupees)
1.	Gross Income*	749060.00	862351.00
2.	Profit before Tax Interest and Depreciation	56326.00	55890.00
3.	Gross Profit	56326.00	55890.00
4.	Depreciation	4676.00	5328.00
5.	Net Profit before tax	51650.00	50562.00
6.	Provision for Tax	16000.00	15675.00
7.	Profit after Tax	35650.00	34887.00
8.	Profit/(loss) b/f from previous year	11232.18	(23595.82)
9.	Profit available for appropriation.	46882.18	11232.18
10.	Profit carried to Balance Sheet	46882.18	11232.18

\*Gross Income includes Sales from operations, other income and increase/decrease in stock.

**FINANCIAL PERFORMANCE:**

During the year under review, your Company has earned total income of Rs. 749060.00 against Rs. 862351.00 in the previous year. The Company earned net profit of Rs. 35650.00 compared to Rs. 34887.00 in the previous year.



**Kome – On Communication Limited**

**DIVIDEND:**

Your Directors deliberated at length and could not consider declaring dividend to the equity shareholders of the company in view of the inadequate profits. Your Directors resolved to put in every effort to declare and pay dividend to the equity shareholders of the Company at the earliest.

**MANAGEMENT DISSCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India is presented as Annexure – I forming part of the Annual Report.

**FINANCE:**

Because of low turnover and nominal profit recorded in the current fiscal year, the Company was unable to clear the outstanding to SIDBI against the term loan but your Company is putting best of its efforts to clear the secured loan in near future.

**FIXED DEPOSITS:**

During the year under review, the company has not accepted any Fixed Deposit from Public within the meaning of section 58-A of the Companies Act, 1956.

**DIRECTORS:**

Your Directors dedicate themselves to the principles and ideals to meet the expectation of the stakeholders of the company. During the fiscal year there is no change in the Directors of the Company as on date.

In terms of the provisions of the Companies Act, 1956, Shri Suresh Nanjibhai Vekaria, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting, nature of expertise in specific functional areas and names of companies in which he holds Directorship and/or Membership/Chairmanship of Committees of the Board, as stipulated under Clause – 49 of the listing agreement with the Stock Exchanges in India, is given in the section on Corporate Governance forming part of the Annual Report.

**DIRECTORS REMUNERATION:**

None of the Directors are drawing salary in view of low turnover of the Company except Shri Bhagyesh G Bhatnagar whose entitlement is of Rs. 15,000/- but he also is drawing Rs. 13,000/-. Hence the detailed list of directors drawing salaries is not provided in the report. The Board of Directors has fixed Rs. 15,000/- as remuneration to Shri Bhagyesh Bhatnagar for the financial year, if and only if Company makes profit or will be entitle for Rs. 13,000/- only.

**THE DIRECTORS RESPONSIBILITY STATEMENT (UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.**

Pursuant to the requirements under section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility statement it is hereby confirmed that:

- 1) In the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting Standards have been followed along with proper explanation relating to material departures, if any.



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- 2) The Directors had selected such accounting policies and applied 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 as at 31st March, 2014 and of the profit of the Company for that Period.
- 3) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have approved the accounts prepared for the financial year ended as on 31st March 2014 on a 'going concern' basis.

**GROUP**

Pursuant to intimation received from the Promoters, the names of the Promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices Act, 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) regulations, 1997.

**AUDITORS:**

M/s Kalpesh A Mehta & Co., Chartered Accountants, were appointed as Statutory Auditors for the financial year 2013-14 to hold office until the conclusion of the ensuing Annual General Meeting. Being eligible the Board recommends their re appointment as Statutory Auditors for the Financial Year 2014-2015.

The Company has received letters from M/s Kalpesh A Mehta & Co., Chartered Accountants, to the effect that their appointment if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES:**


There was no employee in the Company drawing salary of Rs. 2,00,000/- p.m. and Rs. 24,00,000/- for the whole of the year. Hence particulars of employees as required under section 217(2A) read with the Companies (Particulars of Employees) Rule 1975 have not been given.

**PROSPECTS:**

The Board of Directors of the Company is regularly putting its effort to take appropriate measures for redeeming the ruined reputation of the Company, its Promoters and Directors due to false cases filed against the Company and their Promoters/Directors. The Hon'ble High Court's order quashing the FIR filed against the Promoters & Directors of your Company had boosted the reputation in the Industry early this year but in the last quarter, Registrar of Companies, Gujarat has challenged the High Court Order quashing the FIR in Supreme Court of India which is pending. In lieu to which the sale started getting effected from the last quarter and parties started returning the product. This may hit the reputation of the Company again. Negotiations are on for marketing feature film with the producers. The Directors with there imaginative vision, foresee good volume of business from Mumbai. The Company begged orders to consult few production houses in developing software. The Company is facing hard times in negotiating new business. The stock sold in third quarter was returned back by the party noting the litigation against your Company filed by the Registrar of Companies, Gujarat in Supreme Court of India .

**CAUTIONARY STATEMENT**

Statements in the Management discussion and Analysis.



**Kome – On Communication Limited**

**STOCK EXCHANGE LISTINGS:**

The Company confirms that it has not paid the Annual Listing Fees to ASE, NSDL, CDSL and share transferring agent for the financial year 2013 - 2014. The Company is unable to approach major stock exchanges for listing because of legal cases even after BSE easing the listing norms.

**DEMATERIALISATION OF SHARES:**

The Company's Registrar & Transferring Agent (both for Physical & Electronic Transfer) are M/s Sharepro Services, Satam Estate, 3<sup>rd</sup> Floor, Cardinal Graiaious Road, Chakala, Andheri (East), Mumbai 400 099 have established connectivity to both the Depositories to facilitate trading in the electronic mode. As on 31.3.2014, 84.58% of Equity shares were dematerialized.

**AUDIT COMMITTEE CONSTITUTION:**

In compliance with the provisions of the Section 292A of the Companies Act, 1956 and the listing agreement entered into with the stock exchanges, the company had constituted an Audit Committee consisting of highly qualified and experienced members from various fields. The committee meets periodically to review the quarterly financial statements and recommends its findings to the Board apart from taking action independently whenever required. The Secretary attends and participates in the Audit Committee Meetings.

**DISCLOSURES:**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the company keeping in view the nature of business carried out by the company.

The Foreign Exchange earnings and out go is: C.Y Nil PY. Nil

**CORPORATE GOVERNANCE:**

A separate report on Corporate Governance as stipulated under clause 49 of the listing agreement with the Stock Exchanges, is furnished as a part of the Annual Report along with the Auditors Certificate on its Compliance (Annexure – II).

Under clause 49 of the Listing Agreement, your Directors are pleased to inform that your Company has implemented all the major stipulations prescribed under clause 49 of the Listing Agreement with the Stock Exchanges. A certificate from the Practicing Company Secretary M/s D. N. Motwani & Co in the line with clause 49 is annexed to and forms part of the Director's Report.

**CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to the norms laid down by the Companies Act, 2013, the Company has already constituted a Corporate Social Responsibility Committee (CSR Committee) and has framed its Corporate Social Responsibility policy accordingly.

**ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**Place: Ahmedabad**  
**Date : 26th June, 2014**

**For & on behalf of the Board**  
**sd/-**  
**Bhagyesh Bhatnagar**  
**Chairman & Managing Director**

**ANNEXURE - 1**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**A) FAST FORWARD LOOKING STATEMENTS:**

Statements in this Management Discussion and Analysis of financial Condition and results of Operations of the Company describing the Company's objectives, expectations or predictions may be forwarded looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include such allegation, charges levied by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors.

The financial statements are prepared on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the Accounting Standards read with Companies (Accounting Standards). The Management of Kome-on Communication Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profits for the year. The following discussions on our financial condition and results of operations should be read together with financial statements and the SCHEDULES to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to 'we', 'us', 'our', 'the company', 'Kome-on', 'kcl' are to Kome-on Communication Limited.

**B) INDUSTRY STRUCTURE AND DEVELOPMENTS, OPPORTUNITY AND THREATS, PERFORMANCE OUTLOOK AND RISKS AND CONCERNS.**

The philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, customers, associates and community at large which has always propelled the Company towards higher horizons.

From our last year performance outlook report, you all shall appreciate that the exploration activities in the Electronic Media Industry had shown signs of improvement in Domestic market of event & reality based program followed by public responses through SMS, Telephones, email etc. which has great mileage in the viewer ship of channels. It is being observed that very next program shown on the channels is event & reality based. Therefore, looking to the great demand, Company has eventually entered into consulting the event & reality based programs.

