

Annual Report | 2015 - 16



KILBURN ENGINEERING LTD.

Rotary Steam Tube Calciner



Knock Out Drum



Instrument Utility Gas Skid





KILBURN ENGINEERING LTD.



A Williamson Magor Group Enterprise

Website: www.kilburnengg.com

CIN : L24232WB1987PLC042956

Board of Directors

Mr. Aditya Khaitan	Non Executive Chairman
Mr. Supriya Mukherjee	Managing Director
Mr. Subir Ranjan Dasgupta	
Mr. Amritanshu Khaitan	
Mr. Manmohan Singh	
Mr. Padam Kumar Khaitan	
Mr. Gobind Saraf	
Mrs. Priya Saran Chaudhri	

VP Finance & CFO

Mr. A. Suresh

Company Secretary

Mr. Arvind Bajoria

Auditors

M/s Deloitte Haskins & Sells

Bankers

United Bank of India
Union Bank of India
The Federal Bank Ltd.
IDBI Bank Ltd.
HDFC Bank Ltd.
The Karur Vysya Bank Ltd.

Registered Office

Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata – 700 001.
Tel. No.: (033) 2231 3337 / 3450
Fax No.: (033) 2231 4768
E-mail: investors@kilburnengg.com

Corporate Office and Works

Plot No.6, MIDC Industrial Area, Saravali,
Kalyan-Bhiwandi Road, Thane – 421 311.
Tel. No.: (02522) 663800
Fax No.: (02522) 281026

Registrars & Transfer Agents

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Surendra Mohan Ghosh Sarani,
2nd Floor, Kolkata – 700 001.
Tel. No.: (033) 2243 5809 / 5029
Fax No.: (033) 2248 4787
E-mail: mdpldc@yahoo.com • skchaubey@mdpl.in

Contents

Page

Notice of AGM	2
Directors' Report	8
Management Discussion & Analysis	12
Report on Corporate Governance	34
Auditors' Report	49
Annual Accounts alongwith Notes to accounts	56



KILBURN ENGINEERING LTD.

REGD. OFFICE : Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001.

Website : www.kilburnengg.com (A Williamson Magor Group Enterprise)

CIN : L24232WB1987PLC042956

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of the Company will be held on Thursday, 22nd September, 2016 at 10:00 A.M. at Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, 6, Netaji Subhash Road, Kolkata - 700 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial statement of the Company for the Financial Year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon
2. To appoint a Director in place of Mrs. Priya Saran Chaudhri (holding DIN : 00704863), who retires by rotation and being eligible, offers herself for reappointment.
3. To declare dividend for the financial year 2015-16.
4. To ratify the appointment of Statutory Auditors – M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration no. : 117364W) upto the conclusion of next Annual General Meeting.

Special Business

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions:-

5. As an Ordinary Resolution - Ratification of remuneration of Cost Auditor :

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, and the Rules thereof, (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment and remuneration of the Cost Auditors, M/s. D. Sabyasachi & Co., for auditing the Cost Accounts of the Company in respect of the products, as may be applicable, for the year ending March 31, 2017, as approved by the Board of Directors on the recommendation of the Audit Committee and as set out in the Explanatory Statement in respect of this item of business, be and is hereby ratified."

By Order of the Board of Directors

Kolkata
9th August, 2016

Arvind Bajoria
Company Secretary

Regd. Office :

FOUR MANGOE LANE,
SURENDRA MOHAN GHOSH SARANI
KOLKATA – 700 001
CIN : L24232WB1987PLC042956

NOTES:

- I. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING. A PROXY / PROXIES SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING.

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a

proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- II. The Statement pursuant to Section 102(1) of the Companies Act 2013 in respect of the items of Special Business is annexed hereto.
- III. The information as required to be provided in terms of Regulation 36(3) and 26(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulation") regarding the Directors who are proposed to be re-appointed is annexed.
- IV. The dividend that may be declared by the company at the 28th Annual General Meeting will be paid on or after 26th September, 2016 (i) to those Members holding shares in physical mode whose name appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company and its Registrars on or before 15th September, 2016. (ii) In respect of the shares held in electronic form the dividend will be paid to the 'beneficial owners' of the shares as at the end of business hours on 15th September, 2016 as per details provided by the Depositories for this purpose.
- V. Dividend in respect of shares held in dematerialized form shall be credited to the beneficial owner's bank account directly through National Electronic Clearing Services (NECS). wherever NECS facility is available subject to availability of bank account details with 9 digit MICR and 11 digit IFS Code. In case the said details have not been provided to the Concerned Depository Participant or there is any change. The Same may please be intimated to the concerned Depository Participant immediately.

In terms of Regulation 12(a) of Listing Regulation. SEBI has mandated usage of electronic mode or issue of "payable-at-par warrants" for making cash payments such as dividend etc. to the investors of Companies whose securities are listed on the Stock Exchanges.
- VI. Shareholders holding shares in physical form and desirous of having NECS facility, should provide their bank details and 9 digit MICR and 11 digit IFS Code number to the Registrar and Share Transfer Agent of the Company immediately. The shareholders who have already given their bank details should furnish the same only if there is any change. Contact details of RTA: M/s Maheshwari Datamatics Pvt. Ltd. at 6, Mangoe lane, Surendra Mohan Ghosh Sarani, 2nd Floor, Kolkata - 700 001. Tel No.: (033) 2243 5809 / 5029; 2248 2248; Fax No.: (033) 2248 4787; e-mail : mdpl@cal.vsnl.net.in or mdpldc@yahoo.com or skchaubey@mdpl.in.

Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share Transfer Agent quoting their Folio Number.
- VII. Member who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share certificates to Maheshwari Datamatics Private Limited, for consolidation into a single folio.
- VIII. The Notice of the 28th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, is being sent by electronic mode to all Members whose email addresses are registered with the Company / Depository Participant(s), unless a Member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
- IX. Members may also note that the Notice of the 28th AGM and the Annual Report 2015-16 will be available on the Company's website, www.kilburnengg.com.
- X. Members holding shares in demat mode are requested to notify any change in address, Bank Details, ECS Credit request to their respective depository participants and make sure that such changes are recorded by them.
- XI. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16th September, 2016 to Thursday, 22nd September, 2016 (both days inclusive). Duly executed and stamped transfer deeds, along with the relative Share Certificates, should be submitted to the Company's Registrar & Share Transfer Agents before the closure of the Register of Members for registration of transfers.

- XII. The members who have not encashed their Dividend warrants or who have not received the Dividend for the FY 2008-09, FY 2009-10 and FY 2010-11 should approach the Registrars & Transfer Agents of the Company. It may be noted that the amount of dividend remaining unclaimed for a period of Seven (7) years shall be transferred to the Investor Education and Protection Fund as per the provisions of Section 124 of the Companies Act, 2013.
- XIII. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the Annual General Meeting. They are also requested to bring their copies of the Annual Report (mailed separately to all the members) to the meeting.
- XIV. Queries on accounts, if any, should reach the Registered Office of the Company at least seven days before the meeting.
- XV. Pursuant to provisions to section 101 read with other applicable provisions of The Companies Act, 2013, we propose to send all the documents to be sent to Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. in electronic form, to their e-mail address.

Members holding shares in physical form are requested to intimate / update their email address to / with M/s Maheshwari Datamatics Pvt. Ltd. at 6, Mangoe lane, Surendra Mohan Ghosh Sarani, 2nd Floor, Kolkata - 700 001. Those holding shares in demat mode are requested to intimate / update their email address to / with their depository participants. We request your whole-hearted support to this initiative by co-operating the Company in implementing this.

- XVI. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market transaction and off-market/private transaction including, transfer of shares held in physical form, deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders, transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares and transposition of shares - when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

XVII. Voting through electronic means - instructions:

In compliance with Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rule, 2014, as amended, and Regulation 44 of the SEBI (Listing Agreement and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide e-voting facility to its Members in respect of the business to be transacted at the Annual General Meeting (AGM). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facilities. The facility for voting, through ballot paper, will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are given in a separate sheet attached hereto forming part of the Notice.

The e-voting particulars are being communicated through the Attendance Slip cum Proxy Form.

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at arvind_bajoria@kilburnengg.com or mdpl@cal.vsnl.net.in or scrutinizeraklabh@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com before September 19, 2016 without which the vote shall not be treated as valid.
2. In case you have any queries or issues regarding e-voting, please contact the Company or Registrar & Share Transfer Agents or send mail to arvind_bajoria@kilburnengg.com or mdpl@cal.vsnl.net.in. You may also send mail to helpdesk.evoting@cdslindia.com or refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in.
3. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company held on the cut-off date of 15th September, 2016.

4. Mr. A. K. Labh, Practicing Company Secretary (FCS : 4848) of M/s. A.K. Labh & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is aklabhcs@gmail.com.
5. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
6. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kilburnengg.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.

By Order of the Board of Directors

Kolkata

9th August, 2016

Regd. Office :

FOUR MANGO LANE,
SURENDRA MOHAN GHOSH SARANI
KOLKATA – 700 001
CIN : L24232WB1987PLC042956

Arvind Bajoria

Company Secretary

Particulars of the Directors seeking re-appointment in the Annual General Meeting:

Name of Director	Mrs. Priya Saran Chaudhri
Type	Non Executive Director
Date of Birth	22-09-1969
Date of Appointment	14-11-2014
Brief Resume	Mrs. Priya Saran Chaudhri, has over 25 years of experience in the paper industry. She is a double major in Economics and Art History from Brandeis University, Boston, USA. She started her career in the paper industry in 1991, when she joined Ballarpur Industries in Its Finance department. She then went on to head up the Printing Business Division of KCT & Bros. (Coal Sales) Ltd. in 1994 and later she headed up the Paper Trading Division of KCT & Bros. (Coal Sales) Ltd. in 2004
No. of Equity Shares held in the Company	Nil
Expertise in Specific Functional area	She is the managing director of KCT Trading Pvt. Limited and has a vast exposure in business management and corporate affairs
Directorships held in other Companies (as on 31-03-2016)	KCT Trading Private Limited (M.D.) Shree Durga Agencies Limited Arham Vyapaar Private Limited
Particulars of Committee Chairmanship / Membership held in other Companies	Audit Committee membership Shree Durga Agencies Limited
Relationship with other directors/KMPs	None

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 5**

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of M/s. D. Sabyasachi & Company, Cost Accountants, as Cost Auditors of the Company, subject to approval(s) as may be necessary, for auditing the cost accounts of the Company relating to any products as may be applicable for the financial year 2016 -17 at a remuneration of Rs. 40,000/- and service tax at the applicable rate and reimbursement of out of pocket expenses at actuals. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders of the Company.

The Board recommends the resolution set out at Item No. 5 for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

By Order of the Board of Directors

Kolkata

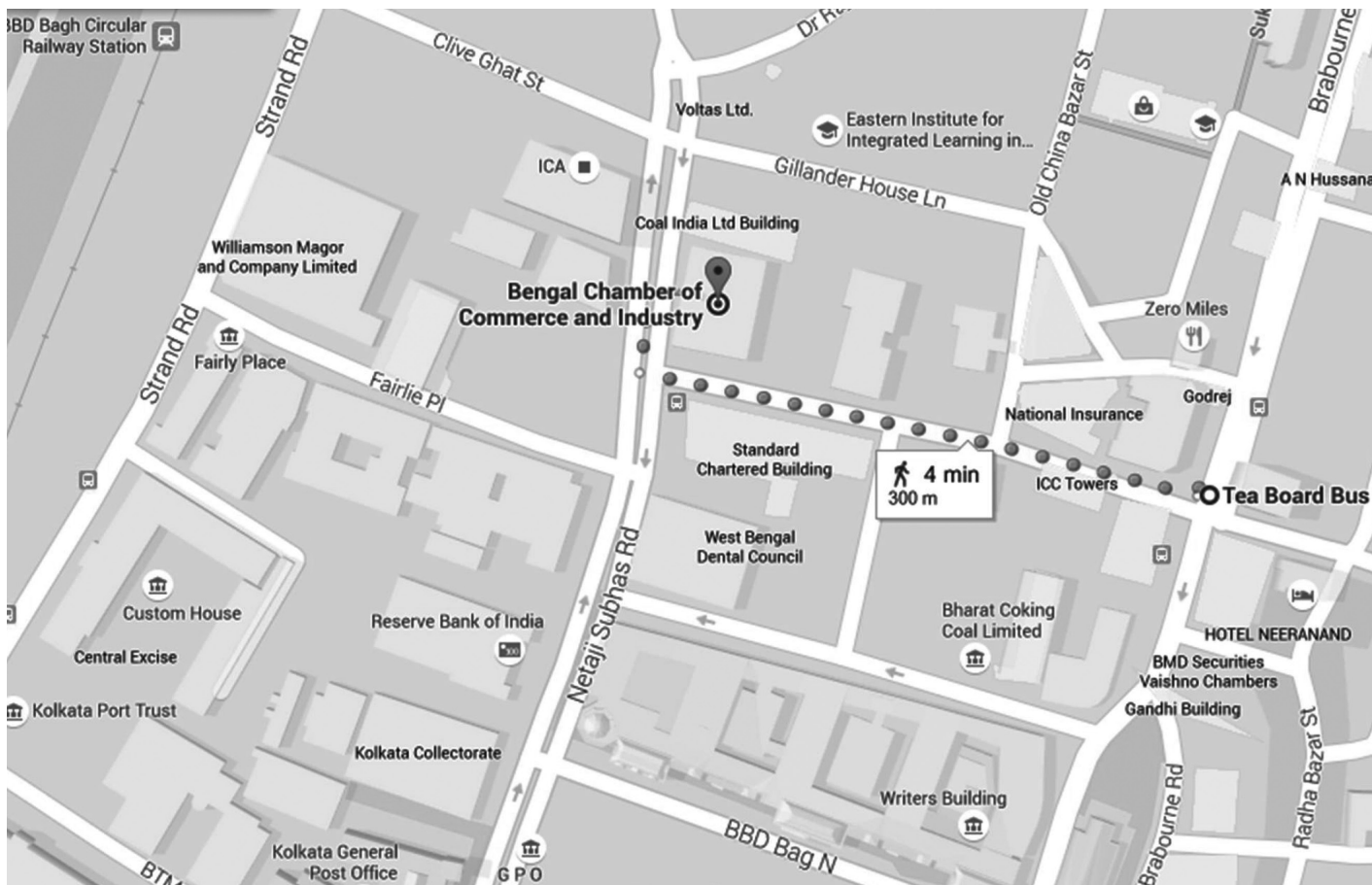
9th August, 2016

Regd. Office :

