

## Limited Review Report

Review Report to  
The Board of Directors  
Kilburn Engineering Limited

We have reviewed the accompanying statement of unaudited financial results of Kilburn Engineering Limited (the 'Company') for the quarter ended December 31, 2017 and year to date from April 01, 2017 to December 31, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 5 of the financial results regarding loans from bank which have not been utilised for the purpose for which these loans have been taken. Our conclusion is not modified in respect of this matter.

The comparative financial information of the Company for the corresponding quarter and nine months period ended December 31, 2016 included in these accompanying statement of quarterly and nine months period Ind AS financial results of the Company, are based on the previously issued financial results prepared in accordance with the recognition and measurement principles of Accounting Standard 25 "Interim Financial Reporting", as specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and reviewed by the predecessor auditor whose report for the



# **S R B C & CO LLP**

Chartered Accountants

Kilburn Engineering Limited  
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corresponding quarter and nine months period ended December 31, 2016 dated February 13, 2017 expressed a modified conclusion, regarding partial provision made by the Company for diminution in value of long term investment, on those financial results, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been reviewed by us.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003

  
per Anil Jobanputra  
Partner  
Membership No.: 110759  
Place: Kolkata  
Date: February 14, 2018



KILBURN ENGINEERING LIMITED

Regd. Office : Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001  
 CIN: L24232WB1967PLC042956, Tel No: 033 22313337, Fax No: 033-22314768, Website: www.kilburnengg.com  
 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2017

RS in Lakhs

Sr. no.	PARTICULARS	QUARTER ENDED (UNAUDITED)	QUARTER ENDED (UNAUDITED)	QUARTER ENDED (UNAUDITED) (refer Note 3)	NINE MONTHS PERIOD ENDED (UNAUDITED)	NINE MONTHS PERIOD ENDED (UNAUDITED) (refer Note 3)
		31.12.17	30.9.17	31.12.16	31.12.17	31.12.16
1	<b>Income</b>					
	a. Revenue from operations (refer note 4.a and 4.b)	2,674	2,843	2,894	8,501	9,711
	b. Other income (refer note 5)	676	397	317	1,676	440
	<b>Total Income</b>	<b>3,350</b>	<b>3,240</b>	<b>3,211</b>	<b>10,177</b>	<b>10,151</b>
2	<b>Expenses</b>					
	a. Cost of materials consumed	1,503	1,103	896	3,861	3,318
	b. Subcontracting Charges	234	202	253	835	938
	c. Changes in inventories of finished goods and work in progress	(263)	196	14	(238)	29
	d. Excise duty	-	-	291	386	742
	e. Employee benefits expense	512	447	484	1,435	1,443
	f. Finance Costs	490	387	404	1,351	617
	g. Depreciation and amortisation expenses	107	108	110	322	328
	h. Other expenses	519	420	437	1,426	1,582
	<b>Total Expenses</b>	<b>3,103</b>	<b>2,863</b>	<b>2,889</b>	<b>9,378</b>	<b>8,998</b>
3	<b>Profit from Operations before Exceptional Items and Tax (1-2)</b>	<b>247</b>	<b>377</b>	<b>322</b>	<b>799</b>	<b>1,153</b>
4	Exceptional Items	-	-	-	-	-
5	<b>Profit before Tax (3-4)</b>	<b>247</b>	<b>377</b>	<b>322</b>	<b>799</b>	<b>1,153</b>
6	<b>Tax Expense</b>					
	i) Current tax	73	180	105	283	334
	ii) Deferred tax	(6)	(30)	(0)	(2)	44
	<b>Total Tax expenses</b>	<b>67</b>	<b>150</b>	<b>105</b>	<b>281</b>	<b>378</b>
7	<b>Net Profit after Tax (5-6)</b>	<b>180</b>	<b>227</b>	<b>217</b>	<b>518</b>	<b>775</b>
8	<b>Other Comprehensive Income</b>					
	a (i) Items that will not be reclassified to profit or loss	430	(23)	(193)	606	(304)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(3)	4	(5)	6	(5)
	b (i) Items that will be reclassified to profit or loss	(232)	(101)	(66)	(333)	(245)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(80)	(35)	(23)	(115)	(85)
	<b>Other Comprehensive Income, net of tax</b>	<b>281</b>	<b>(93)</b>	<b>(231)</b>	<b>382</b>	<b>(458)</b>
9	<b>Total Comprehensive Income for the period (7+8)</b>	<b>461</b>	<b>134</b>	<b>(14)</b>	<b>900</b>	<b>316</b>
10	Paid-up equity share capital (Face Value : 10 each)	1,326	1,326	1,326	1,326	1,326
11	Earnings Per Share (EPS) (in ₹) (not annualised)					
	Basic and Diluted EPS (in ₹) (not annualised)	1.36	1.71	1.64	3.91	5.85