The Company is not planning to produce the said programs as large amount of finance is required in the production and management does not find appropriate to block such a huge amount. The Company has advanced small amount to producers for developing the pilots episodes.

The major concern to the company since years is of the advances to the tune of Rs 1367.14 made for Capital Goods. In respect to secure the interest of the stake holders a special resolution was presented in the 10<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September 2003 a special resolution was passed anonymously by the stake holders to recover the amount advanced as capital expenditure to set up a studio and invest the so collected amount in securities in the interest of stakeholders.

In this regard your Company has taken several measures to recover the money from the concerned parties paid as booking amount in advance against the purchase of proposed capital goods. The contract could not be successfully executed due to delay in receiving balance call money from the stake holder within the stipulated time given in the prospectus. Due to this the project was effected as the company could not pay the full consideration amount of the project as projected in the prospectus and the contract was null and void after the expiry of last date. Since those years the Company is continuously approaching the parties to refund the amount accepted as advance.





**Kome – On Communication Limited**

The Company faces threat due to high domestic & international competitors & regular advancement in technology. The Company also faces threat from piracy, copying of creative idea, by an individual, company or any person related to the field.

**C) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Internal Control System comprises of exercising controls at various stages and is established in order to provide reasonable assurance for:

- i) Safeguarding Assets and their usage.
- ii) Maintenance of Proper Accounting Records and
- iii) Adequacy and Reliability of Information used for carrying on Business Operations.

**The Key elements of the system are as follows:**

- a) Existence of Authority Manuals and periodical updating of the same for all Functions.
- b) Existence of Clearly defined Organizational Structure and Authority.
- c) Existence of Corporate Policies for Financial reporting and Accounting.
- d) Existence of Management Information System updated from time to time as may be required
- e) Existence of Annual Budgets and Long Term Business Plans.
- f) Periodical Review of Opportunities and Risk Factors depending on the Global/Domestic Scenario and to undertake measures as may be necessary

**D) HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS:**

The Company continued with its Policy of Human Resources Development and retention. To enrich the skills of employees and enrich their experience, the Company arranges practical training courses by internal faculty. The Company is maintaining good employee relations and no man days are lost during the year due to employee's unrest.

**Place: Ahmedabad  
Date : 26th June, 2014**

**By the order of the Board of Directors  
sd/-  
Bhagyesh Bhatnagar  
Chairman & Managing Director**

**ANNEXURE TO DIRECTORS REPORT**

**ANNEXURE – II**

**REPORT ON CORPORATE GOVERNANCE**

(In accordance with Clause-49 of the Listing Agreement with the Stock Exchanges)

**a) Company's Philosophy**

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximize value for all its stakeholders. It is a system by which business corporations are directed and controlled.

Kome-on Communication Limited (KCL) is committed to the adoption of and adherence to the Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. KCL believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company works with the mission to attain eminence through quality leadership and vision to raise bar in line, create customer value and enhance shareholder value. Kome-On Communication limited complies with the Corporate Governance Code enshrined in Clause 49 of the Listing Agreement.

During the year under review, the Company significantly ramped up its sustainability reporting by covering all the parameters as per Indian standards. The Company has a stated policy on sustainability which clearly articulates its approach towards sustainable development through a well laid process for identification of stakeholders and a formal program for interaction with them to take their feedback and take action to mitigate the risks indicated through such interactions. This will not only ensure long term sustainability of the Company but would also help in enhancing shareholder value.

The Company believes in transparency in reporting. It recognizes the importance of sustained and constructive communication with all stakeholders including investors, lenders, vendors, customers and the community surrounding its operating facilities as a key element in the overall Corporate Governance framework. Kome – On Communication, through multiple forms of corporate and financial communication such as Annual Reports, Results, Announcements, implements continuous, efficient and relevant communication to all its stake holders, and business associates.

Your company's philosophy on Corporate Governance is based on following principles:

- i) Preserving core values and ethical business conduct.
- ii) Commitment to maximizing shareholder value on a sustained basis.
- iii) To enhance the efficacy of the Board and inculcate a culture of transparency, accountability and integrity across the company.
- iv) Perceiving and mitigating the various risks that impact the company.
- v) Make timely and transparent disclosures.
- vi) Legal and statutory compliances in its true spirit.

Your company's contributory factor is self regulatory system of prompt reporting, monitoring, certification and voluntary code of practice and standards which improves management effectiveness, supervision and accountability to stakeholders.

**DATE OF REPORT**

The information provided in the Corporate Governance Report for the purpose of unanimity is as on March 31, 2014 and till the date of preparing, approving this report.

**b) BOARD OF DIRECTORS**

**PECUNIARY RELATIONSHIP**

Non executive Directors/Independent Directors are committed to high level of Corporate Governance and as such they do not have any material pecuniary relationship with the company except as stated in the Corporate Governance Report.

**COMPOSITION:**

The Board of Directors of the company consists of an optimum combination of Executive and Non Executive Directors, from eminent fields. The composition of the Board is in conformity with the Clause 49 of the Listing Agreement, which stipulates that not less than fifty percent of the Board of Directors should comprise of Non-Executive Directors and where the Chairman of the Board is an Executive Director, at least half of the Board should comprise of Independent Directors.

The Board comprises of three Directors out of which one Managing Director, two Independent Directors. During the year under review,

CATEGORY	NO OF DIRECTORS	% OF TOTAL NO OF DIRECTORS
Executive Directors	1	33.33
Non Executive Directors & Independent Directors	2	66.67

**BOARD MEETINGS HELD DURING THE YEAR:**

The Board of Directors met Six times during the year on 4<sup>th</sup> April 2013, 26<sup>th</sup> June 2013, 29<sup>th</sup> July 2013, 30<sup>th</sup> July 2012, 9<sup>th</sup> October 2013, 9<sup>th</sup> January 2014 respectively. The maximum gap between two meetings was less than four months.

**DIRECTORS ATTENDANCE AND DIRECTORSHIP HELD:**

None of the Directors of your company are Directors on the Board of more than fifteen Companies or ten Board level Committees or Chairman in more than five Committees, across all companies in which they are Directors.

The composition of the Board of Directors and attendance of Directors at the Board meeting, Annual General Meeting and also number of other directorships/committee memberships including Chairmanships in Indian Public Limited Companies are as follows:

Sr No	Name	DIN NO.	Category	Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
1	Mr. Bhagyesh Bhatnagar	00480210	CMD & CFO	6/6	Yes	-	-	-
2	Mr Deepak B Mehta	00481863	Ind. Dir	5/6	Yes	-	2	1
3	Mr. Suresh N Vekaria	02138391	IND	4/6	Yes	-	1	2

CMD - Chairman & Managing Director, Ind. Director – Independent Director.

**BOARD AGENDA AND MINUTES:**

Agenda papers are generally circulated to the Board members well in advance before the Meeting of the Board of Directors. All material information is incorporated in the agenda papers for facilitating focused discussions at the Meeting.

Matters of urgent nature, if any are approved by the Board by passing resolutions through circulation.

**INFORMATION TO THE BOARD:**

The Board has complete access to all information with the company. Inter alia the following information is regularly provided to the Board as part of the agenda papers.

- Monthly operations Report and Quarterly results of the company.
- Annual operating plans, budgets, capital budgets, updates and all variances.
- Materially important show cause notices, demand, prosecutions or other legal notices if any.
- Materially relevant default in financial obligations to and by the company.
- Compliance of any regulatory, statutory nature or listing requirements.
- Minutes of the Meeting of the Board of directors and Committees of the Board of Directors.
- Details of Related Party Transactions if any.
- Quarterly Compliance Report on Clause 49 and other non-compliance.

**REVIEW OF LEGAL COMPLIANCE REPORTS:**

The Board periodically reviews during the year the Compliance Reports in respect of the various Statutory enactment's applicable to the company.

**DETAIL OF REMUNERATION OF DIRECTORS:**

The Non Executive Directors of the company, whether Independent or Non Independent, are paid sitting fees for attending the Meetings of the Board of Directors/Committees of Board of Directors.

None of the Directors are drawing salary in view of low turnover of the Company except Shri Bhagyesh Bhatnagar whose gross approved entitlement is of Rs. 15,000/- but is also drawing gross Rs. 13,000/- gross inclusive of all perks. Therefore detailed list of directors drawing salaries is not provided in the report. The Board of Directors have decided to pay Rs. 15,000/- for this financial to Shri Bhagyesh Bhatnagar if and only if Company makes profit.

The Company during the year 2013 - 2014 did not advance any loans to any of its Directors.

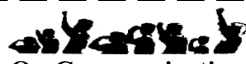
There is no additional payment being made towards performance of any executives.

