

INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF KILBURN ENGINEERING LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **KILBURN ENGINEERING LIMITED** (the "Company") for the Quarter ended 30/06/2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement 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.
3. We draw attention to Note 3 to the Statement, regarding partial provision made by the Company for diminution in the value of long term investment for the reasons stated in the note. We are unable to express a conclusion on the extent of other than temporary diminution as mentioned in AS-13, Accounting for Investments, if any, in the value of investment in view of significant reduction in market price of this investment.
4. Based on our review conducted as stated above and except for the possible effect of the matter described in para 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the Accounting Standards and other accounting principles generally accepted in India, save as described in para 3 above, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117364W)



G.K. Subramaniam
Partner
(Membership No. 109839)


KILBURN ENGINEERING LIMITED

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PART- I STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30/06/2016

(Rs in Lacs)				
Particulars	3 months ended 30/06/2016	Preceding 3 months ended 31/03/2016	Corresponding 3 months ended 30/06/2015	Previous Year ended 31/03/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from Operations				
(a) Net Sales / Income from Operations (Net of Excise Duty) (Refer Note 2 below)	3,124	4,099	2,835	13,334
(b) Other Operating Income	21	83	13	174
Total Income from operations (net)	3,145	4,182	2,848	13,508
2. Expenses				
a. Cost of materials consumed	1,418	2,100	1,318	7,300
b. Changes in inventories of finished goods and work in progress	122	104	214	(102)
c. Employee benefits expense	453	523	421	1,872
d. Depreciation and amortisation expenses	108	111	107	434
e. Other expenses	704	1,164	519	2,739
Total expenses	2,805	4,002	2,579	12,243
3. Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)	340	180	269	1,265
4. Other Income	73	386	104	465
5. Profit from ordinary activities before Finance Costs and Exceptional Items (3+4)	413	566	373	1,730
6. Finance Costs	92	128	148	600
7. Profit from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	321	438	225	1,130
8. Exceptional items (Refer Note 3 Below)	50	50	50	200
9. Profit from Ordinary Activities before tax (7-8)	271	388	175	930
10. Tax expenses	107	(4)	45	137
11. Net Profit from Ordinary Activities after tax (9-10)	164	392	130	793
12. Extraordinary Items	-	-	-	-
13. Net Profit for the period (11-12)	164	392	130	793
14. Paid-up equity share capital (Face Value Rs. 10 each)	1,326	1,326	1,326	1,326
15. Reserve excluding Revaluation Reserves				8,959
16. Earnings Per Share (EPS) (of Rs. 10 each) Basic and Diluted EPS (Rs.) (not annualised, except for the year end figures)	1.24	2.95	0.98	5.98

Notes :

- The Company's operations and its results vary from period to period, depending on the delivery schedule of the customers.
- In accordance with the requirements of Accounting Standard 7 'Accounting for Construction Contracts', the Company has recognised unbilled revenue of Rs.2103.28 lacs during the current quarter ended 30th June 2016 (Rs. 2829.52 lacs for preceding 3 months ended 31/03/2016, Rs.1373.70 lacs for corresponding 3 months ended 30/06/2015 and Rs.3698.56 lacs for the year ended 31/03/2016) 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.
- The Company holds equity shares of McNally Bharat Engineering Company Limited (Book Value Rs.1,993.45 lacs) as a strategic investment which is classified as long term investment as defined by Accounting Standard 13. The Company is of the view that the diminution in value of Rs.1403.97 lacs as at 30/06/2016 (Rs.1344.17 lacs as at 31/03/2016 and Rs.1317.68 lacs as at 30/06/2015) in these investments is temporary. Notwithstanding this, a provision of Rs.50 lacs has been made during current quarter ended 30/06/2016 (Rs.50 lacs during the previous quarter ended 31/03/2016 and Rs.50 lacs during corresponding quarter ended 30/06/2015) and a provision aggregating to Rs.800 lacs had been already made in the books in earlier years and considering the nature and size of the expense, the same has been classified as an exceptional item. This has been qualified by the Auditors in their report for all periods presented.
- The Board of Directors of the Company at its meeting held on March 22, 2016, gave their approval in respect of the scheme of amalgamation of McNally Bharat Engineering Company Limited, McNally Sayaji Limited and EMC Limited with the Company under Section 391 and Section 394 and other applicable provisions of the Companies Act, 1956, with effect from January 1, 2015. The Company is in the process of obtaining all requisite statutory and regulatory approvals.
- The Company's business activity falls within a single business segment i.e Engineering, hence the disclosure requirement as per AS-17 'Segment Reporting' is not attracted.
- The results were reviewed by the Audit Committee, approved and taken on record at the meeting of the Board of Directors of the Company held on 9th August 2016.
- Previous period / year's figures have been regrouped / reclassified wherever necessary, to correspond with those of the current period / year's classification.

Kolkata
August 9, 2016

By Order of the Board
Supriya Mukherjee

Managing Director
(DIN: 00127747)



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