NOTES:

- The results were reviewed by the Audit Committee and approved and taken on record by the Board of Directors of the Company at their respective meetings held on 14th February 2018. Limited review as required under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 has been carried out by the statutory auditors of the Company.
- The Company adopted Ind AS from 1st April, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The date of transition to Ind AS is 1st April, 2016. The impact of transition has been accounted for in opening reserves and the comparative period results for quarter and nine months period ended 31st December 2016 have been restated accordingly. There is a possibility that these quarterly financial results along with the provisional opening balance sheet as of 1st April, 2016 may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31st March, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions as permitted under Ind AS 101.
- The comparative financial results and other financial information of the Company for the corresponding quarter and nine months period ended 31st December, 2016 included in the statement of quarterly and nine months period Ind AS financial results of the Company, are based on the previously issued financial results prepared in accordance with the recognition and measurement principles of Accounting Standard 25 - Interim Financial Reporting, as specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and reviewed by the predecessor auditor whose report for the corresponding quarter and nine months period ended 31st December, 2016 dated 13th February, 2017 expressed a modified conclusion, regarding partial provision made by the Company for diminution in value of long term investment, on those financial results, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been reviewed by the statutory auditors of the Company. The said modification is resolved on transition to Ind-AS by the Company and predecessor auditor has issued an unmodified conclusion on 10th August, 2017 for the quarter ended 30th June, 2017 financial results.
- a In accordance with the requirements of Ind AS 11 (Construction Contracts), the Company has recognised unbilled revenue of Rs. 1,310 lakhs during the quarter ended 31st December 2017 (preceeding 3 months ended 30th September, 2017 Rs. 1,821 lakhs and corresponding 3 months ended 31st December 2016 Rs. 1,467 lakhs) in respect of high value long delivery orders which are delivered in parts over the execution period. The unbilled revenue is calculated based on percentage of completion of individual contracts.
- b The Government of India introduced the Goods and Service Tax (GST) with effect from 01st July 2017, GST is collected on behalf of the Government and no economic benefit flows to the entity and hence gross revenue under GST regime is presented excluding GST as per Ind AS. However, gross revenue under pre-GST regime included Excise Duty which is now subsumed in GST. Consequently, the figures for the quarter and nine months period ended 31st December 2017 are not comparable with quarter and nine months period ended 31st December 2016.
- The Company has availed from bank working capital loan aggregating to Rs.10,300 lakhs as at 31st December 2017. However, pending utilisation of the monies for the aforesaid, the Company has placed Rs. 9,930 lakhs with group companies as Inter-Corporate Deposit. Further, Other Income includes interest of Rs. 372 lakhs and Rs. 1,086 lakhs during the quarter and nine months period ended 31st December 2017 (Rs.323 lakhs preceding 3 months ended 30th September, 2017, Rs. 266 lakhs and Rs. 322 lakhs during corresponding quarter and nine months period ended 31st December 2016) on Inter-Corporate Deposits placed with group companies.
- In line with the provision of Ind-AS 108 - Operating Segments, Chief Operating Decision Maker (CODM) reviews the operations of the Company as manufacturer of Engineering Products, which is considered to be the only reportable segment by the management. Accordingly, no separate disclosure of segment information has been made.
- The Company's operations and its results vary from period to period, depending on the delivery schedule of the customers.

**SIGNED FOR IDENTIFICATION BY**  
  
**S R B C & CO LLP**  
**MUMBAI**

8 Previous period figures have been regrouped / reclassified wherever necessary, to correspond with those of the current period classification.

9 Reconciliation between Financial Results as reported under previous Generally Accepted Accounting Principles (GAAP) and Ind AS are summarised as follows:

PARTICULARS	QUARTER	NINE MONTHS
	ENDED	PERIOD ENDED
	31.12.2016	31.12.2016
Net Profit under previous Indian GAAP	190	556
<b>Add / (Less):</b>		
Effect of reversal of provision for diminution in value of investment (shown as exceptional items)	50	150
Amortisation of transaction cost of financial liabilities using effective interest rate method	(25)	115
Remeasurement of defined benefit obligations	4	13
Impairment of financial assets	1	(11)
Tax effect on above adjustments	(3)	(48)
<b>Net Profit for the period under Ind AS</b>	<b>217</b>	<b>775</b>
Fair valuation impact of investments through other comprehensive income	(189)	(291)
Net income on defined benefit obligations for the period recognised in other comprehensive income	(4)	(13)
Net movement in Cash Flow Hedge Reserve	(66)	(245)
Tax effect on other comprehensive income	28	90
<b>Total comprehensive income under Ind AS</b>	<b>(14)</b>	<b>316</b>

Date : 14th February 2018  
Place : Kolkata

By Order of the Board  
Supriya Mukherjee



Managing Director  
DIN: 00127747