The Company does not have any stock option scheme for the managerial personnel.

**RE-APPOINTMENT OF THE DIRECTORS:**

According to the Articles of Association of the company one third of the Directors are liable to retire every year and if eligible, offer them-selves for re-appointment at every Annual General Meeting.

The table below shows the list of the Directors retiring by rotation and being re-appointed and the Directors whose tenure of Directorship is extended.

  
**Kome – On Communication Limited**

<b>Name of the Directors</b>	<b>Date of Birth</b>	<b>Last Re-appointment Date</b>	<b>Qualifications &amp; Experience</b>	<b>Directorship in other Companies (Only Public Cos.)</b>	<b>Membership of committee of the Board in other Companies</b>
Mr. Suresh Nanjibhai Vekaria	09.02.1959	15-01-2001	Textile Engineer by profession and has good hold on public relationship related to financial markets. His association with the Company has proved beneficial to the Company in the area managing public relations of the Company.	No	Nil

**RETIREMENT POLICY OF THE DIRECTORS:**

The Company does not have a Retirement Policy for the members of the Board of Directors of the Company. They retire under section 255 read with section 256 of the Companies Act, 1956.

**RESPONSIBILITY OF THE DIRECTORS:**

**Responsibilities of the Board:**

The primary role of the Board is that of trusteeship to protect and enhance shareholders value. As trustee, the Board ensures that the company has clear goals and policies for achievement. The Board oversees the company's strategic direction, reviews corporate performance, authorizes and monitors strategic decision, ensures regulatory compliance and safeguards interests of the stakeholders.

**Responsibilities of the Chairman and Managing Director:**

The Board of Directors at their meeting delegated the powers to Shri Bhagyesh Bhatnagar, Chairman & Managing Director to enable him carry out the day to day operations of the company. The powers encompasses all areas such as personnel, legal, general and miscellaneous powers and to act as CFO of the company whereas finance & liabilities of the Company shall be taken care of by Shri Deepak B Mehta.

**SHARES HELD BY EXECUTIVE AND NON –EXECUTIVE DIRECTORS:**

The table below shows the shares held by Executive Directors of the company as on March 31, 2013.

<b>Name of the Director</b>	<b>Shares Held</b>
Shri Bhagyesh G Bhatnagar	398101

None of the Non Executive Directors were holding any shares in the company.

**PLEDGE OF SHARES**

The Company in compliance of the amended SEBI (Substantial acquisition of shares and takeovers) Regulations, 1997 made necessary disclosures to the Stock Exchanges intimating the details of the shares pledged by the promoter and every person forming part of the promoter group. No shares were pledged in the financial year 2013 – 2014.

**CODE OF CONDUCT AND ETHICS:**

The Company adopted the Code of Conduct and Ethics for Directors. The Code has been circulated to all the members of the Board.

The Board of Directors has affirmed their compliance with the Code and a declaration along with certificate of compliance appears in the annexure to the Corporate Governance.

**TRAINING FOR THE BOARD**

As part of ongoing knowledge sharing and updating, the Board of Directors are updated with relevant statutory amendments and landmark judicial pronouncements encompassing important laws such as Company Law, SEBI Law, Income Tax Law etc, at meetings of the Board of Directors.

**COMMITTEES TO THE BOARD:**

The Board of Directors has constituted various Committees with adequate delegation to focus on specific areas and take decisions so as to discharge day to day affairs of the company. Each Committee is guided by its charter, which defines the composition, scope and powers of the committee. All decisions and recommendations of the Committees are placed before the Board of Directors.

The Committees constituted by the Board as on date are: (a) Audit Committee, (b) Investors Grievance Committee (c) Remuneration Committee. The Committees meet as per the business needs.

**(A) AUDIT COMMITTEE**

The Audit Committee of Directors consists of well-qualified and Independent Directors. The activities of the Committee are in conformity as are set out in Clause 49 II (D) of the Listing Agreement with Stock Exchanges read with the Companies Act, 1956. All the members of the committee possess adequate knowledge of finance and accounts. The scope of the activities of the committee, are in conformity as are set out in clause 49 II (D) of the listing agreement with stock exchanges read with section 292A of the Companies Act, 1956.

**COMPOSITION:**

The Committee comprises of 2 Non-Executive Directors of which 2 are independent. The Executive Directors are the permanent invitees. The Secretary of the Company also acts as Secretary to the Committee. The External Auditors are also invited to attend the meetings of the Committee. The Committee met 5 times in the financial year 2013 – 2014. The attendance of members at the meetings was as follows:

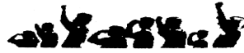
The table shows the list of members of Audit Committee and attendance in particular.

<b>Name of the Member</b>	<b>Status</b>	<b>No. of meetings attended</b>
Mr. Deepak B Mehta	Chairman	5
Mr. Suresh Vekaria	Member	5

**Terms of reference:**

To review all matters specified in clause 49 of the Listing Agreement, section 292A of the Companies Act 1956, such as to,

- oversee the Company’s financial reporting system and process and disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the fixation of Audit Fees.
- Approval of payment to statutory auditors for any other services rendered by them.



**Kome – On Communication Limited**

- Reviewing with the management the Annual Financial Statements before submission to the Board for approval with particular reference to:
  - a) Matter required to be included in the Directors Responsibility statement to be included in the Board’s Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft Audit Report.
  - h) Review regarding the going concern assumption and compliance with the accounting standards.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management performance of the Statutory and internal Auditors and discuss their findings, suggestions, internal control systems, scope of audit, observations of the auditors and other related matters etc.,
- The minutes of the Audit Committee meeting are circulated to the Board of Directors.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To review the company’s financial and risk management policies.

**The Audit Committee is empowered, pursuant to its terms of reference, to:**

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to ensure the attendance of outsiders with relevant experience and expertise, when considered necessary.

**Report of the Audit Committee of Directors for the year ended on March 31, 2014**

To the shareholder of Kome-on Communication Limited.

- During the year under review, the Statutory Auditors audited the company’s accounts and the reports placed before the Audit committee for consideration.
- The audits were carried out pursuant to an Audit Calendar and approved by the Audit Committee in the beginning of the year.
- The Audit Committee noted the Audit Report the view of the Audit and the Management.
- The Audit committee’s suggestions from time to time were implemented by the company during the course of the year.
- The Audit Committee sought clarifications from the Auditors and the Management of the company, whenever required, in relation to the financial matters of the company as per the scope and powers of the Audit Committee.
- The Audit Committee meetings were interactive.
- The Committee is recommending to the Board the reappointment of M/s Kalpesh A Mehta & Co., Chartered Accountants as statutory auditors of the Company, to carry out audit of the accounts of the Company for the financial year 2014-2015.

**(B) INVESTORS GRIEVANCE COMMITTEE**

The investor Grievances Committee of Directors met four times during the financial year 2013 - 2014.

**Composition**

The Committee comprises of 2 Independent Directors viz. Mr. Deepak B Mehta & Mr. Suresh N Vekaria, whereas Mr. Suresh N Vekaria is the Chairman of the Committee.

**Terms of reference:**

- (a) The committee, inter alia looks into shareholder/investors grievances relating to transfer/transmission of shares
- (b) issue of duplicate certificates
- (c) non-receipt of balance sheet and
- (d) all such complaints directly concerning the shareholders/investors as stakeholders of the company.
- (e) And such other matters that may be considered necessary in relation to shareholders of the company.

**Disclosure**

During the year Company has received no shares for transfer in physical form in view of NIL trading on Ahmedabad Stock Exchange and Madras Stock Exchange. The Company has received no complaints in this financial year from the shareholders.

No shares are pending for transfer as on 31.3.2014.

**(C) REMUNERATION COMMITTEE**

**Terms of reference:**

The Committee is empowered to decide and approve the remuneration of the Managerial Personnel from time to time.

**Composition**

The Committee comprises of 2 independent Directors namely Mr. Suresh N Vekaria & Mr. Deepak B Mehta. Mr. Deepak B Mehta is the Chairman of the Committee.

The Committee had no occasion to meet during the year to review whether to pay remuneration as decided to Shri Bhagyesh Bhatnagar as found convenient looking towards the profit of the Company.

**REMUNERATION COMMITTEE REPORT FOR THE YEAR ENDED MARCH 31, 2013**

To the shareholders of Kome –on Communication Limited

The Committee is responsible for considering and recommending to the Board of Directors the remuneration paid to Executive Directors. The Committee ensures compliance under Companies Act, 1956 and other applicable provisions.

The Committee reviewed and recommended the remuneration of Mr. Bhagyesh Bhatnagar.