FOUR MANGOE LANE,
SURENDRA MOHAN GHOSH SARANI
KOLKATA – 700 001
CIN : L24232WB1987PLC042956

Arvind Bajoria
Company Secretary

Route Map of the Venue of 28th Annual General Meeting



REPORT OF THE DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

The Directors of your Company are pleased to present the 28th Annual Report and Audited Statement of Accounts for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

	(Rs. In Lac)	
	Year ended 31st March, 2016	Year ended 31 st March, 2015
Revenue from Operations	13,508	12,069
Profit before tax	930	582
Tax Expenses	137	168
Profit after tax	793	414
Balance brought forward from previous year	5,807	5,405
Amount available for appropriation	6,600	5,807
Less: Appropriations	319	-
Balance carried forward to Balance Sheet	6,281	5,807

DIVIDEND

In view of the improved performance of the Company the Board of Directors recommend a Dividend of 20% i.e. Rs. 2.00 per equity share of Face Value of Rs. 10/- for the Financial Year 2015-16. The dividend pay-out amounts to Rs. 319 Lac including dividend distribution tax.

REVIEW OF OPERATIONS - 2015-16

As you are aware your Company is primarily engaged in designing, manufacturing and commissioning customised equipment/ systems for diverse applications. The Company's sales registered growth by over 12% during the year. Profit Before Tax (PBT) increased to 7% against 5 % on revenue during the previous year. This was mainly due to the Company's executing orders of value added products.

ORDER BOOK (Process Equipment)

Your Company has succeeded in securing good quality, value added / technology based orders for its specialised/ customised equipment / systems. Additional investment towards Capex in certain industrial sectors including Oil & Gas is expected to help the Company to book substantially higher level of orders for its products during the current year.

Some of the orders which have been received and are being executed during the year under review are :

- Rotary Calciner for Soda Ash Industries including 800 Tons capacity.
- IUG Systems for offshore platforms.
- Fluidised Bed Dryer cum Cooler
- Rotary Dryers, Coolers, Granulators and Lump Crushers from a reputed Fertiliser Company
- Conveyor Dryers & Rotary Oven for food industries.

Total unexecuted orders as on 31st March 2016 stood at Rs. 94 Cr. (Previous Year Rs. 71 Cr.)

FUTURE OUTLOOK

Your company operates primarily in two divisions viz. Process Equipment and Tea Drying Equipment. Future outlook for process equipments based on orders under execution and expected orders under negotiation is encouraging. The tea drying sector has been subdued during the year but is expected to improve. We expect to maintain the trend of overall improved performance in the current and following year particularly in view of projected order inflow for value added products both from the domestic and export market.

A detailed review of the operations is incorporated in the Management Discussion and Analysis Report in Annexure A which forms part of this Report.

MATERIAL CHANGES & COMMITMENTS DURING THE YEAR

The Directors at their meeting on 31st March 2016 have decided to amalgamate engineering Companies viz. McNally Bharat Engineering Company Ltd. and EMC Limited along with their subsidiaries with your Company.

Based on report of a committee of officials from all amalgamating Companies a scheme for amalgamation was formulated and approved by the Board of Directors of respective Companies. Further, based on a valuation report made by an independent Chartered Accountant and fairness report given by an independent merchant banker, Share exchange ratio was finalized which will be implemented after obtaining necessary approvals.

The core objective of the merged entity will be to emerge as a total engineering solution provider with comprehensive manufacturing, Construction and Resource Management capability, which will not only improve its marketability but will also lead to multiple opportunity creation. Each constituent of the merged entity will bring into the common pool their list of unique clientele. Thus the common pool will be able to compile a combined list of niche customers who can now be approached with huge expanse of service range.

The scheme will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows. Superior asset backing coupled with healthier liquidity will lead to improved gearing which will be encouraging for banks and institutions.

The draft scheme of amalgamation has received approval from the Competition Commission of India and is currently awaiting approvals from other regulatory bodies. The merger will be effective from the date of high court approval.

AUDITORS

- a) Statutory Auditors :** M/s Deloitte Haskins & Sells (Firm's Registration No. : 117364W), Statutory Auditors of the Company hold the appointment for a term of three years upto 2017 and their appointment is subject to ratification by members at the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for continuation as Statutory Auditors.
- b) Internal Auditors :** M/s. SPAN & Associates, Chartered Accountants were appointed as internal auditors by the Board of directors for 2015 – 16 and they have conducted internal audits periodically and submitted their reports to the Audit Committee. Their reports have been reviewed by the Statutory Auditors and the Audit Committee.
- c) Cost Auditors :** Your Company appointed M/s. D. Sabyasachi & Co. (FRN : 00369) Cost Accountants as Cost Auditors of the Company for the Financial Year 2015-16 and their appointment is proposed for 2016 – 17 at the remuneration set out in the notice of AGM and explanatory statement thereto.
- d) Secretarial Auditors :** M/s. Dhrumil M. Shah, Mumbai were appointed as secretarial auditor of the Company for the Financial Year 2015 – 16, as required under section 204 of The Companies Act, 2013 read with the applicable rules. The Secretarial Audit Report for 2015 – 16 forms part of the Annual Report as Annexure VI.

AUDIT REPORT

In respect of the qualification in the Auditors' Report regarding partial provision for diminution in the value of investment in equity shares of McNally Bharat Engineering Company Limited, the Company is of the opinion that the diminution in market value of these shares is temporary and is a result of general slowdown in the economy.

The Directors of your Company have on a conservative basis made a partial provision during the year under review to cover the diminution in the value of the investments.

The Company has also filed Form B with the stock exchanges as required by the regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provision of Section 134 (5) of the Companies Act, 2013, the Board of Directors of your Company hereby confirms :

- 1) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- 2) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit and Loss of the Company for the period;
- 3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) that the Directors have prepared the annual accounts on a going concern basis.
- 5) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 6) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

Pursuant to the provisions of Regulation 34(3) and 53(f) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion & Analysis Report (Annexure – I), Report on Corporate Governance and Compliance Certificate on Corporate Governance (Annexure VIII) are annexed to this Report.

EMPLOYEE RELATIONS

Employees' relations were cordial throughout the year. Several HR, IR initiatives to improve employee relations have been initiated during the year and have been well accepted.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, as amended, is appended to this Annual Report as Annexure "II" and forms part of this Directors' Report.

ADEQUACY OF INTERNAL CONTROL SYSTEM WITH RESPECT TO THE FINANCIAL STATEMENTS

The Company has a comprehensive system of internal control which is being strengthened. The internal control system is also subject to review by auditors.

The Company has appointed a firm of auditors for conducting internal audit on a half yearly basis and the report is considered by the Audit Committee of the Board headed by a Non-executive Independent Director.

DIRECTORS

Mr. Supriya Mukherjee continued as Managing Director of the Company during the year, as per terms of appointment approved by members. Company also received approval of the Central Government pursuant to provisions of Section 197 of The Companies Act, 2013 for waiver of recovery of excess remuneration paid to the Managing Director during 2015 – 16 and for payment of remuneration payable to the Managing Director for his 2 years tenure of 2015 – 16 & 2016 -17; as per terms of remuneration approved by the members, with some reduction. It may be noted the same level of remuneration that Mr. Mukherjee had been paid since 01.04.2010 has been maintained while seeking approval of the Central Government as aforesaid.

Members appointed Mr. Aditya Khaitan and Mrs. Priya Saran Chaudhri as directors of the company at previous AGM of the Company held on 28th September, 2015.

Mrs. Priya Saran Chaudhri, director retires by rotation pursuant to Section 152 of The Companies Act, 2013 and Article 86 of Articles of Association of the Company at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

DECLARATIONS BY INDEPENDENT DIRECTORS

Necessary declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed, have been received.

KEY MANAGERIAL PERSONNEL

During the year 2015 – 16, following officials continued as Key Managerial Personnel, pursuant to Section 203 of The Companies Act, 2013 :

- i. Mr. Supriya Mukherjee, Managing Director
- ii. Mr. A. Suresh, Chief Financial Officer
- iii. Mr. Arvind Bajoria, Company Secretary

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Your Company has no holding or subsidiary company. Williamson Magor & Company Limited is holding 4319043 equity shares constituting 32.58% of total shareholding of the Company, so it is an associate company within the meaning of Section 2 (6) of The Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Your Board has developed and approved a Related Party Transactions Policy for purposes of identification and monitoring of related party transactions and the same is uploaded on the Company's website.

Your Company has not entered into any contracts/arrangements with related parties as required under Section 188(1) of the Companies Act, 2013, during the year under review. However there are contracts/arrangements

with related parties as defined by the said Act, executed prior to April 1, 2014 and the Statement in Form AOC -2 containing the details of the Related Party Transactions pertaining to such ongoing contracts forms a part of this Report as Annexure III .

MANAGERIAL REMUNERATION

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as per annexure V.

Mr. Supriya Mukherjee, Managing Director is the only executive director in receipt of remuneration, the details of which are available in the corporate governance report attached to the directors' report.

VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The VIGIL MECHANISM is available on the website of Company.

REMUNERATION POLICY

The Company has formulated a Remuneration Policy for Directors, Key Managerial Personnel and employees of the Company to ensure that adequate remuneration paid to attract, retain and motivate the senior management employees to run the company successfully. The Policy is available on the website of the Company and also annexed herewith.

RISK MANAGEMENT

Directors have adopted risk management policy to identify the risks involved in all activities of the Company. The main objective of this policy is to ensure sustainable business growth and to promote a pro-active approach in identifying, reporting, evaluating and mitigating risks associated with the business. The policy guides the board in identification of various business risks and to take appropriate steps to mitigate the same.

CORPORATE SOCIAL RESPONSIBILITY

The Company will constitute Corporate Social Responsibility (CSR) Committee in 2016-17 in compliance of provisions of Section 135 of the Companies Act 2013 and SEBI Listing Regulations.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9, as per annexure VII forms part of the Board's report.

OTHER DISCLOSURES

During the year under review:

- a. There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- b. Your Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- c. There were no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

COLLABORATORS

The Directors place on record their sincere appreciation to all its Collaborators for extending their valuable support and co-operation.

ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to their Customers, Bankers, Dealers, Suppliers, Stock Exchanges, Government and all other Stakeholders for the excellent assistance and cooperation. The Directors also thank all the employees of the Company for their valuable service and support during the year.

For and on behalf of the Board

Place : Kolkata

Date : Aug 9, 2016

Aditya Khaitan
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Economic Overview :**

With the expected improvement in the economic scenario in the country and the proposed increase of Government spending on infrastructure including oil and natural gas, the company has received value added qualitative orders during the year under review. This will help the Company to maintain its growth momentum both in top and bottom line during the year 2016-17. The orders received during 2015-16 and the orders expected to be received during the current year 2016-17 which are at an advanced stage of negotiations are expected to ensure sustainable sales growth in the foreseeable future.

2. Business / Industry Overview :

While the order book is poised favorably the Company is taking steps to introduce its products to new applications. Efforts are on to diversify geographically its product particularly in the export market across the globe. Export enquiry flow coupled with Industrial growth and investment in infrastructure kick started by Government during the year is likely to generate steady order inflow for your Company.

3. Current & Future Business Outlook :

As you are aware your Company's business is primarily focused in two segments viz. Process Equipment and Tea Drying Equipment. The outlook in respect of these Product Groups is detailed below :

a) Process Equipment :

As reported in the last Directors Report your Company has as a policy decided to accept orders only for value added critically customised orders so that both margins & geographical expansion are maintained and competition is restricted. Your Company has been able to secure large orders for Calciners from Soda Ash Industries, Fluid Bed Calciner; Dryer for PVC; IUGs and other critical equipments during the year. The commissioning of orders under manufacture during last year (2014-15) which were to be commissioned during 2015-16 (both in India and abroad) have been delayed due to customer's internal reasons, and are expected to be commissioned shortly in (2016-17). Successful commissioning of KEL supplied systems in these projects will definitely improve your Company's visibility as also improve your Company's customer base. This will also help your Company to improve its Previous Track Record (PTR) enabling your Company to bid for larger contracts.

