

## 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 and six months ended 30/09/2016 ("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 4 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)

MUMBAI, 10 November, 2016

**KILBURN ENGINEERING LIMITED**

Regd. Office : Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001

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**PART - I STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30/09/2016**

Particulars	(Rs in Lacs)					
	3 months ended 30/09/2016	Preceding 3 months ended 30/06/2016	Corresponding 3 months ended 30/09/2015	6 months ended 30/09/2016	Corresponding 6 months ended 30/09/2015	Previous Year ended 31/03/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from Operations						
(a) Net Sales / Income from Operations (Net of Excise Duty) (Refer Note 3 below)	3,215	3,124	2,723	6,339	5,558	13,334
(b) Other Operating Income	7	21	-	28	13	174
<b>Total Income from operations (net)</b>	<b>3,222</b>	<b>3,145</b>	<b>2,723</b>	<b>6,367</b>	<b>5,571</b>	<b>13,508</b>
2. Expenses						
a. Cost of materials consumed	1,636	1,418	1,770	3,054	3,088	7,300
b. Changes in inventories of finished goods and work in progress	(107)	122	(393)	15	(179)	(102)
c. Employee benefits expense	515	453	421	968	842	1,872
d. Depreciation and amortisation expenses	110	108	108	218	215	434
e. Other expenses	483	704	460	1,187	979	2,739
<b>Total expenses</b>	<b>2,637</b>	<b>2,805</b>	<b>2,366</b>	<b>5,442</b>	<b>4,945</b>	<b>12,243</b>
3. Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)	585	340	357	925	626	1,265
4. Other Income	49	73	12	122	116	465
5. Profit from ordinary activities before Finance Costs and Exceptional Items (3+4)	634	413	369	1,047	742	1,730
6. Finance Costs	261	92	176	353	324	600
7. Profit from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	373	321	193	694	418	1,130
8. Exceptional items (Refer Note 4 Below)	50	50	50	100	100	200
9. Profit from Ordinary Activities before tax (7-8)	323	271	143	594	318	930
10. Tax expenses	121	107	41	228	86	137
11. Net Profit from Ordinary Activities after tax (9-10)	202	164	102	366	232	793
12. Extraordinary Items	-	-	-	-	-	-
13. Net Profit for the period (11-12)	202	164	102	366	232	793
14. Paid-up equity share capital (Face Value Rs. 10 each)	1,326	1,326	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)	1.53	1.24	0.77	2.76	1.75	5.98



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**NOTES :**

1. Statement of Assets & Liabilities	(Rs. in lacs)	
	(Unaudited) As at 30 September, 2016	(Audited) As at 31 March, 2016
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
(a) Share capital	1,326	1,326
(b) Reserves and surplus	9,326	8,959
<b>Subtotal - Shareholders Funds</b>	<b>10,652</b>	<b>10,285</b>
<b>Non-current liabilities</b>		
(a) Long-term borrowings (Refer Note 5 Below)	2,327	31
<b>Subtotal - Non-current Liabilities</b>	<b>2,327</b>	<b>31</b>
<b>Current liabilities</b>		
(a) Short-term borrowings (Refer note 5 below)	7,337	1,618
(b) Trade payables	2,396	2,853
(c) Other current liabilities	4,640	4,739
(d) Short-term provisions	1,084	942
<b>Subtotal - Current Liabilities</b>	<b>15,457</b>	<b>10,152</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>28,436</b>	<b>20,468</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Fixed assets	6,027	6,191
(b) Non-current investments	1,410	1,510
(c) Long-term loans and advances	498	457
(d) Other Non current assets	109	162
<b>Subtotal - Non-current Assets</b>	<b>8,044</b>	<b>8,320</b>
<b>Current assets</b>		
(a) Inventories	1,455	1,336
(b) Trade receivables	1,004	1,725
(c) Cash and cash equivalents	1,054	673
(d) Short-term loans and advances	8,918	2,088
(e) Other current assets	7,961	6,326
<b>Subtotal - Current Assets</b>	<b>20,392</b>	<b>12,148</b>
<b>TOTAL ASSETS</b>	<b>28,436</b>	<b>20,468</b>

2. The Company's operations and its results vary from period to period, depending on the delivery schedule of the customers.

3. In accordance with the requirements of Accounting Standard 7 'Accounting for Construction Contracts', the Company has recognised unbilled revenue of Rs.2176 lacs during the current quarter ended 30/09/2016 (preceding 3 months ended 30/06/2016 Rs. 2103 lacs, and corresponding 3 months ended 30/09/2015 Rs.1408 lacs) 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.

4. The Company holds equity shares of McNally Bharat Engineering Company Limited (Book Value Rs.1,993 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.1495 lacs as at 30/09/2016 (Rs.1404 lacs as at 30/06/2016, of Rs.1176 lacs as at 30/09/2015 and of Rs.1344 lacs as at 31/03/2016) in these investments is temporary. Notwithstanding this, a provision of Rs.50 lacs has been made during current quarter ended 30/09/2016 (Rs.50 lacs during the previous quarter ended 30/06/2016 and Rs.50 lacs during corresponding quarter ended 30/09/2015) 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.

5. During the current quarter, the Company has availed a secured loan of Rs.70 crore for meeting its capital expenditure and working capital requirements. Pending the utilisation of the monies for the aforesaid, the Company has placed Rs.68 crore with a group company as an Inter-Corporate Deposit.

6. 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.

7. 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.

8. 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 10th November 2016.

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

By Order of the Board  
Supriya Mukherjee

Managing Director  
(DIN.:00127747)

Kolkata  
November 10, 2016