**(D) MANAGEMENT**

The Management identifies, measures, monitors and minimizes the risk factors in the business and ensures safe, sound and efficient operation. Your Company has developed and implemented policies, procedures and practices that attempt to translate the company's core purpose and mission into reality.

All these policies, procedures and practices are elaborated hereunder



**a) Policy of Corporate Governance:**

The Company always makes conscious efforts to inculcate best Corporate Governance practices and goes beyond adherence to regulatory framework.

The Company towards its commitment to trusteeship, transparency, accountability and equality in all its dealings and to maintain positive bonding has put in place a ‘Policy of Corporate Governance’.

**b) Legal Compliance Policy:**

The Company has a legal compliance policy for duly complying with Central, State and Local Laws and Regulations to achieve and maintain the highest business standards and benchmark the internal legal practices.

**C) Board Charter**

This charter sets out the role, structure, responsibilities and operations of the Board of the company and its delegation of authority to the management.

The charter sets out the role of the Board as a Trustee of the stakeholders and the Company, who provides strategic direction, review corporate performance, authorize and monitor strategic decisions, ensure regulatory compliances and safeguard their interest.

**Management discussion and analysis:**

The Annual Report has a detailed chapter on Management Discussion and analysis.

**Management Disclosures:**

Directors and Senior management personnel of the company as well as certain identified key associates make annual disclosures to the Board relating to material financial and commercial transactions where they have interest, conflicting with the interest of company. The interested Directors do not participate in the discussion nor do they vote on such matters when the matter is considered by the Board of Directors.

**(E) STAKEHOLDERS:**

**DISSEMINATION OF INFORMATION**

The Company has established systems and procedures to disseminate relevant information to its stakeholders including shareholders, auditors, suppliers, customers, employees and financiers. The primary source of information regarding the operations of the company including the quarterly results is advertisement in leading news papers.

The Quarterly and annual results of the company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors and published in widely circulated English and in vernacular newspaper.

**Quarterly Results:**

The Company through this Annual Report requests all the shareholders to inform the company about their email IDs, so as to keep them updated. As an investor friendly measure the un-audited financial results of the company can be emailed in addition to being published in the newspaper.

The company is trying to choose this channel of communication, for carrying out substantial correspondence with the shareholders to reduce costs while maintaining reach to the shareholders. Shareholders, who have not yet registered their email IDs, may immediately do so to [komeonltd@yahoo.co.in](mailto:komeonltd@yahoo.co.in)

**Compliance Officer:**

Mr. Bhagyesh Bhatnagar is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) regulations 1992 and the Listing Agreements with the Stock Exchanges of India and Registrar of Companies, Gujarat.

**Legal Proceedings:**

1. The FIR filed by Registrar of Companies, Gujarat, Department of Company Affairs taking the base of the list of Company's vanished, published by SEBI in the year 1999 is quashed by the Hon'ble High Court of Gujarat. The same order is being challenged by the Registrar of Companies, Gujarat in the Supreme Court of India by filing an SLP which is pending.
2. The case u/s 63, 68 & 628 is pending in the court of Add. Chief Metropolitan, Ahmedabad.

**Means of Communication:**

Financial Results are published in leading News – Paper as well as copies of the same are also being send to all the Stock Exchanges when required were the shares of the Company are listed for the benefit of the Public at large.

Financial Results are published normally in English News papers and in Vernacular daily News paper viz. Western Times.

**Share Transfer System:**

The company's transfer of shares is handled by the Registrars.

The dematerialized shares are directly transferred to the beneficiaries by the depositories.

**Nomination facility**

Shareholders holding physical shares may file nominations in prescribed Form 2B of the Companies Act, 1956 (Central Governments' General Rules and Forms), to the Registrar and Transfer Agents of the Company. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

**Dematerialization of Shares and Liquidity**

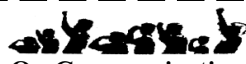
The shares of the company are under the category of compulsory delivery in dematerialized mode by all categories of investors.

The company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2014, 84.58% of the shares of the company are already dematerialized. Due to non-trading and non-payment of fees to NSDL, CDSL they have stopped sending banpos to the company, further the Registrar has also stopped services due to non-payment of fees. Therefore the details given in this report is as per last ban-post received.

**The Shares Transfer Status During 2013 – 2014**

Particulars	2013 – 2014
Total Shares Demated in NSDL as on 31.03.2014	11658852
Total Shares Demated in CDSL as on 31.03.2014	1036000
Total Shares in Physical form as on 31.03.2014	2313255
Total number of Shares as on 31.03.2014	15008107
% of Shares Demated as on 31.3.2014	84.58%

**The company's ISIN No. for dematerialization for both NSDL and CDSL is INE833C01012**

  
**Kome – On Communication Limited**

**SECRETARIAL AUDIT REPORT:**

A Practicing Company Secretary of the Company has carried out secretarial audit every quarter to reconcile the total admitted capital with the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**The table below shows the distribution of promoter and non-promoter shareholding as on March 31, 2014**

Category	No. of shareholders	Voting Strength%	No of shares held
Individuals	1803	95.39	9425000
Companies	4	00.21	2310000
FIIS	-	-	-
OCBS AND NRIS	-	-	-
PROMOTERS	83	04.40	3273107
MUTUALFUNDS, BANKS, FIS	-	-	-
<b>TOTAL</b>	<b>1890</b>	<b>100.00</b>	<b>15008107</b>

**DISTRIBUTION OF SHARE HOLDINGS**

**This table below shows the distribution of shareholding of various groups as on March 31, 2014**

No. of Equity Shares Held	AS ON 31.03.2014			
	No. of Shareholders Holders	% of shareholder holders	No of Shares held	% of Share Holding
Upto – 5000	1806	95.55	1309705	8.73
5001 –10000	28	1.48	237800	1.58
10001-20000	14	0.74	220500	1.47
20001-30000	8	0.42	215150	1.43
30001-40000	5	0.27	182400	1.22
40001-50000	6	0.32	289500	1.93
50001 –100000	5	0.27	328000	2.19
100001& above	18	0.95	12225052	81.46
<b>TOTAL</b>	<b>1890</b>	<b>100</b>	<b>15008107</b>	<b>100</b>

**The table shows the details of public holding more than 1% shareholding as on March 31, 2014**

SR NO	NAME OF COMPANY/PERSON	PERCENTAGE
1	VIRENDRA DULERAI DAMANI	2.86
2	NAMAN KIRANKUMAR	4.80
3	VINOD DHANDHORE	4.80
4	PRAFUL GONDHALI	4.80
5	ASHISH P PARMAR	4.80
6	BHARATBHAI R DOSHI	4.80
7	DHARTI B DOSHI	3.00
8	ASHWIN CHIMANLAL SHETH	2.33
9	PARESH PRAFULBHAI SHAH	11.22
10	JIGISH NAGINDAS DOSHI	1.13
11	MAHESH NAROTTAMBHAI PATEL	4.00
12	TRANS FINANCIAL RESOURCES LIMITED	4.99
13	JHAVERI TRADING AND INVESTMENT PVT LTD	6.99
14	ACCURATE FINSTOCK PVT LTD	3.33

**Monthly High and Low Quotation along with volume of shares traded at ASE & Trading Status.**

No shares were traded on MSE or ASE because no trading is being done on regional stock exchanges. It has come to the notice of the company, that the trading of shares of the company is on and hence increase/decrease in the number of shareholders may be recorded.

**General Body Meetings**

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
20 <sup>th</sup> AGM 2012 - 2013	27-09-2013	11.15 a.m.	B/212, Nandan Apartment, Ramdevnagar, Satellite, Ahmd.
19 <sup>th</sup> AGM 2011 - 2012	28-09-2012	11.15 a.m.	B/212, Nandan Apartment, Ramdevnagar, Satellite, Ahmd.
18 <sup>th</sup> AGM 2010 - 2011	29-09-2011	11.00 a.m.	B/212, Nandan Apartment, Ramdevnagar, Satellite, Ahmd.

**Investor's Correspondence may be addressed to**

The shareholders in large are informed that for any correspondence related to shares of the company they must send applications to The Manager (Share Department), A/903, Fairdeal House, Navrangpura, Ahmedabad 380 009 or to Registrar and share transferring agents M/s Sharepro Services (India) Limited.

**Postal Ballot**

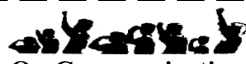
During the financial year 2013 -2014 no resolution was passed through postal ballot by the company.

**Details of Public Funding in the last three years**

The company has not raised any funds from the public in last three years.