Your Company is a preferred supplier of Instruments Utility Gas Systems (IUGs) for installation on ONGC offshore platforms and has during the year bagged orders for IUGs from ONGC contractors located both in India and abroad. ONGC is in the process of constructing new platforms as also revamping many existing platforms. Your Company is working towards acquiring more IUG orders during the year.

Your Company has initiated a business development plan to continue to scout for new business opportunities covering new products for existing customers, new customers, new applications and in new emerging economies.

As a result of the continued business development initiatives, for the first time your Company has quoted to countries where no supplies were so far made by your Company like :

- Russia – Fluid Bed Dryer for Fertilizer application
- Muscat – Vapour Recovery Unit (VRU) for Petroleum
- Turkey – Rotar Dryer for Fertilizer Plant

Your Company has developed a dryer for Sludge for application in several industries viz. Pharmaceuticals, Textile, Cement, etc. This application significantly reduces problems of Sludge/ waste disposal in several industries like textile, chemical, pharmaceutical etc. Your Company has received a number of orders for this product from several Companies. This segment involving small value dryer will have immense business potential in terms of volume. Your Company considers this to be a product with immense demand potential in near future in view of the policy of the Government to enforce strict norms pertaining to pollution control and discharge of effluents by industries. Your Company's product has a short payback period considering the investment the customer would be required to find land for disposal of the sludge in the absence of a dryer.

Your Company was successful in securing a large order for a dryer of capacity 31.5 TPH for PVC drying from an overseas company. This is a repeat order from same Company and confirms superior performance of the dryer earlier supplied by your Company.

Your Company was successful in commissioning of dryer for Coke & Iron Ore in a steel plant. With this success & considering the benefits being achieved by drying these products, before feeding to blast furnace, it is expected that other steel plants will also consider this option resulting in good business prospects for your Company in future.

Due to the growing demand in Soda Ash Industry, many of the reputed companies have embarked on capacity expansion. As your Company has been a preferred supplier for such large drying systems to the industry, your company has secured orders from industry majors in this segment during 2015-16.

Your Company's pilot plants set up in Saravali complex provide testing facilities to finalize the ideal drying solution for customers' specific applications. Trial runs for various new applications / products are being conducted at the Company's Pilot Plant in order to satisfy the customers about the efficiency of the process and the result. Some orders have been finalized by customers based on the test results in our Pilot Plant. Several trials for new applications are being conducted.

b) Tea Dryer & Withering System

Your Company continues to be a leader in the Tea Dryer industry and has expanded its reach in countries like South Africa, Uganda, Kenya, Vietnam, Nepal, Bangladesh, Sri Lanka, Indonesia, etc. Consequently, sales of tea dryers suffered during the year as customers did not release new orders and were reluctant to take delivery of the orders already booked.

Your Company has introduced a new model of Continuous Withering System (CWS) which is compact, more efficient as also cost effective. Order for Continuous Withering System (CWS) was also affected due to the crisis in the tea industry. Presently, the Company is negotiating with a few tea companies both in India and abroad for supply of CWS.

It is expected that demand for the Company's tea dryers and CWS will improve as compared to last year.

Risks Challenges and Threats :

Risks	Mitigation
➤ Infringement of Intellectual property Rights (IPRs)	a) The patent applications under the Patents Act 1956 for various products of the Company are under process. b) Your Company constantly innovates its products within the norms allowed in the patent to deter copying.
Business Risk ➤ The primary risk faced by your Company comes from increased competition in various segments due to entry of large number of domestic and international players.	Your Company is providing a total system to customers against products by some competitors to mitigate the risk from competition. However, the threat from Chinese Manufacturers continues.
➤ As some of the applications are entirely new and designed & manufactured for 1 st time there may be some shortfall in the product performance	Technological vetting of designs is done at the highest levels to ensure design is in line with customers' requirements.
➤ Long execution periods expose your Company to the risk of price variations.	Suitable contracts with vendors are made where price & credit period are matched with the buyers terms.
➤ As significant portion of the Companies sales is export the Company also faces the risk of currency fluctuations.	Your Company has a policy of hedging currency exposures to optimum levels.

Risks	Mitigation
<p>➤ Due to changing economic environment Customers delaying</p> <p>i) Payments</p> <p>ii) Taking Delivery of the manufactured product on committed date</p>	<p>The Company insists Letter of Credit (LC) terms with new and overseas customers. However, there remains a risk about the customers asking for postponing delivery when your Company's manufacture is completed. Such demands are settled through negotiations.</p>

5. Internal Control Systems & their Adequacy :

The Company has a system of regular internal audit and they report inter-alia on the adequacy of the internal controls. The internal audit reports are presented to the Audit Committee and are discussed at the meeting. Their recommendations are duly complied with.

6. Human Resource Development :

Your Company has put in place its succession planning. Accordingly it has identified number of positions in different management grades in order to maintain / improve the quality profile of its managerial resources which is key to the success of your Company's holding its prominent place as a leader in Drying solution.

Your Company has put in place various development and training programs for all employees including workmen. Industrial relations were cordial during the year.

7. Gentle Word of Caution :

Some of the statements in this management discussion and analysis report describing the Companies objectives, projections, estimates and expectations maybe 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India, tax laws, foreign exchange fluctuation, custom duties, litigations and labour relations.

Annexure - "II"

INFORMATION IN ACCORDANCE WITH THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016.

A. CONSERVATION OF ENERGY-

a) steps taken or impact on conservation of energy :

- i. Purchase of 15 nos. inverter based welding machines to reduce the energy consumption by replacement of conventional welding machines.
- ii. active monitoring of utilization of energy to reduce wastage

b) Steps taken by company for utilizing alternate sources of energy:

Nil-

c) Capital investment on energy conservation equipments :

₹ 14 lacs (Rupees Fourteen lacs) were invested in inverter based welding machines.

B. TECHNOLOGY ABSORPTION -

(i) Efforts made towards technology absorption;

- Design, development, installation and commissioning of drying system for PEEK (Poly Ether Ether Ketone) using sub-merged heat exchanger Fluid Bed Technology.
- Progress in Pilot plant for drying of Polyether Sulphone with Methanol and water as Solvent
- Drying of above products are very critical and require special technique. Embedded heat exchanger use saturated steam for transfer of heat. Dried products are used in aviation industry.

We believe that right technology is the key element in success of our products, so we are always looking for new techniques and technologies to upgrade our products and provide innovative solutions.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;

With the adoption of the above technologies, dual purpose was done to have product development as well as import substitutions.

- Fluid Bed Technology developed with drying technique results in better quality product with lower utility consumption.
- Paddle Dryer pilot plant trials for drying polyether sulphone is leading to efficient system to collect Methanol solvent.

(iii) Information regarding imported technology (imported during the last three years) -

a. The details of technology imported - as following

Technology provided by M/s. Carrier Vibrating Equipment Inc., USA to the Company for developing coke dryers which helps in making steel in blast furnace with considerable reduction in coke and iron ore.

Similarly M/s. Nara Machinery Company Limited, Japan has been providing technology for Fluid Bed Dryer with submerged heat exchanger and Paddle Dryer, which has been very well recognized in the market

- b. The year of import - The above technologies are being used by the Company for several years in the past.
- c. Whether the technology been fully absorbed - Yes
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - N/A

(iv) Expenditure incurred on Research and Development:

Expenditure on R&D:

- a) Capital
- b) Recurring ₹ 65.44 Lacs
- c) Total ₹ 65.44 Lacs
- d) Total R&D expenditure as a percentage of total turnover 0.47

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans:

The Company's executives visited prospective customers overseas. The Company also actively participated in international trade fairs to explore available opportunities.

- b) Total foreign exchange used and earned:

- Total foreign exchange used ₹ 786.15 Lacs
- Total foreign exchange earned - ₹ 3033.73 Lacs

For and on behalf of the Board

Kolkata
Date: Aug. 9, 2016

Aditya Khaitan
Chairman

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

(Pursuant to Section 134 (3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis – As following

The agreement was approved by Audit Committee for two years in the meeting held on 12th February 2015.

Name of Party	Relationship	Nature of transaction	Duration	Salient terms including value (₹ Lakhs)
Williamson Magor and Company Limited	Associate company	Payment of corporate consultancy charges	April 1, 2015 to March 31, 2016	24.00

2. Details of contract or arrangements or transactions at arm's length basis as on 31st March 2016:

The Omnibus approval was given by Audit Committee in the meeting held on 28th May 2015.

However, the placement of ICD of ₹ 300 Lacs was approved at the meeting of Audit Committee held on 12th February, 2016.

Name of Party	Relationship	Nature of transaction	Duration	Salient terms including value (₹ Lakhs)
Williamson Magor and Company Limited	Associate Company	Payment of Rent monthly	April 1, 2015 to March 31, 2016	16.80
Williamson Magor and Company Limited	Associate Company	Reimbursement of electricity charges	- do -	5.72
Williamson Magor and Company Limited	Associate Company	Inter Corporate Deposit (ICD) given	since March, 2016	300.00
Williamson Magor and Company Limited	Associate Company	Interest Income on ICD	since March, 2016	0.46

There were no material contracts or arrangements or transactions entered into by the Company with related parties which may have a potential conflict with the interests of the Company at large.

For and on behalf of the Board

Kolkata

Date: 9th August, 2016

Aditya Khaitan

Chairman

Remuneration Policy

The Remuneration Policy of Kilburn Engineering Ltd (the “Company”) is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company’s objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to the Company’s senior management, including its Key Managerial Persons (KMPs) and Board of Directors.

GUIDING PRINCIPLES

The Guiding Principle is that the remuneration and other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.

- The Remuneration Policy for executives reflects the overriding remuneration philosophy and principles of Company. When determining the remuneration policy and arrangements for Whole time Directors / KMPs, the Nomination and Remuneration Committee, constituted in accordance with Section 178 of the Companies Act, 2013, considers parity with peers and employment conditions elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- The Nomination and Remuneration Committee while considering a remuneration package must ensure a direct relationship with the Key Result Areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the company and its goals.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The Remuneration policy is guided by a common reward framework and set of principles and objectives as envisaged under section 178 of the Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 inter-alia principles pertaining to determining qualifications, positive attributes and independence of the Directors, integrity, etc. The main objectives are –

Attract and retain: Remuneration packages are designed to attract high-calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

Motivate and reward: Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful short and long-term targets.

The principal terms of non-monetary benefits: The Executives will also be entitled to customary non-monetary benefits such as Company Cars, Telephones/Mobiles, Health care facilities, etc. In addition thereto, in specific cases, particularly at the Unit levels, company may also provide housing and other benefits.

EXECUTIVE REMUNERATION – SENIOR MANAGEMENT

Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors and further by the shareholders and Central Government as per legal requirements. Executive remuneration is evaluated annually against performance.

Benchmarking is done with the help of reports generated by / through reputed manpower recruitment consultancies. In determining remuneration packages, the Committee may consult with the Chairman/ Managing Director and Independent Directors as well, as appropriate. Total remuneration shall include of following:

- **A fixed base salary**, set at a level aimed at attracting and retaining executives with professional and personal competencies required to drive the Company's performance.
- **Other allowances / incentives**, based on the work profile / achievement of individuals as per business targets, duly approved by the Managing Director.
- Pension / ESI contributions, made in accordance with applicable laws and employment agreements.

Loyalty / Belongingness to Company, to be achieved by aligning the rewards and recognitions for longer association of the employees with the organization and encouraging Referrals as one of the sources of recruitment to strengthen the company work-force. Necessary steps to be taken to introduce it in the Company.

Working Atmosphere at the workplace, company committed to provide good working atmosphere conducive to efficient and effective functioning of the employees with excellent culture and good inter-personal relationship within the organization as well as with external business associates.

Female employees, HR policy of the company gives fair chance to males as well as females in employment and prefers to maintain the reasonable balance. It also provides requisite protection to female employees through effective implementation of HR Policies to safeguard against Sexual Harassment, etc.

Severance payments in accordance with termination clauses in employment agreements. Severance payments shall comply with the legal framework.

DISCLOSURE OF INFORMATION

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

APPROVAL OF THE REMUNERATION POLICY

This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.

The Remuneration Policy is binding for the Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board and shall be modified /revised with the consent of the Nomination and Remuneration committee and Board of Directors of the company from time to time as may be required. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

DISSEMINATION

The Company's Remuneration Policy shall be published on its website.

