



KILBURN ENGINEERING LTD.

Regd. Office : Four Mangoe Lane, 3rd Floor, Surendra Mohan Ghosh Sarani, Kolkata - 700 001, India

Phone : (91) 33 2231 3337 / 3450, 4003 5154 / 55

E-mail : keler@kilburnengg.com Web : www.kilburnengg.com

13th August, 2019

To
The Corporate Relationship Department
BSE Limited
24th Floor, P.J. Tower
Dalal Street, Fort
Mumbai - 400 001

To,
✓ The Secretary
The Calcutta Stock Exchange Ltd.,
7, Lyons Range,
Kolkata - 700 001

Scrip Code: CSE 21022

Scrip Code: BSE 522101

Sub: Outcome of the Board Meeting held on 13.08.2019

Dear Sir / Madam,

This is to inform you that as per the requirement of regulation 33 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the company have at their meeting held on 13th August, 2019 inter-alia, considered and approved the Unaudited Financial Results for the first quarter ended on 30th June, 2019 of the Company.

Copy of the results alongwith Limited Review Review is enclosed herewith. You are requested to take above on record.

Thanking you

Yours faithfully,
For **Kilburn Engineering Limited**


Arvind Bajoria
Company Secretary

Encl: a/a

AN ISO-9001:2000 CERTIFIED COMPANY

Factory & Head Office : Plot No. 6, MIDC Industrial Area, Saravali,
Kalyan Bhiwandi Road, Thane - 421 311, Maharashtra, India, Ph. : 91 2522 283000



A Williamson Magor Group Enterprise

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE UNAUDITED FINANCIAL RESULTS FOR THREE
MONTHS ENDED 30TH JUNE, 2019**

**TO THE BOARD OF DIRECTORS
KILBURN ENGINEERING LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Kilburn Engineering Limited (the 'Company') for the quarter ended June 30, 2019, (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019. This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") 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 the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly we do not express an audit opinion.
3. As detailed in Note 5.a of the Statement, the Company's financing arrangements include borrowings availed from a bank aggregating to Rs. 9,500 lakhs for working capital. However, pending utilisation of these loans, the Company has placed it with group companies (owned by same promoter) as inter-corporate deposit ('ICDs'). This is a breach of the conditions of the loan agreement with the bank. The ICDs and interest accrued thereon receivable from these group companies as at June 30, 2019 is aggregating to Rs. 10,826 lakhs and Rs. 938 lakhs respectively. Further, these group companies have not been regular in payment of interest and have been incurring losses leading to erosion in their net worth. In the absence of sufficient and appropriate evidence in relation to recoverability of these ICDs and recognition of interest income without any certainty of recoverability, we are unable to determine whether any adjustments are required to the carrying value of these ICDs and interest income recognised during the quarter and earlier year and any further adjustments that may be required to these financial results.



4. Based on our Review conducted as above, except for the possible effect of the matter stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standards and other accounting Principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention

- i) to note 5.b in the statement, wherein it is stated that the Company's loans are scheduled to be repaid in September, 2019 and October, 2019 or on demand. These events or conditions, along with other matters as set forth in note 5.a, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern, if the management's plan to mitigate such material uncertainty as stated in note 5.b does not work out.
- ii) that the Comparative financial information of the Company for the quarter ended 30th June, 2018 prepared in accordance with Indian Accounting Standard ('Ind AS') included in this statement was reviewed by the predecessor auditor. The report of the predecessor auditor on comparative financial information for the quarter ended 30th June, 2018 expressed an unmodified conclusion.

Our conclusion is not modified in respect of the above matters.

Place: Kolkata

Date: 13th August 2019



For V. Singhi & Associates
Chartered Accountants
Firm Registration No. 311017E


(V.K. Singhi)
Partner

Membership No.: 050051
UDIN: 19050051AAAADV9139

KILBURN ENGINEERING LTD.

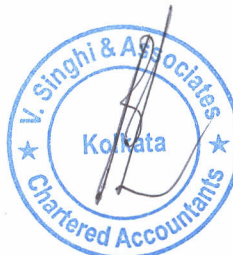
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CIN: L24232WB1987PLC042956, Tel No: 033 22313337, Fax No: 033-22314768, Website: www.kilburnengg.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