**Disclosures:**

- a) None of the transactions with any of the related parties were in conflict with the interests of the Company. Except the funds advanced to parties for capital goods which has to be recovered.
- b) In the current financial year no penalties or strictures has been imposed on the Company by any Stock Exchange or SEBI or any statutory Authority on any matter related to Capital Market.
- c) Registrar of Companies Gujarat has challenge the order passed by Hon'ble High Court of Gujarat quashing the FIR lodged against the Directors under various criminal section of IPC, in the Supreme Court of India.
- d) The Company shares are not being traded on ASE & MSE in view of lack of trading on Regional Stock Exchanges, further has been suspended on the grounds of non-payment of Annual Listing Fees.
- e) Disclosures of accounting treatment  
In the preparation of financial statements the company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- f) CEO and CFO Certification  
The Chairman and Managing Director and Chief Financial Officer, certify every quarter that the un-audited financial results of the company do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- g) There were no penalties, strictures imposed on the company by Stock Exchanges or Securities Exchange Board of India (SEBI) or any Statutory Authority on any matter related to Capital Markets during the last three years.

  
**Kome – On Communication Limited**

**GENERAL SHAREHOLDERS INFORMATION**

21st Annual General Meeting Date, Time & Venue	29 <sup>th</sup> day of September 2014 at 1.30 a.m. A/903, Fairdeal House, Navrangpura, Ahmedabad 380 015.
Dates of Book Closure	September 22, 2014 to September 29, 2014
Registered Office	A/903, Fairdeal House, Swastick Cross Road, Navrangpura, Ahmedabad 380 009
Studio	2 & 3 Hiranya Apartment, Tulip Bungalows, Thaltej, Ahmedabad.
Compliance Officer	Shri Bhagyesh Bhatnagar
Share Transfer Agent Electronic & Physical	M/s Share Pro Services (Inida) Pvt. Ltd. Satam Estate, 3 <sup>rd</sup> Floor, Cardinal Gracious Road, Above Bank of Baroda, Chakala, Andheri (E), Mumbai 400099
Dividend history for the last five years	Nil
Tentative Dates for considering Financial Results	Results for the Quarter ending June 30, 2014 : Last fortnight of August, 2014 Sept. 30, 2014 : Last Fortnight of October. 2014 Dec. 31, 2014 : Last Fortnight of February, 2015 March 31, 2015 : Audited Results in June 2015
Listing on Stock Exchanges & Stock Code	The Ahmedabad Stock Exchange Limited Stock Code: 31012 The Madras Stock Exchange Limited : KCL
Listing Fees	The Company has not paid Listing Fees of MSE & ASE where the equity shares of the company are listed.
ISIN No.	INE 833C01012
CIN No.	L92110GJ1994PLC021216

**COMPLIANCE CERTIFICATE OF THE PRACTICING COMPANY SECRETARY**

The company has voluntarily subjected itself to Secretarial Audit and obtained Secretarial Compliance Report from Practicing Company Secretary, for the financial year ended on March 31, 2014, confirming the compliance of the applicable provisions of the various corporate laws. For the financial year 2013 - 2014, there were no adverse remarks by the Practicing Company Secretary in the Secretarial Compliance Report.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT AND ETHICS.**

This is to inform you that the company has adopted a code of Conduct and Ethics applicable to all the members of the Board of Directors and senior management personnel of the Company.

I confirm that the company has in respect of the financial year ended March 31, 2014, received from all the members of the Board of Directors and all the senior management personnel of the company a declaration of compliance with the Code of Conduct and Ethics as applicable to them.

Senior management personnel are personnel, who are a part of the core management team, comprising personnel one level below the executive directors and including all functional heads as on March 31, 2014.

Sd/-

**Ahmedabad**  
**26th June, 2014**

**Bhagyesh Bhatnagar**  
**Chairman & Managing Director, CFO**

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To,  
The Members of  
Kome—On Communication Limited**

We have examined the compliance of Corporate Governance by Kome - On Communication Limited., for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described in the guidance note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India and has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on our reliance upon the representations made by the management that there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the company at large, as stated under Disclosures Column of the company's Report on Corporate Governance.

The Share Transfer Agent of the Company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and there are no complaints pending as at the year end as stated under Investor Grievance Redressal Column of the company's Report on Corporate Governance.

We certify that the Company has complied with in all material respects with the conditions of Corporate Governance as stipulated in the above - mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place : Ahmedabad  
Date : 26th June, 2014**

**For D. N. Motwani & Co.  
Company Secretaries  
Sd/-  
(D. N. Motwani)  
Proprietor**

**AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF KOME-ON COMMUNICATION LTD.**

1. We have audited the attached Balance Sheet of **KOME-ON COMMUNICATION Limited** as at 31st March 2014 and also the Profit & Loss account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 1 above:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and SCHEDULEs on accounts and more particularly relating to non provision of interest payable to SIDBI, and arrears of income tax , FBT, give the information required by the Companies Act, 1956, 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 31st March 2014
    - b. In the case of Profit and Loss Account, of the profit 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.

**Place :** Ahmedabad  
**Date :** 26th June, 2014


**For Kalpesh A Mehta & Co..**  
**Chartered Accountants**  
**Firm Reg. No: 114119W**  
**Sd/-**  
**(CA. Kalpesh A Mehta )**  
**Proprietor**  
**Mem. No: 45080**

**ANNEXURE TO THE AUDITOR'S REPORT**

Referred to in paragraph 1 of our report of even date to the members of **KOME-ON COMMUNICATION Limited.**

- I.
  - (a) The Company is maintaining proper records showing full particulars including Quantitative details and situation of Fixed Assets.
  - (b) The Company has physically verified certain assets during the year in accordance with a program of verification, which in our opinion provides for physical verification of the Fixed Assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) During the year, the Company has not disposed of any substantial / major part of the Fixed Assets. The models of moving equipments are obsolete and non repairable.
- II. As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
  
In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is generally maintaining proper records of the inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
- III. According to the information and explanations given to us, the company has not taken / granted any loan from parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraph 4 clause (iii)(b to g) of the order are not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and nature of its business with regards to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
  - a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there are no transactions that needed to be entered into the register maintained under Section 301 .
  - b) In view of our comments as above The Companies (Auditor Reports) order, 2003 is not applicable to it..
- V. According to the information and explanation given to us the Company has not accepted deposits from the public within the meaning of section 58A & 58AA of the Companies Act 1956 and rules framed there under.
- VI. The Company has no internal audit system as the volume of commercial production is at very low level.
- VII. We have been informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act 1956 in respect of the Company's products.
- VIII. According to the records of the Company and information given to us, Company has not paid Income tax since the year 1999-2000 and extent of arrears cannot be ascertained for want of necessary details.



  
**Kome – On Communication Limited**

- IX. The accumulated losses of the company have not exceeded fifty per cent of its net worth as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- X. Based on our audit procedures and on the basis of the information and explanations given by the management, the Company has defaulted in the repayment of dues to SIDBI since last several years and the matter is in DRT court where the order has been passed. The company had also approached to SIDBI the financial institution for OTS scheme and no interest provided in the books since last many years and therefore total amount of default is not ascertained and reported .
- XI. According to our examinations of the records of the Company and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XII. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund /society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIII. The company is not dealing in shares, securities and other investments therefore the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV. In our opinion and according to the information and explanations given to us, Company has not given guarantees for loans taken by others from banks or financial institutions during the year.
- XV. On the basis of examinations of records and as per the information and explanations given to us, the Company has not raised any term loan during the year.
- XVI. According to the information and explanations given to us and overall examination of the Balance Sheet of the Company, we report that no funds have been raised on short term or long-term basis during the year.
- XVII. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- XVIII. According to the information and explanation given to us, the Company has not issued any debentures during the year.
- XIX. The Company has not raised any money through a public issue during the year.
- XX. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the course of our audit.