For and on behalf of the Board

Kolkata

Date: 9th August, 2016

Aditya Khaitan
Chairman

REMUNERATION AND OTHER SPECIFIED PARTICULARS OF EMPLOYEES

Information pursuant to Section 197(12) of the Companies Act, 2013 (the Act) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each director to the median remuneration of the employees and other details in terms of Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S r . no.	Requirements	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	<p><u>Managing Director</u></p> <p>Mr. Supriya Mukherjee 76.42 : 1</p> <p><u>Non Executive Directors</u></p> <p>Mr. Aditya Khaitan 3.02 : 1</p> <p>Mr. Amritanshu Khaitan 3.63 : 1</p> <p>Mr. Manmohan Singh 9.67 : 1</p> <p>Mr. Subir Ranjan Dasgupta 1.21 : 1</p> <p>Mr. Padam Kumar Khaitan 3.02 : 1</p> <p>Mr. Gobind Saraf 9.06 : 1</p> <p>Mrs. Priya Saran Chaudhri 1.21 : 1</p> <p>Remuneration of Non-Executive Directors consists of Sitting Fees received for attending Board/Committee Meetings for 2015-16</p>
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	No increment was made in the salary of any director, CFO during the year. Salary of CS was increased by 6%
3	The percentage increase in the median remuneration of employees in the financial year	9.6% increase in the median remuneration of workmen
4	The number of permanent employees on the rolls of the Company	339 employees were on the rolls of company as on March 31, 2016.
5	The explanation on the relationship between average increase in remuneration and Company performance	During 2015-16, net profit of Company increased by 91.68% (approx). The remuneration of managerial personnel was increased by 10% (approx) during the year and wages of workmen increased by 32%.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total remuneration of Key Managerial Personnel is 17.88% of the Profit Before Tax (PBT) for the year 2015 – 16.
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The Market capitalization of the Company has increased from Rs 71.98 crores as on March 31, 2015 to Rs. 83.98 crores as of March 31, 2016. Over the same period, the price to earnings ratio moved from 17.40 to 10.59. The stock price of the Company as at March 31, 2016 has increased by 153.40% to Rs. 63.55 over the last offering of equivalent equity shares of Rs.10/- each on rights basis in March, 2006 at an issue price of Rs.25/- share.
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile in the managerial remuneration and justification thereof.	Average salary of workmen increased by 32% % during the year 2015 – 16 and there was Approx 10% increase in the remuneration of managerial personnel during the year.

S r . no.	Requirements	Disclosure
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Remuneration of Key Managerial Personnel was 17.88% of the Profit Before Tax (PBT) for the year 2015 – 16. MD (12.86%), CFO (3.84%) and CS (1.18%)
10	The key parameters for any variable component of remuneration availed by the directors.	There is no variable component of remuneration of directors.
11	The ratio of the remuneration of the highest paid directors to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	No employee in the company is paid remuneration higher than the Managing Director.
12	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, affirmed

For and on behalf of the Board

Kolkata

Date: 9th August, 2016

Aditya Khaitan

Chairman

ANNEXURE "VI"

FORM NO MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

KILBURN ENGINEERING LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KILBURN ENGINEERING LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2016** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent of Foreign Direct Investment and overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

KILBURN ENGINEERING LTD.

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not Applicable to the Company**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable to the Company**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable to the Company**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable for the financial year ended March 31, 2016;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- Not applicable for the financial year ended March 31, 2016; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi. Other applicable laws to the Company.
- I have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
 - ii. The Listing Agreements entered into by the Company with BSE Limited and The Calcutta Stock Exchange Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Independent Directors and Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule Board Meetings. Agenda and detailed notes on agenda were sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions have been taken unanimously and no dissent recorded in Board Meetings.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

The Board of Directors of the Company has approved the scheme of Amalgamation of EMC Limited (EMC), McNally Sayaji Engineering Limited, McNally Bharat Engineering Company Ltd and the Company and their respective shareholders in terms of Section 391-394 of the Companies Act, 1956.

For **Dhruvil M Shah & Co.**

Place: Mumbai
Date: 09th August, 2016

Dhruvil M Shah
Practicing Company Secretary
CP 8978; FCS 8021

This Report is to be read with my letter of even date which is annexed as Annexure- I and forms an integral part of this report.

ANNEXURE I
(To the Secretarial Audit Report)

To,
The Members,
KILBURN ENGINEERING LIMITED

My report of even date is to be read along with this letter:

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Dhruvil M Shah & Co.**

Place: Mumbai
Date: 09th August, 2016

Dhruvil M Shah
Practicing Company Secretary
CP 8978; FCS 8021

ANNEXURE "VII"

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- | | |
|--|---|
| i) CIN | : L24232WB1987PLC042956 |
| ii) Registration Date | : 07-09-1987 |
| iii) Name of the Company | : Kilburn Engineering Limited |
| iv) Category / Sub-Category of the Company | : Public Company / Limited by shares |
| v) Address of the Registered office and contact details | : 3 rd Floor, Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001
Tel: +91 -33- 2231 3337
Fax: +91 -33- 2231 4768 |
| vi) Whether listed company | : Yes (Listed on BSE & CSE) |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2 nd Floor, Surendra Mohan Ghosh Sarani, Kolkata – 700 001
Tel. : +91 -33- 2243 5809 / 5029
Fax: +91 -33- 2248 4787 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

S. no.	Name and Description of Main Products/ Services	NIC Code of the Product / Service	%age to total turnover
1	Industrial Machinery / Dryer / Cooler	84193900	95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company	:	Nil
Subsidiary Company	:	Nil
Associate Company	:	Williamson Magor & Company Limited (holding 32.58% of total share capital of Kilburn Engineering Limited)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**i) Category-wise Share Holding**

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	17000	201	17201	0.13	17000	201	17201	0.13	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	7550537	0	7550537	56.96	7550537	0	7550537	56.96	0.00
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	7567537	201	7567738	57.09	7567537	201	7567738	57.09	0.00
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	7567537	201	7567738	57.09	7567537	201	7567738	57.09	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	900	900	0.01	0	900	900	0.01	0.00
b) Banks/FI	1100	700	1800	0.01	200	700	900	0.01	-50.00
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-	1100	1600	2700	0.0204	200	1600	1800	0.0136	-33.3333
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	794618	4000	798618	6.0247	799635	4000	803635	6.0625	0.6282
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2774832	440360	3215192	24.2550	2516574	430919	2947493	22.2356	-8.3261
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1364428	0	1364428	10.2931	1541972	0	1541972	11.6325	13.0123
c) Others (Specify)									
Non Resident Indians	62262	500	62762	0.4735	85282	500	85782	0.6471	36.6782
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	244330	0	244330	1.8432	238148	0	238148	1.7966	-2.5302
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	0	0	0	0.0000	69200	0	69200	0.5220	100.0000
Employee Trusts									
Domestic Corporate Unclaimed Shares Account	0	0	0	0.0000	69200	0	69200	0.5220	100.0000
Sub-total(B)(2):-	5240470	444860	5685330	42.8895	5250811	435419	5686230	42.8963	0.0158
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5241570	446460	5688030	42.9099	5251011	437019	5688030	42.9099	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	12809107	446661	13255768	100.0001	12818548	437220	13255768	100.00	0.0000

ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/04/2015]			Shareholding at the end of the year [As on 31/03/2016]			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	WILLIAMSON MAGOR & CO LIMITED	4319043	32.58	0.00	4319043	32.58	0.00	0.00
2	BISHNAUTH INVESTMENTS LIMITED	1454200	10.97	0.00	1454200	10.97	0.00	0.00
3	UNITED MACHINE CO LTD	929126	7.01	0.00	929126	7.01	0.00	0.00
4	MCLEOD RUSSEL INDIA LIMITED	848168	6.40	0.00	848168	6.40	0.00	0.00
5	B M KHAITAN	15600	0.12	0.00	15600	0.12	0.00	0.00
6	DEEPAK KHAITAN	1200	0.01	0.00	1200	0.01	0.00	0.00
7	SHANTI KHAITAN	400	0.00	0.00	400	0.00	0.00	0.00
9	DEEPAK KHAITAN	1	0.00	0.00	1	0.00	0.00	0.00
	TOTAL	7567738	57.09	0.00	7567738	57.09	0.00	0.00

iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning [01/04/15]/ end of the year [31/03/2016]	% of total shares of the company	Cumulative Shareholding during the year [01/04/15 to 31/03/2016]	% of total shares of the company
		No. of shares		No. of shares	
1	ESTATE OF DEEPAK KHAITAN				
	01-04-2015	1	0.0000		
	31-03-2016	1	0.0000	1	0.0000
2	MCLEOD RUSSEL INDIA LIMITED				
	01-04-2015	848168	6.3985		
	31-03-2016	848168	6.3985	848168	6.3985
3	UNITED MACHINE CO LTD				
	01-04-2015	929126	7.0092		
	31-03-2016	929126	7.0092	929126	7.0092
4	WILLIAMSON MAGOR & CO LIMITED				
	01-04-2015	4319043	32.5824		
	31-03-2016	4319043	32.5824	4319043	32.5824
5	BISHNAUTH INVESTMENTS LIMITED				
	01-04-2015	1454200	10.9703		
	31-03-2016	1454200	10.9703	1454200	10.9703
6	SHANTI KHAITAN				
	01-04-2015	400	0.0000		
	31-03-2016	400	0.0030	400	0.0030
8	ESTATE OF DEEPAK KHAITAN				
	01-04-2015	1200	0.0091		
	31-03-2016	1200	0.0091	1200	0.0091

Sl. No.	Name	Shareholding at the beginning [01/04/15]/ end of the year [31/03/2016]	% of total shares of the company	Cumulative Shareholding during the year [01/04/15 to 31/03/2016]	% of total shares of the company
		No. of shares		No. of shares	
9	B M KHAITAN				
	01-04-2015	15600	0.1162		
	31-03-2016	15600	0.1162	15600	0.1162

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding at the beginning [01/Apr/15]/ end of the year [31/Mar/16]		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SYSTEMATIX FINCORP INDIA LIMITED				
	01-04-2015	55000	0.4149		
	21/08/2015 - Transfer	40000	0.3018	95000	0.7167
	27/11/2015 - Transfer	-95000	0.7167	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
2	NINJA SECURITIES PRIVATE LIMITED				
	01-04-2015	73089	0.5514		
	10/04/2015 - Transfer	28830	0.2175	101919	0.7689
	17/04/2015 - Transfer	-51252	0.3866	50667	0.3822
	24/04/2015 - Transfer	-1708	0.0129	48959	0.3693
	26/06/2015 - Transfer	13987	0.1055	62946	0.4749
	30/06/2015 - Transfer	2285	0.0172	65231	0.4921
	21/08/2015 - Transfer	-45037	0.3398	20194	0.1523
	28/08/2015 - Transfer	2000	0.0151	22194	0.1674
	30/09/2015 - Transfer	3906	0.0295	26100	0.1969
	27/11/2015 - Transfer	-5238	0.0395	20862	0.1574
	31/12/2015 - Transfer	-500	0.0038	20362	0.1536
	22/01/2016 - Transfer	4030	0.0304	24392	0.1840
	29/01/2016 - Transfer	31	0.0002	24423	0.1842
	05/02/2016 - Transfer	500	0.0038	24923	0.1880
	26/02/2016 - Transfer	-24923	0.1880	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
3	SUSHIL FINANCIAL SERVICES PRIVATE LTD (BEN A/C)				
	01-04-2015	59189	0.4465		
	03/04/2015 - Transfer	-1000	0.0075	58189	0.4390
	10/04/2015 - Transfer	17645	0.1331	75834	0.5721
	17/04/2015 - Transfer	-5967	0.0450	69867	0.5271
	24/04/2015 - Transfer	1825	0.0138	71692	0.5408
	26/06/2015 - Transfer	-16412	0.1238	55280	0.4170
	30/06/2015 - Transfer	-200	0.0015	55080	0.4155

Sl. No.	Name	Shareholding at the beginning [01/Apr/15]/ end of the year [31/Mar/16]		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	21/08/2015 - Transfer	32300	0.2437	87380	0.6592
	28/08/2015 - Transfer	2615	0.0197	89995	0.6789
	30/09/2015 - Transfer	3286	0.0248	93281	0.7037
	27/11/2015 - Transfer	-19835	0.1496	73446	0.5541
	31/12/2015 - Transfer	4112	0.0310	77558	0.5851
	22/01/2016 - Transfer	14032	0.1059	91590	0.6909
	29/01/2016 - Transfer	648	0.0049	92238	0.6958
	05/02/2016 - Transfer	-82	0.0006	92156	0.6952
	12/02/2016 - Transfer	-683	0.0052	91473	0.6901
	26/02/2016 - Transfer	2815	0.0212	94288	0.7113
	04/03/2016 - Transfer	-175	0.0013	94113	0.7100
	11/03/2016 - Transfer	-1820	0.0137	92293	0.6962
	18/03/2016 - Transfer	-3824	0.0288	88469	0.6674
	25/03/2016 - Transfer	-481	0.0036	87988	0.6638
	31/03/2016 - Transfer	534	0.0040	88522	0.6678
4	YORK FINANCIAL SERVICES PVT. LTD.				
	01-04-2015	65281	0.4925		
	03/04/2015 - Transfer	-27500	0.2075	37781	0.2850
	26/06/2015 - Transfer	-5589	0.0422	32192	0.2429
	21/08/2015 - Transfer	45341	0.3420	77533	0.5849
	27/11/2015 - Transfer	-77533	0.5849	0	0.0000
	18/03/2016 - Transfer	2055	0.0155	2055	0.0155
	31/03/2016 - Transfer	57271	0.4320	59326	0.4475
5	G. SUNDAR				
	01-04-2015	182751	1.3787		
	22/01/2016 - Transfer	-4650	0.0351	178101	1.3436
	31-03-2016	178101	1.3436	178101	1.3436
6	RADHIKA TRADERS & INVESTORS LTD				
	01-04-2015	69200	0.5220		
	31-03-2016	69200	0.5220	69200	0.5220
7	THE CALCUTTA STOCK EXCHANGE LIMITED				
	01-04-2015	189523	1.4297		
	03/04/2015 - Transfer	82846	0.6250	272369	2.0548
	10/04/2015 - Transfer	-260137	1.9624	12232	0.0923
	17/04/2015 - Transfer	-12232	0.0923	0	0.0000
	24/04/2015 - Transfer	1452	0.0110	1452	0.0110
	26/06/2015 - Transfer	-1452	0.0110	0	0.0000
	22/01/2016 - Transfer	500	0.0038	500	0.0038
	29/01/2016 - Transfer	-500	0.0038	0	0.0000
	31-03-2016	0	0.0000	0	0.0000

