

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF KILBURN ENGINEERING LIMITED

1. We have audited the accompanying Statement of Financial Results of **KILBURN ENGINEERING LIMITED** ("the Company") for the year ended 31/03/2016 ("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 on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. We draw attention to Note 5 to the Statement, regarding partial provision made by the Company for diminution in value of long term investment in equity shares of McNally Bharat Engineering Company Limited for the reasons stated in the note. We are unable to express an opinion on the extent of other than temporary diminution as mentioned in AS-13, Accounting for Investments, if any, in value of investment in view of significant reduction in market price of this investment.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(ii) except for the possible effects of matter described in paragraph 3 above, gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31/03/2016.



Deloitte Haskins & Sells

4. The Statement includes the results for the Quarter ended 31/03/2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 117364W)



G.K. Subramaniam

Partner

(Membership No. 109839)

Place: Mumbai
Date: 23rd May, 2016

**KILBURN ENGINEERING LIMITED**

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

CIN: L24232WB1987PLC042956, Tel No: 033 22313337, Fax No: 033-22314768, Website: www.kilburnengg.com

PART- I STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2016

Particulars	(Rs in Lacs)				
	3 months ended 31/03/2016	Preceding 3 months ended 31/12/2015	Corresponding 3 months ended 31/03/2015	Year ended 31/03/2016	Previous Year ended 31/03/2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Income from Operations					
(a) Net Sales / Income from Operations (Net of Excise Duty) (Refer Note 4 below)	4,099	3,677	3,872	13,334	11,877
(b) Other Operating Income	83	78	106	174	191
Total Income from operations (net)	4,182	3,755	3,978	13,508	12,068
2. Expenses					
a. Cost of materials consumed	2,100	2,112	2,115	7,300	6,837
b. Changes in inventories of finished goods and work in progress	104	(27)	182	(102)	(73)
c. Employee benefits expense	523	507	438	1,872	1,535
d. Depreciation and amortisation expenses	111	107	116	434	420
e. Other expenses	1,164	656	860	2,739	2,364
Total expenses	4,002	3,355	3,711	12,243	11,083
3. Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)	180	400	267	1,265	985
4. Other Income	386	22	26	465	343
5. Profit from ordinary activities before Finance Costs and Exceptional Items (3+4)	566	422	293	1,730	1,328
6. Finance Costs	128	148	136	600	546
7. Profit from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	438	274	157	1,130	782
8. Exceptional items (Refer Note 5 Below)	50	50	50	200	200
9. Profit from Ordinary Activities before tax (7-8)	388	224	107	930	582
10. Tax expenses (Refer Note 7 Below)	(4)	55	74	137	168
11. Net Profit from Ordinary Activities after tax (9-10)	392	169	33	793	414
12. Extraordinary Items	-	-	-	-	-
13. Net Profit for the period (11-12)	392	169	33	793	414
14. Paid-up equity share capital (Face Value Rs. 10 each)	1,326	1,326	1,326	1,326	1,326
15. Reserve excluding Revaluation Reserves				8,959	8,485
16. Earnings Per Share (EPS) (of Rs. 10 each) Basic and Diluted EPS (Rs.) (not annualised, except for the year end figures)	2.95	1.28	0.25	5.98	3.12



NOTES :

(Rs. in lacs)

1. Statement of Assets & Liabilities	(Audited) As at 31 March, 2016	(Audited) As at 31 March, 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	1,326	1,326
(b) Reserves and surplus	8,959	8,485
Subtotal - Shareholders Funds	10,285	9,811
Non-current liabilities		
(a) Long-term borrowings	31	-
(b) Long-term provisions	-	193
Subtotal - Non-current Liabilities	31	193
Current liabilities		
(a) Short-term borrowings	1,618	2,849
(b) Trade payables	2,853	2,869
(c) Other current liabilities	4,739	2,987
(d) Short-term provisions	942	583
Subtotal - Current Liabilities	10,152	9,288
TOTAL EQUITY & LIABILITIES	20,468	19,292
ASSETS		
Non-current assets		
(a) Fixed assets	6,191	6,453
(b) Non-current investments	1,510	1,710
(c) Long-term loans and advances	457	451
(d) Other Non current assets	162	178
Subtotal - Non-current Assets	8,320	8,792
Current assets		
(a) Inventories	1,336	1,098
(b) Trade receivables	1,725	529
(c) Cash and cash equivalents	673	643
(d) Short-term loans and advances	2,088	2,125
(e) Other current assets	6,326	6,105
Subtotal - Current Assets	12,148	10,500
TOTAL ASSETS	20,468	19,292

2. The board has recommended a dividend of 20% (Rs.2/- per equity share having face value of Rs.10/- each) for the financial year 2015-16 aggregating to Rs. 319.09 lacs including dividend distribution tax. The amount will be disbursed subject to approval of the shareholders at the annual general meeting.
3. The Company's operations and its results vary from period to period, depending on the delivery schedule of the customers.
4. In accordance with the requirements of Accounting Standard 7, the Company has recognised unbilled revenue of Rs.3698.56 lacs during the year (Previous year Rs.4904.26 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.
5. 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. 1344.17 lacs (Rs.1280.10 lacs as at 31/03/2015) in these investments is temporary. Notwithstanding this, a provision of Rs.200 lacs has been made during current year (Rs.50 lacs during each quarter of the current year) and a provision of Rs.600 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.
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 tax expense is net of Minimum Alternate Tax Credit of ₹237.50 lacs which has been recognised during the current year.
8. 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.
9. 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 23rd May 2016.
10. 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)

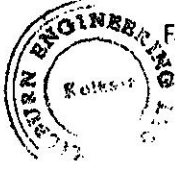
Kolkata
May 23, 2016



FORM B


Format of covering letter of the annual audit report to be filed with the stock exchanges

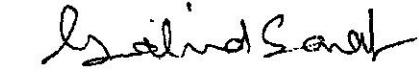
1.	Name of the Company:	Kilburn Engineering Limited
2.	Annual financial statements for the year ended	31 st March 2016
3.	Type of Audit qualification	Qualified We draw attention to Note 5 to the Statement, regarding partial provision made by the Company for diminution in value of long term investment in equity shares of McNally Bharat Engineering Company Limited for the reasons stated in the note. We are unable to express an opinion on the extent of other than temporary diminution as mentioned in AS-13, Accounting for Investments, if any, in value of investment in view of significant reduction in market price of this investment.
6.	Frequency of observation	Repetitive from 31-03-2012
7.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Management's Response: The Company holds investment in equity shares of McNally Bharat Engineering Company Limited (Book Value Rs. 1,993.45 lacs) as strategic investment on a long term basis. The Company is of the view that the diminution in value of Rs. 1,344.17 lacs (Previous Year Rs.1280.10 lacs) in these investments is temporary. Notwithstanding this, out of abundant caution, a provision of Rs. 800 Lacs (Previous Year Rs. 600 lacs) including Rs. 200 lacs (Previous Year Rs. 200 lacs) during the year is made in the books.
8.	Additional comments from the board/audit committee chair:	NIL



For Kilburn Engineering Limited


Managing Director
Supriya Mukherjee

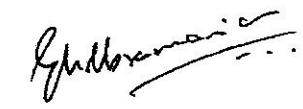

A. Suresh


Audit Committee Chairman
S. R. Dasgupta

Refer our Audit Report dated May 23, 2016
on the financial statements of the Company

*In absence of Mr. Dasgupta,
Mr. Gobind Saraf chaired
the meeting of Audit Committee*

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


G.K. Subramaniam
Partner
(Membership No. 109839)
MUMBAI,
23rd May, 2016