**Place :** Ahmedabad  
**Date :** 26th June, 2014

**For Kalpesh A Mehta & Co.,**  
**Chartered Accountants**  
**Firm Reg. No: 114119W**  
**Sd/-**  
**(CA. Kalpesh A Mehta )**  
**Proprietor**  
**Mem. No: 45080**

**Annual Report 2013 - 2014**

**BALANCE SHEET as at 31st March, 2014**

Particulars	Schedule No	31-03-2014	31-03-2013
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	150081070.00	150081070.00
(b) Reserve & Surplus	2	10046882.18	10011232.18
(c) Money received against share warrants.		-	-
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long term borrowings	3	4150000.00	4150000.00
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	80000.00	80000.00
(d) Long term provisions	5	-	-
<b>(4) Current Liabilities</b>			
(a) Short term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	6	352615.00	352615.00
(d) Short term provisions	7	1902234.85	1697964.85
<b>TOTAL</b>		<b>166612802.03</b>	<b>166372882.03</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
i. Tangible assets	8	1005896.60	1010572.60
ii. Intangible assets		-	-
iii. Capital Work in Progress		-	-
iv. Intangible assets under development		-	-
(b) Non-current Investments	9	2950000.00	2950000.00
(c) Deferred tax assets (net)		-	-
(d) Long term Loan & advances	10	142027952.00	142027952.00
(e) Other non-current assets	11	34200.00	34200.00
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	12	8397446.00	8596476.00
(c) Trade receivables	13	11345488.67	10874698.67
(d) Cash and cash equivalents	14	91823.26	112287.26
(e) Short term Loans and advances		-	-
(f) Other current asset	15	759995.50	766695.50
<b>TOTAL</b>		<b>166612802.03</b>	<b>166372882.03</b>
See accompanying Significant Accounting Policies and Schedules forming part of the financial statements			

As per our report attached of even date

For Kalpesh A Mehta & Co

Chartered Accountants

Firm Reg. No: 114119W

Sd/-

Kalpesh A Mehta

Proprietor

Mem. No: 45080

Place : Ahmedabad

Date : 26th June, 2014

For and on behalf of the Board

sd/-

Bhagyesh Bhatnagar M.D.

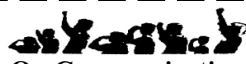
sd/-

Deepak B Mehta Director

Suresh N Vekaria Director

Place : Ahmedabad

Date : 26th June, 2014

  
**Kome – On Communication Limited**

**Statement of PROFIT & LOSS for the year ended on 31st March 2014**

Particulars	Schedule No	31-03-2014	31-03-2013
<b>I. Revenue from operations</b>	<b>16</b>	<b>915790.00</b>	880050.00
<b>II. Other Income</b>	<b>17</b>	<b>32300.00</b>	117950.00
<b>III. Total Revenue</b>		<b>948090.00</b>	998000.00
<b>IV. Expenses</b>			
Cost of material consumed		-	-
Purchases of traded goods		-	-
Changes in inventories of finished goods	<b>18</b>	<b>199030.00</b>	135649.00
Work in progress and stock in trade		-	-
Employee Benefit Expense	<b>19</b>	<b>336000.00</b>	336000.00
Financial Cost		-	-
Depreciation and amortization expense	<b>8</b>	<b>4676.00</b>	5328.00
Other expenses	<b>20</b>	<b>356734.00</b>	470461.00
<b>Total Expenses</b>		<b>896440.00</b>	947438.00
<b>V. Profit before exceptional &amp; extraordinary items and tax (III-IV)</b>		<b>51650.00</b>	50562.00
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before extraordinary Items and tax (V – VI)</b>		<b>51650.00</b>	50562.00
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before tax(VII-VIII)</b>		<b>51650.00</b>	50562.00
<b>X. Tax Expenses</b>			
1. Current tax		<b>16000.00</b>	15675.00
2. (Excess)/Short provision of income tax relating to Prior year		-	-
3. Deferred tax		-	-
<b>XI. Profit/(Loss) for the period from continuing operations (IX-X)</b>		<b>35650.00</b>	34887.00
<b>XII. Profit/(Loss) from discontinuing operations</b>		-	-
<b>XIII. Tax expense of discounting operations</b>		-	-
<b>XIV. Profit/(Loss) from Discontinuing operations (XII-XIII)</b>		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>35650.00</b>	34887.00
<b>XVI. Earning per equity share:</b>			
1. Basic		-	-
2. Diluted		-	-
<b>See accompanying Significant Accounting Policies and Schedules forming part of the financial statements 21</b>			

As per our report attached of even date  
For Kalpesh A Mehta & Co  
Chartered Accountants  
Firm Reg. No: 114119W  
Sd/-  
Kalpesh A Mehta  
Proprietor  
Mem. No: 45080  
Place : Ahmedabad  
Date : 26th June, 2014

For and on behalf of the Board  
sd/-  
Bhagyesh Bhatnagar M.D.  
sd/-  
Deepak B Mehta Director  
Suresh N Vekaria Director  
Place : Ahmedabad  
Date : 26th June, 2014

  
Annual Report 2013 - 2014

**SCHEDULE FORMING PART OF ACCOUNTS**

<b>PARTICULARS</b>	<b>31-03-2014</b>	<b>31.03.2013</b>
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**SCHEDULE : "1" SHARE CAPITAL**

**Authorised Share Capital:**

1,50,10,000 Equity Shares of Rs. 10/- each	150100000.00	150100000.00
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**Issued Share Capital:**

1,50,08,107 Equity Shares of Rs. 10/- each	150081070.00	150081070.00
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**Subscribed & Paid – up:**

1,50,08,107 Equity Shares of Rs. 10/- each	150081070.00	150081070.00
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**SCHEDULE A(f): DETAILS OF SHARES HOLDERS HOLDING MORE THAN 5% IN THE COMPANY**

PARTICULARS	31/03/2014			
	No of Shares Held	% Holding	No of Shares Held	% Holding
Equity Shares with Voting Rights				
PARESH PRAFULBHAI SHAH	1684500	11.22	1684500	11.22
SWETA B DOSHI	1440000	9.59	1440000	9.59
JHAVERI TRADING & INVESTMENT PVT LTD	1050000	6.99	1050000	6.99

**SCHEDULE: "2"**

**RESERVES & SURPLUS**

100,00,000 Equity Shares Issued on Preferential basis With premium of Rs. 1/- per Equity Share	10000000.00	10000000.00
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**PROFIT & LOSS ACCOUNT:**

Opening balance (loss)	11232.18	-23595.82
Add: Profit (Loss) during the year	<u>35650.00</u>	<u>34887.00</u>
	<u>10046882.18</u>	<u>10011232.18</u>

**SCHEDULE: "3" SECURED LOAN**

**Secured Loan from SIDBI**

(Hypothecation of all fixed assets) Movable and immovable properties of the Company	4150000.00	4150000.00
	<u>4150000.00</u>	<u>4150000.00</u>

**SCHEDULE : "4" OTHER LONG TERM LIABILITIES**

Sundry Creditors	80000.00	80000.00
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**SCHEDULE : "5" LONG TERM PROVISIONS**

Provision for Employee benefits	0.00	0.00
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**SCHEDULE : "6" OTHER CURRENT LIABILITIES**

Other Liabilities	352615.00	352615.00
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**Kome – On Communication Limited**

<b>SCHEDULE : "7" SHORT TERM PROVISIONS</b>	<b>2013-2014</b>	<b>2012 – 2013</b>
Provision for Accounting Fees	<b>66000.00</b>	52000.00
Audit Fees Payable	<b>61000.00</b>	46000.00
CDSL Fees Payable	<b>230440.00</b>	197350.00
NSDL Fees Payable	<b>230440.00</b>	197350.00
Registrar Fees Payable	<b>228090.00</b>	195000.00
Stock Exchange Fees Payable	<b>369735.00</b>	309735.00
Provision for FBT	<b>20560.00</b>	20560.00
Provision for Income Tax	<b>585468.85</b>	56468.85
Provision for tax on dividend	<b>110501.00</b>	110501.00
<b>Total</b>	<b>1902234.85</b>	1697964.85

<b>SCHEDULE : "8" TANGIBLE ASSETS</b>									
<b>PARTICUL</b>	<b>GROSS BLOCK</b>				<b>DEPRICIATION</b>			<b>NET BLOCK</b>	
	Balance As on 1.4.2013	Addition during the yr.	Deduct During the yr.	Total as on 31.3.2014	Balance on 31.3.13	For the year	Total as on 31.3.14	As On 31.3.13	As on 31.3.14
<b>Land</b>	877000.00	-	-	<b>877000.00</b>				877000.00	<b>877000.00</b>
<b>Building</b>	185240.00	-	-	<b>185240.00</b>	53325	3019	<b>56344</b>	131915.00	<b>128896.00</b>
<b>Plant</b>	6275288.00	-	-	<b>6275288.00</b>	6275288	0	<b>6275288</b>	0.00	<b>0.00</b>
<b>Machinery</b>	42377.60	-	-	<b>42377.60</b>	40720	1657	<b>42377</b>	1657.60	<b>0.60</b>
<b>Total</b>	7379905.60	-	-	<b>7379905.60</b>	6369333	4676	<b>6374009</b>	1010572.60	<b>1005896.60</b>
<b>Previous Year</b>	7379905.60	-	-	<b>7379905.60</b>	6721909	184280	<b>6906189</b>	1015900.60	<b>1010572.60</b>