Sl. No.	Name	Shareholding at the beginning [01/Apr/15]/ end of the year [31/Mar/16]		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	ANUSHREYA INVESTMENTS PVT. LTD.				
	01-04-2015	116581	0.8795		
	03/04/2015 - Transfer	-10980	0.0828	105601	0.7967
	17/04/2015 - Transfer	-13738	0.1036	91863	0.6930
	24/04/2015 - Transfer	-22311	0.1683	69552	0.5247
	26/06/2015 - Transfer	27337	0.2062	96889	0.7309
	21/08/2015 - Transfer	-66259	0.4999	30630	0.2311
	30/09/2015 - Transfer	-2220	0.0167	28410	0.2143
	27/11/2015 - Transfer	-28410	0.2143	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
9	ANUSHIKHA INVESTMENTS PVT LTD				
	01-04-2015	44366	0.3347		
	03/04/2015 - Transfer	-44366	0.3347	0	0.0000
	21/08/2015 - Transfer	29541	0.2229	29541	0.2229
	27/11/2015 - Transfer	-29541	0.2229	0	0.0000
	31/12/2015 - Transfer	78881	0.5951	78881	0.5951
	22/01/2016 - Transfer	10766	0.0812	89647	0.6763
	29/01/2016 - Transfer	7699	0.0581	97346	0.7344
	26/02/2016 - Transfer	21900	0.1652	119246	0.8996
	25/03/2016 - Transfer	48677	0.3672	167923	1.2668
	31/03/2016 - Transfer	18025	0.1360	185948	1.4028
10	BANHEM STOCK BROKING PRIVATE LIMITED				
	01-04-2015	0	0.0000		
	10/04/2015 - Transfer	50000	0.3772	50000	0.3772
	21/08/2015 - Transfer	-10000	0.0754	40000	0.3018
	27/11/2015 - Transfer	-15000	0.1132	25000	0.1886
	11/03/2016 - Transfer	-1505	0.0114	23495	0.1772
	18/03/2016 - Transfer	-15680	0.1183	7815	0.0590
	25/03/2016 - Transfer	-4815	0.0363	3000	0.0226
	31/03/2016 - Transfer	-500	0.0038	2500	0.0189
11	KASHI PRASAD JHUNJHUNWALA				
	01-04-2015	0	0.0000		
	22/01/2016 - Transfer	62017	0.4678	62017	0.4678
	29/01/2016 - Transfer	2272	0.0171	64289	0.4850
	12/02/2016 - Transfer	1633	0.0123	65922	0.4973
	31/03/2016 - Transfer	20108	0.1517	86030	0.6490
12	SEEMA JAIN				
	01-04-2015	0	0.0000		
	27/11/2015 - Transfer	105018	0.7922	105018	0.7922
	22/01/2016 - Transfer	400	0.0030	105418	0.7953
	31-03-2016	105418	0.7953	105418	0.7953

Sl. No.	Name	Shareholding at the beginning [01/Apr/15]/ end of the year [31/Mar/16]		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13	ARYAV SECURITIES PRIVATE LIMITED				
	01-04-2015	0	0.0000		
	21/08/2015 - Transfer	52955	0.3995	52955	0.3995
	27/11/2015 - Transfer	-26086	0.1968	26869	0.2027
	05/02/2016 - Transfer	783	0.0059	27652	0.2086
	12/02/2016 - Transfer	21112	0.1593	48764	0.3679
	26/02/2016 - Transfer	-21895	0.1652	26869	0.2027
	04/03/2016 - Transfer	11188	0.0844	38057	0.2871
	31/03/2016 - Transfer	16633	0.1255	54690	0.4126
14	NIRANKAR ADVISOR LLP				
	01-04-2015	0	0.0000		
	27/11/2015 - Transfer	54506	0.4112	54506	0.4112
	31/12/2015 - Transfer	-15406	0.1162	39100	0.2950
	22/01/2016 - Transfer	-14460	0.1091	24640	0.1859
	31-03-2016	24640	0.1859	24640	0.1859
15	TEJAS B. TRIVEDI				
	01-04-2015	0	0.0000		
	21/08/2015 - Transfer	65367	0.4931	65367	0.4931
	27/11/2015 - Transfer	45000	0.3395	110367	0.8326
	12/02/2016 - Transfer	-110367	0.8326	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
16	RISEWELL HOUSING LLP				
	01-04-2015	67941	0.5125		
	10/04/2015 - Transfer	-22206	0.1675	45735	0.3450
	17/04/2015 - Transfer	-45735	0.3450	0	0.0000
	30/09/2015 - Transfer	15498	0.1169	15498	0.1169
	27/11/2015 - Transfer	-13719	0.1035	1779	0.0134
	12/02/2016 - Transfer	74715	0.5636	76494	0.5771
	26/02/2016 - Transfer	47809	0.3607	124303	0.9377
	04/03/2016 - Transfer	1215	0.0092	125518	0.9469
	11/03/2016 - Transfer	11511	0.0868	137029	1.0337
	18/03/2016 - Transfer	35240	0.2658	172269	1.2996
	25/03/2016 - Transfer	1	0.0000	172270	1.2996
	31-03-2016	172270	1.2996	172270	1.2996
17	SKYBRIDGE REAL ESTATES LLP				
	01-04-2015	0	0.0000		
	30/09/2015 - Transfer	36783	0.2775	36783	0.2775
	27/11/2015 - Transfer	-36783	0.2775	0	0.0000
	05/02/2016 - Transfer	400	0.0030	400	0.0030
	12/02/2016 - Transfer	130050	0.9811	130450	0.9841

Sl. No.	Name	Shareholding at the beginning [01/Apr/15]/ end of the year [31/Mar/16]		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	26/02/2016 - Transfer	152	0.0011	130602	0.9852
	04/03/2016 - Transfer	5248	0.0396	135850	1.0248
	31/03/2016 - Transfer	-2950	0.0223	132900	1.0026
18	SHIVANI T. TRIVEDI				
	01-04-2015	0	0.0000		
	10/04/2015 - Transfer	10000	0.0754	10000	0.0754
	24/04/2015 - Transfer	8030	0.0606	18030	0.1360
	21/08/2015 - Transfer	131140	0.9893	149170	1.1253
	27/11/2015 - Transfer	80000	0.6035	229170	1.7288
	05/02/2016 - Transfer	-32400	0.2444	196770	1.4844
	12/02/2016 - Transfer	-123000	0.9279	73770	0.5565
	26/02/2016 - Transfer	-20440	0.1542	53330	0.4023
	31/03/2016 - Transfer	-53330	0.4023	0	0.0000
19	DEVIKA ANAND				
	01-04-2015	90091	0.6796		
	31-03-2016	90091	0.6796	90091	0.6796
20	LINCOLN P COELHO				
	01-04-2015	50000	0.3772		
	31-03-2016	50000	0.3772	50000	0.3772
21	BHAGIRATH PASARI				
	01-04-2015	224100	1.6906		
	25/03/2016 - Transfer	-15000	0.1132	209100	1.5774
	31/03/2016 - Transfer	-15000	0.1132	194100	1.4643
22	DHEERAJ KUMAR LOHIA				
	01-04-2015	66080	0.4985		
	26/06/2015 - Transfer	-46080	0.3476	20000	0.1509
	21/08/2015 - Transfer	-20000	0.1509	0	0.0000
	31-03-2016	0	0.0000	0	0.0000
23	SNEHALATHA SINGHI				
	01-04-2015	101384	0.7648		
	26/06/2015 - Transfer	-12960	0.0978	88424	0.6671
	21/08/2015 - Transfer	-88424	0.6671	0	0.0000
	31-03-2016	0	0.0000	0	0.0000

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning [01/04/15]/ end of the year [31/03/2016]	% of total shares of the company	Cumulative Shareholding during the year [01/04/15 to 31/03/2016]	% of total shares of the company
		No. of shares		No. of shares	
1	ARVIND BAJORIA				
	01-04-2015	300	0.0023		
	10/04/2015 - Transfer	-295	0.0022	5	0.0000
	31-03-2016	5	0.0000	5	0.0000
2	B M KHAITAN				
	01-04-2015	15600	0.1177		
	31-03-2016	15600	0.1177	15600	0.1177

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(Rs. Lakhs)

Sl. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of financial year				
i.	Principal Amount	2848.51	-	-	2848.51
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	5.84	-	-	5.84
	Total (i + ii + iii)	2854.35	-	-	2854.35
	Change in Indebtedness during the financial year				
	• Addition	43.00			43.00
	• Reduction	1243.05	-	-	1243.05
	Net Change	(1200.05)			(1200.05)
	Indebtedness at the end of the financial year				
i.	Principal Amount	1648.46	-	-	1648.46
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	2.73	-	-	2.73
	Total (i + ii + iii)	1651.19	-	-	1651.19

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Rs. Lakhs)

Sl. No.	Particulars	Remuneration to Managing Director
1	Gross Salary	
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	117.08
b.	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2.08
c.	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify ...	-
5	Others, please specify	-
	Total	119.58

B. Remuneration to other directors

Names of Directors	Sitting Fees (Rs./-)	Commission	Others	Total
Mr. Aditya Khaitan	50,000	0.00	0.00	50,000
Mr. Subir Ranjan Dasgupta	20,000	0.00	0.00	20,000
Mr. Amritanshu Khaitan	60,000	0.00	0.00	60,000
Mr. Manmohan Singh	1,60,000	0.00	0.00	1,60,000
Mr. Padam Kumar Khaitan	50,000	0.00	0.00	50,000
Mr. Gobind Saraf	1,50,000	0.00	0.00	1,50,000
Mrs. Priya Saran Chaudhri	20,000	0.00	0.00	20,000

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

(Rs. Lakhs)

Sl. No.	Particulars	Remuneration to C.F.O.	Remuneration to C.S.
1	Gross Salary		
a.	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	34.11	10.49
b.	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.48	0.54
c.	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify ...	-	-
5	Others, please specify	-	-
	Total	35.59	11.03

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences for the year ended March 31, 2016.

For and on behalf of the Board

Kolkata

Date: 9th August, 2016

Aditya Khaitan

Chairman

REPORT ON CORPORATE GOVERNANCE

(Pursuant to applicable provisions of the SEBI (LODR) Regulations, 2015)

I. Company's Philosophy

Corporate Governance is very important for an organisation as it shows the effectiveness of governance, the strength and standard of the Company. Your Company always follows principles and standards, ethical practices and remains transparent when it deals with stake holders.

The Company has adopted Code of Conduct for its employees including Executive and Non-Executive Directors. Human resource policy of the Company is also modified from time to time keeping the principles and culture of work in the interest of the employees and growth of the Company and its stakeholders.

The Company has strong legacy of fair, transparent and ethical governance practices. Compliance of all the provisions, rules and regulations is regularly audited to fulfill the demand of regulators and stakeholders and to give worth to their money, time, effort and investment.

II. Composition of Board of Directors

- i) As on 31st March 2016, the Company has eight directors including a Non-Executive Chairman. The Board consists of optimum numbers of Non-Executive and Independent Directors as per Regulation 17 of the SEBI (LODR) Regulations, 2015 with ultimate responsibility & substantial powers of management. There are two Non-Executive Directors and four Independent Directors out of total eight Directors in the Board.
- ii) None of the Directors hold membership in more than ten committees and chairmanship in more than five committees. The names and categories of the Directors on the Board, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as at 31st March, 2016 is given below :

Sr. No.	Names of the Directors	Category	No. of Board Meetings during the year 2015-16		Attendance at the last AGM held on 28.09.2015	Directorship in other public Companies ¹	Committee position held in other public Companies ²	
			Held	Attended			Chairman	Member
1	Mr. Aditya Khaitan, Chairman	Non-Executive	6	5	Yes	9	1	3
2	Mr. Supriya Mukherjee, Managing Director	Executive	6	5	Yes	-	-	-
3	Mr. Subir Ranjan Dasgupta	Independent	6	1	No	3	1	3
4	Mr. Amritanshu Khaitan	Non-Executive	6	6	Yes	9	-	-
5	Mr. Manmohan Singh	Independent	6	5	Yes	-	-	-
6	Mr. Padam Kumar Khaitan	Independent	6	3	Yes	8	3	6
7	Mr. Gobind Saraf	Independent	6	5	Yes	2	-	-
8	Mrs. Priya Saran Chaudhri	Independent	6	2	No	1		1

¹ Directorship held in Private Companies, Not for profit Companies and Foreign Companies and alternate directorship is not included.