₹ in Lakhs

Sr. no.	PARTICULARS	QUARTER ENDED (UNAUDITED)	QUARTER ENDED (AUDITED)	QUARTER ENDED (UNAUDITED)	YEAR ENDED (AUDITED)
		30.06.19	31.03.19	30.06.18	31.03.19
1	Income				
	a. Revenue from operations	3,291	4,614	3,764	14,386
	b. Other income (refer note 5)	490	434	451	2,001
	Total Income	3,781	5,048	4,215	16,387
2	Expenses				
	a. Cost of materials consumed	2,099	2,502	1,981	7,676
	b. Subcontracting Charges	286	606	292	1,821
	c. Changes in inventories of finished goods and work in progress	(187)	(102)	111	(316)
	d. Employee benefits expense	448	477	502	1,930
	e. Finance Costs	453	452	407	1,711
	f. Depreciation and amortisation expenses	103	105	105	422
	g. Other expenses	392	816	464	2,293
	Total Expenses	3,594	4,856	3,862	15,537
3	Profit / (Loss) from Operations before Exceptional Items and Tax (1-2)	187	192	353	850
4	Exceptional Items	-	-	-	-
5	Profit / (Loss) before Tax (3-4)	187	192	353	850
6	Tax Expense				
	i) Current tax	52	(24)	118	202
	ii) Deferred tax	(26)	90	(18)	56
	Total Tax expenses	26	66	100	258
7	Net Profit / (Loss) after Tax (5-6)	161	126	253	592
8	Other Comprehensive Income / (Loss)				
a.	(i) Items that will not be reclassified to profit or loss	(382)	(61)	(574)	(994)
	(ii) Income tax relating to items that will not be reclassified to profit	-	(7)	1	(7)
b.	(i) Items that will be reclassified to profit or loss	(73)	(52)	(162)	(253)
	(ii) Income tax relating to items that will be reclassified to profit or	(10)	(16)	(47)	(74)
	Other Comprehensive Income / (Loss), net of tax	(445)	(91)	(690)	(1,167)
9	Total Comprehensive Income / (Loss) for the period (7+8)	(284)	35	(437)	(575)
10	Paid-up equity share capital (Face Value ₹ 10 each)	1,326	1,326	1,326	1,326
11	Other Equity				8,573
12	Earnings Per Share (EPS) (in ₹) (not annualised for the quarters)				
	Basic and Diluted EPS (in ₹)	1.22	0.96	1.91	4.47



NOTES:

- 1 The financial results have been prepared in accordance with Ind AS, notified under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The financial 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 13 August 2019. Figures for the quarter ended 31 March 2019 are balancing figures between audited figures in respect of the full financial year and the unaudited figures upto the third quarter ended 31 December 2018 which were subjected to limited review.
- 2 The Financial Results have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- 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 Ind AS 115 (Construction Contracts), the Company has recognised contract asset of Rs. 2,407 lakhs for the quarter ended 30 June 2019 (Rs.2,330 lakhs for the quarter ended 30 June 2018) and Rs.3,713 lakhs for the year ended 31 March 2019 in respect of high value long delivery orders which are delivered in parts over the execution period. The contract asset is calculated based on percentage of completion of individual contracts.
- 5.a The Company in September 2016 had originally availed working capital loan from a bank which was subsequently renewed / rolled over. However, pending utilisation of the monies for the aforesaid, the Company has placed it with group companies (owned by same promoter) as Inter- Corporate Deposits. The aggregate amount of Inter-Corporate Deposits (ICDs) and accrued interest receivable as at 30th June 2019 is Rs. 10,826 lakhs and Rs. 938 lakhs respectively. Considering the financial positions of these group companies, the Company has obtained unconditional and irrevocable personal guarantee from Promoter Director for the said Inter-Corporate Deposits as collateral security in case the borrowers are unable to repay the ICDs and interest accrued thereon. The management has assessed the recoverability of the said ICDs, including interest receivable thereon, and has considered the same to be good and recoverable. Further, Other Income includes interest of Rs. 424 lakhs for the quarter ended 30 June 2019, Rs. 380 lakhs for the quarter ended 30th June, 2018, Rs. 402 lakhs for the quarter ended 31 March 2019 and Rs. 1612 lakhs for the year ended 31 March 2019 on ICD's placed with group companies.
- 5.b The Company's financing arrangement amounting to INR 9,500 Lakhs is expiring and will be due for repayment in September 2019 and October 2019, or on demand, whichever is earlier. Further, the Company had credit rating downgrade. These situations are events or conditions which along with recoverability of ICDs placed with group companies indicates that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. As on date the Company is in process of obtaining replacement financing and a lender has shown its willingness to consider proposal of the Company subject to completion of certain formalities. The management plan to mitigate material uncertainty includes, negotiations with existing lenders for the roll-over of the loans or to consolidate its borrowings with one lender. The Company is also evaluating the infusion of funds in the Company by identifying strategic investors. Further, a promoter group level restructuring is currently underway to monetize assets to meet up the various liability of the group companies (owned by same promoter) including the settlement of outstanding ICDs. The Company generated net operating cash inflow during the Quarter and also had a positive net worth of Rs. 9,615 lakhs on 30 June 2019. Management of the Company is confident of its aforesaid plan. Accordingly, these Ind AS financial results of the Company for the quarter ended 30 June 2019 have been prepared on going concern basis.
- 6 Indian Accounting Standard (Ind AS) - 116 "Leases" became effective from 01.04.2019. The adoption of the Standard did not have any impact on these financial results.
- 7 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.
- 8 Previous period figures have been regrouped / rearranged wherever necessary, to correspond with those of the current period classification.

Date : 13 August 2019
Place : Kolkata



By Order of the Board

Subir Chaki
Managing Director
(DIN : 05174555)