<b>SCHEDULE : "9" NON-CURRENT INVESTMENT UNQUOTED (AT COST)</b>	<b>2013-2014</b>	<b>2012 – 2013</b>
a) Gurjar Grauers Pvt Ltd	<b>1500000.00</b>	1500000.00
b) Sunrise Synthetic Pvt. Ltd	<b>850000.00</b>	850000.00
c) Suraj Chemtech	<b>600000.00</b>	600000.00
<b>Total</b>	<b>2950000.00</b>	2950000.00

<b>SCHEDULE : "10" LONG TERM LOANS &amp; ADVANCES</b> (Recoverable in cash and or in kind and considered good)	<b>2013-2014</b>	<b>2012 – 2013</b>
Advances given for Capital Expenditure	<b>13673692.00</b>	13673692.00
Serial Production	<b>5314260.00</b>	5314260.00
<b>Total</b>	<b>142027952.00</b>	142027952.00

<b>SCHEDULE: "11" OTHER NON-CURRENT ASSETS</b>	<b>2013-2014</b>	<b>2012 – 2013</b>
Deposit with Bank	<b>30000.00</b>	30000.00
Deposit with Telephone	<b>4200.00</b>	4200.00
<b>Total</b>	<b>34200.00</b>	34200.00

<b>SCHEDULE: "12" INVENTORIES</b> (As taken, valued & certified by the Management)	<b>2013-2014</b>	<b>2012 – 2013</b>
<b>Total</b>	<b>8397446.00</b>	8596476.00
<b>Total</b>	<b>8397446.00</b>	8596476.00

<b>SCHEDULE : " 13" TRADE RECEIVABLES</b> (Considered Good)	<b>2013-2014</b>	<b>2012 – 2013</b>
Sundry Debtors ( for less than Six Months)	<b>269000.00</b>	974698.00
More than six months	<b>11076488.67</b>	9900000.67
<b>Total</b>	<b>11345488.67</b>	10874698.67

<b>SCHEDULE: "14" CASH &amp; CASH EQUIVALENTS</b>	<b>2013-2014</b>	<b>2012 – 2013</b>
Cash on hand	<b>88756.06</b>	109220.06
Balances with schedule bank	<b>3067.20</b>	3067.20
<b>Total</b>	<b>91823.26</b>	112287.26

  
Annual Report 2013 - 2014

<b>SCHEDULE : "15" OTHER CURRENT ASSETS</b>	<b>2013-2014</b>	<b>2012 - 2013</b>
<b>MISC EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)</b>		
Preliminary Expenses	<b>759995.50</b>	766695.50
<b>Total</b>	<b>759995.50</b>	766695.50
<b>SCHEDULE : "16" REVENUE FROM OPERATIONS</b>	<b>2013-2014</b>	<b>2012 - 2013</b>
Sale of products	<b>915790.00</b>	880050.00
<b>Total</b>	<b>915790.00</b>	880050.00
<b>SCHEDULE : "17" OTHER INCOME</b>	<b>2013-2014</b>	<b>2012 - 2013</b>
Consulting Income	<b>32000.00</b>	117950.00
<b>Total</b>	<b>32000.00</b>	117950.00
<b>SCHEDULE : "18" CHANGE IN INVENTORIES OF STOCK IN TRADE</b>	<b>2013-2014</b>	<b>2012 - 2013</b>
Opening Stock finished goods	<b>8596476.00</b>	8732125.00
Closing Stock finished goods	<b>8397446.00</b>	8596476.00
<b>(Increase)/decrease in finished goods</b>	<b>199030.00</b>	135649.00
<b>SCHEDULE: "19" EMPLOYEE BENEFIT EXPENSE</b>	<b>2013-2014</b>	<b>2012 - 2013</b>
Directors Salary	<b>156000.00</b>	156000.00
Salary Wages	<b>180000.00</b>	180000.00
<b>(Increase)/decrease in finished goods</b>	<b>336000.00</b>	336000.00

**SCHEDULE: "20" OTHER EXPENSES:**

<b>PARTICULARS</b>	<b>31.3.2013</b>	<b>31.3.2013</b>
<b>PRODUCTION CHARGES- OTHER EXPENSES:</b>		
Location Exp	<b>0.00</b>	8750.00
Pre-Production Exp	<b>1400.00</b>	5957.00
Scripting Exp.	<b>0.00</b>	10000.00
Advertising Exp	<b>17870.00</b>	18550.00
Accounting Exp	<b>14000.00</b>	12000.00
AGM Exp	<b>4683.00</b>	4490.00
Audit Fees	<b>15000.00</b>	13000.00
Book & Periodicals	<b>2400.00</b>	1200.00
CDSL FEES	<b>33090.00</b>	75080.00
Conveyance Exp.	<b>6000.00</b>	1800.00
Directors Traveling Exp.	<b>9592.00</b>	18659.00
Directors Travelling Ticket Exp	<b>29901.00</b>	21950.00
Electricity Exp	<b>17274.00</b>	18000.00
Filing Fees	<b>1000.00</b>	1000.00
Internet Exp.	<b>4093.00</b>	2190.00
Digital Signature Fees	<b>1000.00</b>	0.00
Legal fees	<b>5000.00</b>	0.00
NSDL Fees	<b>33090.00</b>	75080.00
Office Exp.	<b>5950.00</b>	3000.00
Petrol Exp.	<b>12670.00</b>	8160.00
Postage & Telegraph Exp.	<b>13520.00</b>	10260.00
Preliminary Exp. Written off	<b>6700.00</b>	6700.00
Printing & Stationary	<b>8600.00</b>	14050.00
Professional Fees	<b>0.00</b>	15000.00
Registrar Fees	<b>33090.00</b>	0.00
Repairs & maintenance Exp	<b>1950.00</b>	10050.00
Staff Welfare	<b>1303.00</b>	3828.00
Sales Promotion Exp.	<b>1893.00</b>	2752.00
Studio Exp.	<b>0.00</b>	12530.00
Telephone Exp.	<b>7520.00</b>	11675.00
Traveling Exp.	<b>0.00</b>	0.00
Xerox Exp.	<b>2145.00</b>	750.00
Stock Exchange Listing Fees	<b>60000.00</b>	78000.00
Sitting Fees to Dir. Exp	<b>6000.00</b>	6000.00
<b>Total</b>	<b>356734.00</b>	470461.00

**SCHEDULE – 21**

**SIGNIFICANT ACCOUNTING POLICIES AND SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2014.**

Significant Accounting Policies adopted by the Company in the preparation and presentation of the Accounts.

**SYSTEM OF ACCOUNTING :**

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India (Indian GAAP). The applicable mandatory Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the requirements of the Companies Act, 1956 of India have been followed in preparation of these financial statements.

**USE OF ESTIMATE :**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

**FIXED ASSETS**

Fixed assets are stated at historical cost less depreciation.

**DEPRECIATION**

Depreciation on fixed assets is provided on straight-line method under sec. 205(2)(b) at the rates and in the manner prescribed in schedule XIV of the Companies Act 1956.

**INVESTMENTS**

Investments are shown at cost of acquisition.

**INVENTORIES :**

Inventories are valued at cost or market value as ascertained by management whichever is lower after including the direct and indirect expenses to the company for making serials/documentaries / tele-films etc.

**SALES**

Sales represents the amount received /receivable on job work carried out during the year and sale of stock during the year and other income which include the amount received on giving the equipments on hire also professional conceptual advise fees.

**EXPENSES**

Material known liabilities are provided based on available information /estimates.

**TIMING REVENUE RECOGNITION**

In appropriate circumstances, revenue (income) is recognized when no significant uncertainty as to measurability or collect ability exists.

**TAXATION**

Provision for taxation is made based on the current tax rates in force. Deferred tax is not recognized, and provided in the books.

**CONTINGENT LIABILITIES**

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the Schedules on accounts.

**MISCELLANEOUS EXPENDITURE**

The following expenses shown under miscellaneous expenditure are amortized as follows.  
Preliminary expenses/share issue expenses amortized over a period of ten years

**PRIOR PERIOD ITEMS**

Material items of prior period non-recurring and extra ordinary items, if any, are disclosed separately.