² Only Audit Committee and Stakeholders' Relationship Committee are taken into consideration as per the provisions of SEBI (LODR) Regulations, 2015.

The Company's Chairman is a Non-Executive Director and as at March 31, 2016, Independent Directors comprise one-half of the Board strength. Composition of Board has not changed since the last report.

- iii) The fees / compensation, if any, paid to the Non-Executive Directors has been disclosed hereafter in this Report. None of the Non-Executive Directors of the Company has any pecuniary relationship and / or transaction with the Company.
- iv) Board has met from time to time as detailed hereafter taking into consideration the compliance reports of all applicable laws. The information as specified in Part A of Schedule II to SEBI (LODR) Regulations, 2015 is provided to the Board as and when applicable and material.
- v) The Board has adopted "Code of Conduct for Board Members and Senior Management of the Company". All the Board Members and Senior Management have affirmed the compliance with the said Code of Conduct during the year 2015 - 16. A declaration to this effect signed by Managing Director is appended to this Report of Corporate Governance. The Code of Conduct is available on the website of the Company i.e., www.kilburnengg.com

III. Board Meetings

The Board of Directors of the Company regularly meets as per the provisions of the Companies Act, 2013 and other rules, regulations and agreement etc. to take note of the compliance of transactions & activities of the Company from time to time. All major decisions of the Company are taken by the Board in duly held meetings of it and its committees.

- i) The Board has been called within the required time gap under the listing agreement. During the financial year 2015-16, the Board has met six times as on 28/5/2015, 13/8/2015, 9/11/2015, 12/02/2016, 22/03/2016 and 31/03/2016 without exceeding four months gap between two meetings. The meetings are convened by giving appropriate advance notice with material and important items pertaining to the development and working of the Company in an explanatory agenda leading to take strategic decisions. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Board members for facilitating meaningful, informed and focused decisions at the meetings. All the meetings of the Board and its committees were completed with proper quorum. All the proceedings of the meetings are properly entered in the Minutes Book within 30 days from conclusion of the meeting after the same being drafted by the Company Secretary and verified by the Chief Financial Officer of the Company.
- ii) Details of remuneration and sitting fees to Directors (for attending meetings of Board of Directors, Audit Committee, Share Transfer and Shareholder Grievance Committee and Remuneration Committee) for the year 2015-16 are as under:

(Amount in Rs.)

Names of Directors	Designation	Sitting Fees	Salary & Perquisites **	Commission	Total
Mr. Aditya Khaitan	Non-Executive	50,000	NA	NA	50,000
Mr. Supriya Mukherjee	Executive	NA	168.28 Lacs**	Nil	168.28 Lacs**
Mr. Subir Ranjan Dasgupta	Independent	20,000	NA	NA	20,000
Mr. Amritanshu Khaitan	Non-Executive	60,000	NA	NA	60,000
Mr. Manmohan Singh	Independent	1,60,000	NA	NA	1,60,000
Mr. Padam Kumar Khaitan	Independent	50,000	NA	NA	50,000
Mr. Gobind Saraf	Independent	1,50,000	NA	NA	1,50,000
Mrs. Priya Saran Chaudhri	Independent	20,000	NA	NA	20,000

** Includes salary, house rent allowance, contribution to provident / gratuity / superannuation funds and leave encashment payable at the end of tenure (partly availed during the year). Directors have not been granted any stock options during the year.

Shareholding of Non-Executive Directors

Details of the equity shares held by Non-Executive Directors as on 31st March, 2016 are as under:

Names of Directors	Nature of Directorship	No. of Equity shares held
Mr. Amritanshu Khaitan	Non-Executive	NIL
Mr. Aditya Khaitan	Non-Executive	Nil
Mr. Subir Ranjan Dasgupta	Independent Director	NIL
Mr. Manmohan Singh	Independent Director	NIL
Mr. Padam Kumar Khaitan	Independent Director	NIL
Mr. Gobind Saraf	Independent Director	NIL
Mrs. Priya Saran Chaudhri	Independent Director	NIL

IV. Audit Committee**i) Members of the Audit Committee:**

All the members of the Audit Committee are financially literate and have acquired financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. The Audit Committee is constituted in line with Regulation 18 of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges read with Section 177 of the Companies Act, 2013 has following members:

Names of the Members	Position Held	Category
Mr. Subir Ranjan Dasgupta	Chairman	Non-Executive Independent Director
Mr. Supriya Mukherjee	Member	Managing Director
Mr. Manmohan Singh	Member	Non-Executive Independent Director
Mr. Gobind Saraf	Member	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

ii) Details of the meetings of the Audit Committee during the year 2015-16 and its objectives:-

During the year 2015-16, five meetings of the Audit Committee were held and attended by the members as per the details given below;

Sr. No.	Name of Members	Meetings / Attendance				
		28/5/2015	13/8/2015	9/11/2015	12/02/2016	31/03/2016
1	Mr. Subir Ranjan Dasgupta	Absent	Absent	Absent	Present	Absent
2	Mr. Supriya Mukherjee	Present	Present	Present	Present	Absent
3	Mr. Manmohan Singh	Present	Present	Present	Present	Present
4	Mr. Gobind Saraf	Present	Present	Present	Present	Present

Chief Financial Officer of the Company and Statutory Auditors are invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee after approving minutes of its Meetings has forwarded to the Board of Directors of the Company for their noting at the Board meeting.

iii) Terms of reference

The terms of reference of Audit Committee cover the matters specified under Regulation 18 of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013 and broadly following functions are performed by it:

- a) Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law requirements and to ensure that the financial statements are correct and credible.

- b) Review of quarterly, half yearly and annual financial statements before submission to the Board for approval.
- c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions.
- d) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and Internal Auditors and the fixation of audit fees.
- e) Review of the adequacy of internal control systems, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit and further recommending to the Internal Auditors regarding the nature and scope of internal audit.
- f) Review of reports of Statutory and Internal Auditors and replies of the management thereof.
- g) Disclosure of any related party transactions, approval or any subsequent modification of transactions of the company with related parties.
- h) Scrutiny of inter-corporate loans and investments.
- i) Valuation of undertakings or assets of the Company, wherever it is necessary.
- j) Review of the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- k) Review of the annual financial statements with the management before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (5) of Section 134 of the Companies Act, 2013.
 - Changes, if any, in the accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment of the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Qualifications in the draft audit report.
- l) Review of management representation letters to be issued to the Statutory Auditors.
- m) Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- n) Reviewing compliances as regards the Company's Whistle Blower Policy.
- o) Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate.

V. Nomination and Remuneration Committee

- i) The Remuneration Committee consisted of the following members during the year 2015 - 16:

Names of Members	Position Held	Category
Mr. Subir Ranjan Dasgupta	Chairman	Non-Executive Independent Director
Mr. Manmohan Singh	Member	Non-Executive Independent Director
Mr. Gobind Saraf	Member	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

One meeting of Nomination and Remuneration Committee was held during the financial year 2015-2016 on 12th February, 2016 which was attended by Mr. Gobind Saraf and Mr. Manmohan Singh and the members reviewed the performance of senior management personnel and approved revision in remuneration of some senior management personnel in view of remuneration policy of the Company.

ii) Terms of reference:

- To determine and set forth, in consultation with the Board, the Remuneration package of Executive Directors of the Company;
- To determine and approve the remuneration and commission / incentive payable to the Managing Director of the Company for each financial year;
- To approve the sitting fees / commission payable to the Non-Executive Directors of the Company;
- To approve, in the event of loss or inadequacy of profits in any given financial year, the minimum remuneration payable to the Managing Director and Whole-time Directors within the limits as specified in Schedule V of the Companies Act, 2013.

iii) Employee Stock Option Scheme:

The Company does not have any Employee Stock Option Scheme in place.

iv) Remuneration Policy:

During the year 2015 – 16, Nomination and Remuneration Committee reviewed the remuneration of senior management personnel in view of the remuneration policy of the Company for Directors and Key Managerial Personnel u/s 178(3) of The Companies Act, 2013

During the year 2015 – 16, Mr. Supriya Mukherjee, Managing Director was paid Rs. 54 Lacs as Salary, Rs. 27 Lacs as Bonus, alongwith other benefits as per his terms of appointment. He does not hold any equity shares in the Company as on 31st March, 2016. His tenure as per the agreement is from 01st April, 2014 till 31st March, 2017 was approved by shareholders at their meeting held on 30th September, 2014. The notice period is 6 months and no severance fees is payable to him. His remuneration during the past two years was as following :

Particulars	2015-16 (Rs.)	2014-15 (Rs.)
Salary	54,00,000	54,00,000
Perquisite	2,08,047	2,45,849
Bonus and allowances	69,90,000	69,90,000
Others Including retiral benefits	19,79,776	19,79,776
Leave Encashment	22,50,000	-

The details of relationship between Directors inter-se, sitting fees paid to Non-Executive Directors during the year 2015-16 (for attending the meetings of Board of Directors, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee) and the number of equity shares held by them is as follows:

Names of Directors	Relationship between Directors inter-se	Sitting fees paid for Board Meetings and Committee Meetings (in Rs.)	Number of Equity Shares held in KEL as on 31 st March, 2016
Mr. Aditya Khaitan	Uncle of Mr. Amritanshu Khaitan	50,000	NIL
Mr. Amritanshu Khaitan	Nephew of Mr. Aditya Khaitan	60,000	NIL
Mr. Subir Ranjan Dasgupta	-	20,000	NIL
Mr. Manmohan Singh	-	1,60,000	NIL
Mr. Padam Kumar Khaitan	-	50,000	NIL
Mr. Gobind Saraf	-	1,50,000	NIL
Mrs. Priya Saran Chaudhri	-	20,000	NIL

The Non-Executive Directors were paid sitting fees of Rs. 10,000/- for each meeting of the Board and of Committee thereof attended by them. Except for sitting fees, Non-Executive Directors are not paid any remuneration and / or commission.

v) Board Evaluation :

The Board has devised the process and the criteria for the performance evaluation which has been recommended by the Nomination & Remuneration Committee and approved by the Board.

The process for performance evaluation is as under:

- The Board evaluates the performance of the Directors excluding the Director being evaluated.
- The Nomination & Remuneration Committee evaluates the performance of each Director.
- The Independent Directors evaluate the performance of the Non- Independent Directors including the Chairperson of the Company taking into account the views of the Executive and Non-Executive Directors and of the Board as a whole.
- Performances of the Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committees are also evaluated.

The criteria for performance evaluation as laid down by the Nomination & Remuneration Committee, inter alia include:

- Appropriate Board size, composition, independence, structure
- Appropriate expertise, skills and leadership initiatives
- Attendance in meetings and participation in discussions
- Adequate knowledge about the Company's business and the economic scenario
- Innovative ideas for growth of the Company's business and economic scenario
- Effectiveness in discharging functions, roles and duties as required
- Review and contribution to strategies, business and operations of the Company
- Expression of independent opinion on various matters taken up by the Board
- Timely flow of information and effective decision making
- Defining roles and effective coordination and monitoring
- Effective and prompt disclosures and communication
- Compliance with applicable laws and adherence to Corporate Governance
- Compliance with Policies, Code of Conduct etc.

VI. Stakeholders' Relationship Committee

- i) During 2015- 16, the Company had a Stakeholders' Relationship Committee pursuant to section 178 (5) of The Companies Act, 2013 for effective redressal of shareholders' complaints like transfer of shares, non-receipt of Annual Report, non- receipt of declared dividend etc. and reporting of the same to the Board periodically. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.
- ii) The Committee as on 31st March, 2016 comprised of following members:

Names of the Members	Position Held	Category
Mr. Padam Kumar Khaitan	Chairman	Non-Executive Independent Director
Mr. Manmohan Singh	Member	Non-Executive Independent Director
Mr. Gobind Saraf	Member	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

- iii) Procedure for approval and details of meetings and attendance during the year 2015 - 2016:

During the year 2015 - 2016, four meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Members	Meetings / Attendance			
		28/05/2015	13/08/2015	9/11/2015	12/02/2016
1	Mr. Padam Kumar Khaitan	Present	Absent	Present	Absent
2	Mr. Gobind Saraf	Present	Present	Present	Present
3	Mr. Manmohan Singh	Present	Present	Present	Present

The power to approve the share transfer / transmission and dematerialisation and / or rematerialisation has been delegated severally to Chief Financial Officer and Company Secretary. The request for share transfer/transmission, dematerialization / rematerialisation and issue of new share certificates in lieu of old/worn-out/lost/defaced/split/consolidation etc. is processed and attended at least once in a fortnight in co-ordination with Maheshwari Datamatics Private Limited, Registrars & Transfer Agents of the Company.

All the above requests processed during a quarter are then taken into record for approval of Shareholders / Investors' Grievance cum Share Transfer Committee.

iv) Name, Designation and Contact details of Compliance Officer:

Mr. Arvind Bajoria
Company Secretary & Compliance Officer
Plot No.6, MIDC Industrial Area, Kalyan Bhiwandi Road,
Saravali, Thane 421 311, Maharashtra – India.
Phone: 91 2522 241800 / 91 2522 662200
Fax: 91 2522 281026 / 91 2522 280166
E-mail: investor@kilburnengg.com

v) Details of Investors' Complaints/Grievances and their status:

The details of Investors' Complaints received and redressed by the Company and its registrars Maheshwari Datamatics Pvt. Ltd. during the year 2015-2016 is as follows:

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Declared Dividend	1	1
Non-receipt of Share Certificates	1	1
Non-receipt of Annual Reports	NIL	NIL
Shares not dematerialised / rematerialised	NIL	NIL
Others	NIL	NIL
Total	2	2

VII. Subsidiary Companies

The Company does not have any subsidiary companies.

VIII. General Body Meetings

i) Details of last three Annual General Meetings (AGM):

Financial year	AGM No.	Day & Date	Venue	Time
2014-2015	27 th	Monday, 28 th September, 2015	Williamson Magor Hall, The Bengal Chamber of Commerce and Industry, 6, Netaji Subhash Road, Kolkata – 700 001	10.00 a.m.
2013-2014	26 th	Tuesday, 30 th September, 2014	Williamson Magor Hall, The Bengal Chamber of Commerce and Industry, 6, Netaji Subhash Road, Kolkata – 700 001	10.30 a.m.
2012-2013	25 th	Monday, 30 th September, 2013	Williamson Magor Hall, The Bengal Chamber of Commerce and Industry, 6, Netaji Subhash Road, Kolkata – 700 001	10.30 a.m.

ii) Details of Special resolutions passed in last three Annual General Meetings (AGM):

AGM No.	No. of Special resolutions passed	Particulars of Special resolutions
27 th	2 (Two)	1. Waiver of Recovery of excess remuneration paid to Managing Director during 2014- 15; 2. Authorisation for payment of remuneration to Managing Director exceeding the limit for remuneration allowed u/s 197 of The Companies Act, 2013
26 th	1 (One)	1. Re-appointment of Mr. Supriya Mukherjee as Managing Director of the Company for a period of three years w.e.f. 01 st April, 2014;
25 th	NIL	NA

iii) Details of resolutions passed through Postal Ballot in the past three years :

Four resolutions as mentioned below were passed through Postal Ballot on 14th October, 2014 with requisite majority

1. Borrowing money(ies) for the business of the Company.
2. Creation of Charge / Mortgage on assets of the Company, both present and future, in favour of lenders.
3. Making loans / investments or providing security / guarantee for other companies, as may be necessary for business of the Company.
4. Adoption of new articles of association of the Company.

Under provisions of the Companies Act, 2013, As and when required, the Postal Ballot shall be conducted in accordance with the provisions of Section 110 of the Companies Act, 2013 and The Companies (Management and Administration) Rules, 2014.

IX. Disclosures

i) Related party transactions:

Related party transactions have been disclosed under Note 27.4 of Audited Accounts in accordance with "Accounting Standard 18". A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

No material transactions are entered with related parties in conflict with the interest of the Company's business. All the transactions with related parties are entered at arm's length price. The Disclosure of interest in any of the transaction is made to the Board every year by the Directors as and when they become interested. Further, interested Directors neither participate nor vote in the transaction wherein they have potential interest.

ii) Disclosure of Accounting treatment:

The financial statements of the Company for the year ended 31st March, 2016 are prepared in conformity with the Accounting Standards. From the current year, for project orders, which are executed over a period of time, the company has adopted progress method of accounting for better presentation of financial statements.

iii) Risk Assessment:

The Company has an effective and efficient Risk Assessment and Management System to track, analyze and mitigate the risks associated with the Company. The Board of Directors periodically reviews the procedure of Risk Assessment and Management and thereby frame a properly defined network with help of which executive management can control risks. The details of risks associated with the Company and the ways to mitigate those risks are discussed in Management Discussion & Analysis Report annexed to the Directors' Report.

iv) Proceeds from public issues, rights issues, preferential issues, etc.:

During the year under review, the Company has not raised any proceeds through public issues, rights issues, preferential issues, etc.

v) Remuneration of Directors:

Already disclosed in Clause V which is "Nomination and Remuneration committee" section.

vi) Management:

a) Management Discussion & Analysis report is attached as annexure "I" to Directors' Report.

b) There were no material financial and commercial transactions by Senior Management as defined in Clause 49 of the Listing Agreement or SEBI (LODR) Regulations, 2015 where they have personal interest that may have a potential conflict with the interests of the Company at large.

vii) Shareholders:

The brief profile and other information pertaining to Directorship held in other Companies, shareholding etc. of the Directors proposed to be re-appointed at the ensuing Annual General Meeting of the Company are attached to the Notice of Annual General Meeting.

viii) Compliances:

a) During the last three years ending on 31st March, 2016, there were no non-compliances, penalties, strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets.

b) The Company has fully complied with all the statutory requirements of Listing Agreement entered into with Stock Exchanges including mandatory requirements of Clause 49/SEBI LODR Regulations, 2015.

c) The details of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement/ SEBI LODR Regulations, 2015 is as follows;

i) The Board has set up a Remuneration Committee to determine competitive remuneration package of Executive Directors of the Company. The details of Remuneration Committee are given earlier in this report.

ii) Whistle Blower Policy:

The Company has established a mechanism for employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguard to the victimised employees and spreads the way to curb those practices being followed in the office premises. None of the personnel of the Company has been denied access to the Audit Committee.

ix) Means of Communication:

Kilburn's commitment to the principles of transparency in all its dealings is the foundation of its continuous endeavour to create sustainable value for all its stakeholders. In this pursuit, the Company places highest emphasis on communicating information to its stakeholders.

In line with Clause 54 of the Listing Agreement, read with regulation 62 of SEBI LODR Regulations 2015 Company has maintained a functional website at www.kilburnengg.com containing basic information about the Company, financial information, shareholding pattern, Notices, compliance with corporate governance, contact information of the Compliance Officer, Investor Relation Officer and Registrar and Transfer Agent of the Company for investor grievances. The contents of the said website are updated from time to time.

a) Financial results

The quarterly, half yearly and annual results of the Company in the format prescribed under Clause 41 of the Listing Agreement / regulation 33 of the SEBI (LODR) Regulations, 2015 are published in prominent dailies such as Free Press Journal (English) and Duranto Barta (Bengali) and also posted on the website of the Company i.e., www.kilburnengg.com

b) Other information

Important official news and presentation made to institutional investors or to the analysts is also posted on the Company's website www.kilburnengg.com, as and when released.

x) CEO / CFO Certificate:

The CEO/CFO Certificate for the year ended 31st March, 2016 as required under SEBI Listing Regulations, 2015 was placed and taken on record at the Board Meeting of the Company held on 9th August, 2016.

xi) Certificate of compliance:

The Certificate of a Practising Company Secretary confirming compliance with all requirements of the Clause 49 of the Listing Agreement and SEBI (LODR) Regulations for the year ended 31st March, 2016 is appended to this report.

xii) Insider Trading Code:

The Company has adopted Code of Conduct for Prevention of Insider Trading in line with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct elaborates ways and measures to deal with unpublished price sensitive information and restricts the insider trading by any of the Directors and Senior Management personnel of the Company.

xiii) General Shareholders Information:

a) Annual General Meeting

Date	: Thursday, 22 nd September, 2016
Time	: 10:00 a.m.
Venue	: Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001.

b) Financial year 2016-2017 (tentative schedule)

Quarter Results

Ending on June 30, 2016	: Second week of August 2016
Ending on September 30, 2016	: Second week of November 2016
Ending on December 31, 2016	: Second week of February 2017
Year ended March 31, 2017	: In the month of May 2017

AGM is proposed to be held in September, 2017.

c) Date of Book Closure : 16th September, 2016 to 22nd September, 2016 (Both days inclusive)

d) Listing on Stock Exchanges : BSE Limited (BSE), Mumbai
The Calcutta Stock Exchange Association Limited (CSE), Kolkata
The Annual Listing fees for the year 2015-2016 has been paid to the above two Stock Exchanges within the stipulated time.

e) Stock Code

BSE Ltd	: 522101
The Calcutta Stock Exchange Association Ltd.	: 21022

f) Corporate Identification Number : L24232WB1987PLC042956

g) ISIN number : INE338F01015

h) Stock Market Price Data :

Performance of share price of the Company in comparison to BSE Sensex, for FY : 2015 – 2016 was as following :

Month & Year	Share Price of KEL on BSE				BSE Sensex	
	Month's High (Rs.)	Month's Low (Rs.)	Month's Closing Price (Rs.)	Volume of shares traded (In no.)	Month's High (Index point)	Month's Low (Index point)
April 2015	65.65	53.20	54.80	834281	29094.61	26897.54
May 2015	61.35	47.70	50.80	341334	28071.16	26423.99
June 2015	53.80	43.20	52.40	224241	27968.75	26307.07
July 2015	68.90	50.70	63.10	1120528	28578.33	27416.39
August 2015	68.85	48.55	58.20	812763	28417.59	25298.42
September 2015	66.70	49.50	65.25	221856	26471.82	24833.54
October 2015	91.50	65.00	80.60	1582871	27618.14	26168.71
November 2015	83.10	68.30	76.20	171597	26824.3	25451.42
December 2015	88.00	74.00	84.00	255899	26256.42	24867.73
January 2016	89.90	63.00	68.15	268628	26197.27	23839.76
February 2016	71.90	52.00	54.40	412132	25002.32	22494.61
March 2016	74.00	55.00	63.35	434240	25479.62	23133.18

- i) Registrars and Transfer Agents : Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani,
Kolkata – 700 001.
Tel No.: (033) 2243 5809 / 5029; 2248 2248
Fax No.: (033) 2248 4787
E-mail: mdpl@cal.vsnl.net.in

j) Share Transfer System:

The physical transfer of shares is processed and approved by the Company in co-ordination with Maheshwari Datamatics Private Limited, at least once in every fortnight. The Share Certificates after effecting transfer are dispatched to the shareholders within 15 days from the date of receipt of transfer request, if the transfer documents are found technically in order and complete in all respects. The transfer of shares held in Demat mode is processed electronically by Maheshwari Datamatics Private Limited within 15 days from the date of receipt of the request.

The Shares of the Company are compulsorily traded in dematerialised form.

k) Distribution of shareholding as on 31st March, 2016:

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
UPTO - 500	7665	87.16	11647160	8.79
501 – 1000	564	6.41	477646	3.60
1001 - 2000	238	2.71	3703270	2.79
2001 - 3000	98	1.11	252447	1.90
3001 - 4000	46	0.52	165616	1.25
4001 - 5000	43	0.49	210960	1.59
5001 - 10000	70	0.79	526321	3.97
10001 and above	70	0.79	10087735	76.10
TOTAL	8794	100.00	13255768	100.00

Shareholding pattern as on 31st March, 2016:

		Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
A		Promoters' Holding			
	1	Promoters			
		Indian	9	7567738	57.09
		Foreign	-	-	-
B		Public Shareholding			
	2	Institutional Investors	-		
		a. Mutual Funds and UTI	2	900	0.01
		b. Banks, Financial Institutions	2	900	0.01
		c. Insurance Companies	-	-	-
		d. Foreign Institutional Investors	-	-	-
	3	Others			
		a. Bodies Corporate	123	803635	6.06
		b. Indian Public	8544	4489465	33.87
		c. NRIs / OCBs	68	85782	0.65
		d. Others	46	238148	1.80
		Total (1+2+3)	8794	13255768	100.00

None of the shares have been pledged or are otherwise encumbered.

l) Dematerialization of shares and liquidity: **Details of Shares in Physical & Electronic Mode as on 31st March 2016**

The Company's Shares are traded in Stock Exchange in dematerialised form and are available for trading in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2016 the data are as follows.

Particulars	No. of Shares	Percentage of Total Shares
Physical Segment	4,37,220	3.30 %
NSDL	1,06,02,270	79.98 %
CDSL	22,16,278	16.72 %
Grand Total	1,32,55,768	100.00 %

ISIN No. of the Company's Equity Shares is: INE338F01015

m) **Dividend**

Dividend History

Financial Year	Type	Dividend		
		Per share	Face Value	% on face value
2014-2015	No dividend declared during 2014-15.			
2013-2014	No dividend declared during 2013-14.			
2012-2013	No dividend declared during 2012-13.			

n) **Unpaid / Unclaimed dividend**

Section 205A and 205C of the Companies Act, 1956, mandates that the companies transfer dividend that has been unclaimed for a period of 7 years from the unpaid dividend account to the Investor

Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years, will be transferred to IEPF.

Financial Year	Unclaimed dividend amount as on 31.03.2016 (Rs.)	Date of Declaration	Dividend Payment Date	Due date for transfer to IEPF
2008-2009 Final	434130.00	29 th September, 2009	08 th October, 2009	07 th October, 2016
2009-2010 Final	332722.50	31 st August, 2010	08 th September, 2010	07 th September, 2017
2010-2011 Final	489037.50	24 th September, 2011	07 th October, 2011	06 th October, 2018

o) INVESTORS SAFEGUARDS:

- **Dematerialization of Shares and Liquidity**

Shareholders are requested to convert their physical holding to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

- **Update Address Details and Bank Details**

To receive all communications/corporate actions promptly, shareholders holding shares in dematerialised form are requested to please update their address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

- **National Electronic Clearing Service (NECS) / Electronic Clearing Services (ECS) mandate for Dividend**

NECS/ECS facility ensures timely remittance of dividend without possible loss/delay in postal transit. Shareholders/Members holding shares in electronic form may register their NECS/ECS details with the respective DPs and Shareholders/Members holding shares in physical form may register their NECS/ECS details with the Registrars and Share Transfer Agent, **M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata – 700 001** to receive dividends, if declared, via the NECS/ECS mode.