**Annual Report 2013 - 2014**

**SCHEDULES :**

1. Provision for income tax has been made as necessary under the Income Tax Act, 1961 is provided as computed by the Company. In absence of virtual certainty about future business, net deferred tax assets or liability has not been recognized in accordance with Accounting Standard (AS)22 – ‘Accounting for Taxes on Income’ issued by the Institute of Chartered Accountants of India.
2. Debit and credit balances in respect of debtors, loans and advances and creditors are subject to confirmation and reconciliation.
3. Previous year figures have been regrouped and reclassified wherever necessary to be in conformity with the current year figures.
4. Estimated amount of capital contracts remaining to be executed and not provided for net of advance paid Rs. 1367.14 Lacs (P.Y.Rs.1367.14 lacs).
5. Managerial Remuneration paid:
 

	<u>2013-14</u>	<u>2012-13</u>
(a) Salary Rs.	<b>156000</b>	156000
Payment to Auditors		13000
As an auditor Rs.	<b>15000</b>	
6. No provision for interest due and payable to SIDBI is provided in the accounts since last many years.
7. The company has not paid Income Tax since last several years.
8. Related party disclosures
  - a. List of related parties
    - i. Subsidiaries: The Company does not have any subsidiary Company.
    - ii. Key Management personnel : Mr. Bhagyesh Bhatnagar
  - b. Transactions / balances outstanding with Related parties

Particulars	Key Management Personnel Amount Rs.	Relatives of Key Management Personnel Amount Rs.
Managerial Remuneration	156000	--

Schedule: Related parties are as identified by the Company and relied upon by the auditors.

**ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

	<u>2013 - 2014</u>		<u>2012-2013</u>	
	Quantity	Rupees	Quantity	Rupees
a) Opening Stock:				
Tele – Films		<b>8596476.00</b>		8732125.00
b) Sales				
i) Job-Sales		<b>948090.00</b>		998000.00
c) Closing Stock		<b>8397446.00</b>		8596476.00
d) Capacity & Production:				
i) installed capacity		<b>Not applicable</b>		Not applicable
ii) Production of Serials		<b>NIL</b>		NIL
iii) investment in Productions (Work in Progress)		<b>5314260.00</b>		5314260.00
e) Expenditure in Foreign currency.		<b>NIL</b>		NIL

**As per our report attached of even date**  
**For Kalpesh A Mehta & Co**  
**Chartered Accountants**  
**Firm Reg. No: 114119W**  
**Sd/-**

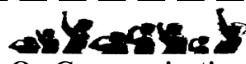
**Kalpesh A Mehta**  
**Proprietor**  
**Mem. No: 45080**  
**Place : Ahmedabad**  
**Date : 26th June, 2014**

**For and on behalf of the Board**  
**sd/-**  
**Bhagyesh Bhatnagar M.D.**

**sd/-**  
**Deepak B Mehta Director**  
**Suresh N Vekaria Director**

**Place : Ahmedabad**  
**Date : 26th June, 2014**



  
**Kome – On Communication Limited**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**1. Registration Details :**

Reg. No. : 21216 State Code : 04  
Balance Sheet Detail : **31-03-2014** CIN : L92110GJ1994PLC021216

**2. Capital Raised During the Year:**

Public Issue : Nil Right Issue : Nil  
Preferential Issue : Nil Private Placement : Nil

**3. Position of Mobilization and Deployment of Funds:**

Total Liabilities : **166612802.03** Total Assets **166612802.03**

**i) Sources of Funds :**

Paid up Capital : 150081070 Reserves & Surplus : 10046882.18  
Secured Loans : 4150000 Net Current Liabilities : 2334849.85

**ii) Application of Funds**

Net Fixed Assets : 1005896.60 Investments : 2950000.00  
Net Current Assets : 161896909.93 Misc. Expenses : 759995.50  
Accumulated Profit : 46882.18

**4. PERFORMANCE OF THE COMPANY:**

Turn Over : 948090.00 Total Expenditure : 896440.00  
Profit/Loss before tax : 51650.00 Profit /Loss after tax : 35650.00  
Earning per Share : Nil Dividend : Nil

**5. Generic Names of Three principal Product/Services of the Company.**

Item Code : -  
Production Description : Entertainment & Media

As per our report attached of even date

For Kalpesh A Mehta & Co

Chartered Accountants

Firm Reg. No: 114119W

Sd/-

Kalpesh A Mehta

Proprietor

Mem. No: 45080

Place : Ahmedabad

Date : 26th June, 2014

For and on behalf of the Board

sd/-

Bhagyesh Bhatnagar M.D.

sd/-

Deepak B Mehta

Director

Suresh N Vekaria

Director

Place :

Ahmedabad

Date :

26th June, 2014

  
**Annual Report 2013 - 2014**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2014  
(PURSUANT TO CLAUSE -32 OF THE LISTING AGREEMENT)**

Sr. No.		31-3-2014	31-03-2013
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	0.52	0.51
	ADJUSTMENTS FOR		
	DEPRECIATION	0.00	0.00
	FOREIGN EXCHANGE	0.05	0.05
	INVESTMENTS	0.00	0.00
	MISCELLANEOUS EXPENDITURE	0.00	0.00
		0.07	0.07
	<b>Sub total (a)</b>	<b>0.64</b>	<b>0.63</b>
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
	ADJUSTMENTS FOR		
	TRADE AND OTHER RECEIVABLES	(4.71)	0.78
	INVENTORIES	1.99	1.36
	LOANS & ADVANCES	0.00	0.00
	ADD/(LESS: INCREASE/DECREASE IN CURRENT LIABILITIES	2.04	(2.33)
	<b>CASH GENERATED FROM OPERATIONS (b)</b>	<b>(0.68)</b>	<b>(0.19)</b>
	INTEREST PAID	0.00	0.00
	DIRECT TAXES PROVISION	0.16	0.16
	<b>NET CASH FROM OPERATING ACTIVITIES A</b>	<b>(0.84)</b>	<b>(0.35)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets	0.00	0.00
	Sale of Fixed Assets	0.00	0.00
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>0.00</b>	<b>0.00</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	PROCEEDS FROM ISSUE OF SHARE CAPITAL	0.00	0.00
	MOVEMENT IN LONG TERM BORROWINGS	0.00	0.00
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>0.00</b>	<b>0.00</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(0.20)</b>	<b>0.28</b>
	CASH AND CASH EQUIVALENTS AS AT... (OPENING BALANCE)	1.12	0.84
	CASH AND CASH EQUIVALENTS AS AT... (CLOSING BALANCE)	0.92	1.12

**AUDITORS REPORT**

We have examined the above Cash Flow statement of Kome - On Communication Limited for the year ended 31st March 2014. The statement has been prepared by the Company in accordance with the requirement of Clause 32 of Listing Agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of June 26<sup>th</sup>, 2014 to the members of the Company.

**As per our report attached of even date**

**For Kalpesh A Mehta & Co**

**Chartered Accountants**

**Firm Reg. No: 114119W**

**Sd/-**

**Kalpesh A Mehta**

**Proprietor**

**Mem. No: 45080**

**Place : Ahmedabad**

**Date : 26th June, 2014**

**For and on behalf of the Board**

**sd/-**

**Bhagyesh Bhatnagar M.D.**

**sd/-**

**Deepak B Mehta Director**

**Suresh N Vekaria Director**

**Place : Ahmedabad**

**Date : 26th June, 2014**



**Kome – On Communication Limited**

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**ATTENDANCE SLIP**

**KOME – ON COMMUNICATION LIMITED**

**Registered Office: A/903, Fairdeal House, Swastic Char Rasta, Navrangpura, Ahmedabad-380 009**

**Please Fill Attendance Slip And Hand It Over At The Entrance Of The Meeting Hall**

Joint shareholder may obtain additional slip on request.

Master Folio No.	
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Name and Address of the Shareholder \_\_\_\_\_

\_\_\_\_\_

No. of Shares held: \_\_\_\_\_

I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of Company to be held on Monday the 29<sup>th</sup> September 2014 at 1.30 p.m. at A/903, Fairdeal House, Swastik Char Rasta, Navrangpura, Ahmedabad 380015.

Signature of the Shareholder or Proxy\*

\*Strike out which ever is not applicable.

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**KOME – ON COMMUNICATION LIMITED**

**Registered Office: A/903, Fairdeal House, Swastic Char Rasta, Navrangpura, Ahmedabad-380 009**

Master Folio No.	
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I/We \_\_\_\_\_

Son/Daughter of \_\_\_\_\_ member/members of

Kome-On Communication Limited hereby appoint

\_\_\_\_\_ of\_

\_\_\_\_\_ or failing

him, \_\_\_\_\_ of \_\_\_\_\_ in the district of

\_\_\_\_\_ district as my/our proxy to vote for me/us and on my/our behalf at the 21<sup>st</sup>

Annual General Meeting to be held on Monday 29<sup>th</sup> September 2014 at 1.30 p.m or at any adjournment thereof.

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2014.

Affix a 30 Paise Revenue Stamp
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The proxy in order to be effective should by duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Book - Post

To,

If undelivered, please return to:

*Kome-on Communication Limited*

Reg. Off: A/903, Fairdeal House,  
Navrangpura, Ahmedabad - 380009