- **Register Nomination(s)**

Members holding shares in physical form are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed Form 2B from/with the Registrars & Share Transfer Agents. Members holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

- **Register E mail Address**

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, whereby Companies are permitted to send Notices/documents including Annual Report comprising Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc. in electronic mode (hereinafter referred to as 'documents'), provided the Company has obtained email addresses of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email address and changes therein from time to time with the Company. Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email address along with details such as name, address, folio no., no. of shares held to the Registrars and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. In respect of shares held in electronic form, the email address along with DP ID/Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective Depository Participants.

Upon registration of the email address, the Company proposes to send notices and documents, in electronic form, to such shareholders.

- a) Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity : NIL
- b) Plant Location : Kilburn Engineering Limited
Plot No. 6, MIDC Industrial Area,
Kalyan Bhiwandi Road, Saravali,
Thane 421 311, Maharashtra.
- c) Address for Correspondence : Registered Office
Four Mangoe Lane, Surendra Mohan Ghosh
Sarani, Kolkata – 700 001.
Tel. No. : 033 22313337/3450
Fax No. : 033 22314768
E-mail: investors@kilburnengg.com
Corporate Office
Plot No. 6, MIDC Industrial Area, Kalyan Bhiwandi
Road, Saravali, Thane 421 311, Maharashtra.
Phone: 91 2522 241800 / 91 2522 662200
Fax: 91 2522 281026 / 91 2522 280166
E-mail: investors@kilburnengg.com
Registrars & Transfer Agents
M/s Maheshwari Datamatics Pvt. Ltd.,
6, Mangoe Lane, 2nd Floor, Surendra Mohan
Ghosh Sarani, Kolkata – 700 001.
Tel No.: (033) 2243 5809 / 5029; 2248 2248
Fax No.: (033) 2248 4787
E-mail: mdpl@cal.vsnl.net.in

For and on behalf of the Board

Kolkata, 9th August, 2016

Supriya Mukherjee
Managing Director

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Supriya Mukherjee, Managing Director of the Company do hereby give this declaration pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has laid down code of conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e., www.kilburnengg.com. All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended 31st March, 2016.

Kolkata, 9th August, 2016

Supriya Mukherjee
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
KILBURN ENGINEERING LIMITED

We have examined the compliance of conditions of Corporate Governance by KILBURN ENGINEERING LIMITED for the year ended March 31, 2016 as stipulated in Clause 49 of the erstwhile Listing Agreements and Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the erstwhile Listing Agreement and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Dhrumil M. Shah & Co.
Practicing Company Secretaries

Dhrumil M. Shah
CP 8978; FCS 8021

Place: Mumbai
Date: 9th August, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KILBURN ENGINEERING LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **KILBURN ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

The Company has made a partial provision for diminution in value of its investment in equity shares of Mcnally Bharat Engineering Company Limited for reason stated in note 26.4. We are unable to express an opinion on the extent of other than temporary diminution, if any, in the value of investment in view of significant reduction in market price of the shares. Our audit report was qualified in this regard in the previous year as well.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at

31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 26.1 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at the year end - Refer note 27.7 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

MUMBAI, 23rd May 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **KILBURN ENGINEERING LIMITED** (the "Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified as at March 31, 2016 in the Company's internal control system with respect to valuation of the Investment in shares of McNally Bharat Engineering Company Limited in view of the significant reduction in the market price of the shares, as described in Note 26.4 of the Financial Statement, which could result in stating the investments at a value higher than its realisable value.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2016.

We have considered the material weakness reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2016, and the material weakness has affected our opinion on the said financial statements of the Company.

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

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

MUMBAI, 23rd May 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) Immovable properties of land and buildings including leasehold land, whose title deeds have been pledged as security for Cash Credit facility are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of leasehold land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) According to information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans. The Company has not made any investments or provided any guarantees.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable and hence reporting under clause 3(v) of the Order is also not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (₹ in lakhs)
Central Sales Tax Act	Sales Tax	Tribunal (Appeal II)	F Y 2008-09	13.86
Central Sales Tax Act	Central Sales Tax	Joint Commissioner of Sales Tax	F Y 2005-06	488.42
Maharashtra VAT Act	VAT	Joint Commissioner of Sales Tax	F Y 2005-06	111.98
Income Tax Act	Income Tax	Deputy Commissioner of Income Tax	A Y 2008-09	9.50
Income Tax Act	Income Tax	Deputy Commissioner of Income Tax	A Y 2010-11	14.15
Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals)	A Y 2011-12	35.39
Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals)	A Y 2012-13	53.69
Central Excise Act 1994	Excise Duty	Additional Commissioner of Central Excise	F Y 2011-12	70.06*

* KEL has paid an Interest of ₹ 14 lacs and penalty of ₹ 7 lacs and reversed CENVAT of ₹ 28 lacs during the month April 2016.

There are no dues of Service Tax and Customs Duty as on March 31, 2016 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan from government and not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 117364W)

G. K. Subramaniam

Partner

(Membership No. 109839)

MUMBAI, 23rd May 2016

BALANCE SHEET

AS AT 31ST MARCH, 2016

		(₹ in Lacs)	
Particulars	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,325.58	1,325.58
(b) Reserves and surplus	4	8,959.72	8,485.70
		10,285.30	9,811.28
2 Non-current liabilities			
(a) Long-term borrowings	5	30.90	-
(b) Long-term provisions	6	-	192.91
		30.90	192.91
3 Current liabilities			
(a) Short-term borrowings	7	1,617.56	2,848.51
(b) Trade payables	8		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 26.2)		14.70	9.18
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,838.19	2,859.71
(c) Other current liabilities	9	4,738.93	2,987.31
(d) Short-term provisions	10	942.21	582.67
		10,151.59	9,287.38
TOTAL		20,467.79	19,291.57
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		6,156.57	6,375.11
(ii) Intangible assets		34.60	23.06
(iii) Capital work-in-progress		-	55.74
		6,191.17	6,453.91
(b) Non-current investments	12	1,509.65	1,709.65
(c) Long-term loans and advances	13	457.56	451.03
(d) Other Non current assets	14	161.55	177.61
		8,319.93	8,792.20
2 Current assets			
(a) Inventories	15	1,335.92	1,097.78
(b) Trade receivables	16	1,724.85	528.70
(c) Cash and Cash Equivalents	17	672.89	642.91
(d) Short-term loans and advances	18	2,087.74	2,125.18
(e) Other current assets	19	6,326.46	6,104.80
		12,147.86	10,499.37
TOTAL		20,467.79	19,291.57
See accompanying notes forming part of the financial statements	1- 29		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

G.K. Subramaniam
Partner

Aditya Khaitan
Chairman
(DIN - 00023788)

A. Suresh
VP-Finance & Chief Financial Officer

For and on behalf of the Board of Directors

Supriya Mukherjee
Managing Director
(DIN - 00127747)

Arvind Kumar Bajoria
Company Secretary

Place : Mumbai
Date : 23rd May 2016

Place : Kolkata
Date : 23rd May 2016

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2016

₹ In Lacs

Particulars	Note No.	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
1 Revenue from operations (gross)	20	14,516.23	12,637.87
Less: Excise duty		(1,007.85)	(569.29)
Revenue from operations (net)		13,508.38	12,068.58
2 Other income	21	464.67	343.04
3 Total revenue (1+2)		13,973.05	12,411.62
4 Expenses			
(a) Cost of materials consumed	22.a	7,300.22	6,837.01
(b) Changes in inventories of finished goods and work-in-progress	22.b	(101.79)	(72.68)
(c) Employee benefits expense	23	1,871.97	1,535.03
(d) Finance costs	24	600.10	546.13
(e) Depreciation and amortisation expense	11	433.95	420.41
(f) Other expenses	25	2,938.74	2,563.60
Total expenses		13,043.19	11,829.50
5 Profit before tax (3 - 4)		929.86	582.12
6 Tax expense :			
(a) Current tax expense		237.50	163.50
(b) Mat Credit Entitlement		(237.50)	-
(c) Short provision for tax relating to prior years		136.75	-
(d) Deferred tax		-	4.86
		136.75	168.36
7 Profit for the year (5-6)		793.11	413.76
8 Earnings per share (of ₹ 10/- each):	27.5		
Basic / Diluted		5.98	3.12
See accompanying notes forming part of the financial statements	1- 29		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

G.K. Subramaniam
Partner

Place : Mumbai
Date : 23rd May 2016

For and on behalf of the Board of Directors

Aditya Khaitan
Chairman
(DIN - 00023788)

A. Suresh
VP-Finance & Chief Financial Officer

Place : Kolkata
Date : 23rd May 2016

Supriya Mukherjee
Managing Director
(DIN - 00127747)

Arvind Kumar Bajoria
Company Secretary

CASH FLOW STATEMENT**FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lacs

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	929.86	582.12
Adjustments for :		
Depreciation and amortisation expense	433.95	420.41
Adjustments to the carrying amount of long-term investments	200.00	79.52
Intangible asset under development written off	-	29.76
Liabilities no longer required written back	(275.37)	(76.48)
Bad debts written off	122.70	210.86
Liquidated Damages, Warranties and Rebates	161.82	152.70
Net gain in foreign currency translations	(50.80)	(75.14)
Finance Costs	600.10	546.13
Dividend Income	(2.71)	(6.02)
Interest Income	(137.04)	(113.60)
Operating profit before working capital changes	1,982.51	1,750.26
Changes in Working Capital :		
Adjustments for (increase) / decrease in operating assets		
Trade and Other Assets	(1,836.94)	(821.07)
Short Term Loans and advances	452.44	(77.23)
Long term loans and advances	(10.47)	19.61
Inventories	(238.14)	(151.68)
	(1,633.11)	(1,030.37)
Adjustments for increase / (decrease) in operating liabilities		
Trade, Other Payables and Provisions	1,762.79	(825.84)
Cash Generated from Operations	2,112.19	(105.95)
Net Income Tax Paid	(207.45)	(128.46)
Net Cash flow / (used in) from Operating Activities	1,904.74	(234.41)
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets	(171.21)	(313.86)
Net Bank balances not considered as cash and cash equivalents	(4.03)	(189.66)
Interest Received	498.76	39.43
Dividend Received	2.71	6.02
Inter-corporate deposit given	(415.00)	-
Inter-corporate deposit refunded	-	115.00
Net Cash (used in) from Investing Activities	(88.77)	(343.07)

₹ in Lacs

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid (including Dividend Distribution Tax)	(0.05)	-
(Decrease) / Increase in Short Term Bank Borrowings	(1,238.45)	1,176.00
Proceeds from long term bank borrowings	43.00	-
Repayment of short term bank borrowings	(4.60)	-
Inter-corporate deposits taken / (repaid)	-	(100.00)
Finance Cost	(603.03)	(542.26)
Net Cash (used in) / flow from Financing Activities	(1,803.13)	533.74
Net decrease in cash & cash equivalents (A+B+C)	12.84	(43.74)
Cash & Cash Equivalents - Opening Balance	26.07	69.81
Cash & Cash Equivalents - Closing Balance	38.91	26.07

Notes

- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Accounting Standard (AS - 3) Cash Flow Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- Figures relating to the previous year have been recast where necessary to confirm to figures of the current year.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

G.K. Subramaniam
Partner

Place : Mumbai
Date : 23rd May 2016

Aditya Khaitan
Chairman
(DIN - 00023788)

A. Suresh
VP-Finance & Chief Financial Officer

Place : Kolkata
Date : 23rd May 2016

For and on behalf of the Board of Directors

Supriya Mukherjee
Managing Director
(DIN - 00127747)

Arvind Kumar Bajoria
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate Information

Kilburn Engineering Limited is primarily engaged in designing, manufacturing and commissioning customized equipment / systems for critical applications in several industrial sectors viz. Chemical including Soda Ash, Carbon Black, Steel, Nuclear Power, Petrochemical and Food Processing etc.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of The 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued, after providing for obsolescence and other losses where considered necessary as under:

- Raw Materials/Components: at lower of cost (determined on monthly weighted average cost basis) and net realizable value.
- Stores and spare parts: at lower of cost (determined on FIFO basis) and net realizable value.
- Work-in-progress and Finished Goods: at lower of weighted average cost (including appropriate proportion of overheads) and net realizable value.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs.

2.4 Depreciation/Amortisation

- Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold land is amortised over the duration of the lease. Intangible assets are amortised over their estimated useful life on straight line method over a period of 5 years. (Refer Note 11).
- Assets costing Rs. 5,000/- or less are fully depreciated in the year of acquisition. Lease hold land and improvements are depreciated over the lease period.

2.5 Revenue Recognition

Revenue / Sales are recognized when significant risks and rewards associated with ownership are transferred to the buyer. Revenue from contract related activity is recognised on progress method; the stage of completion is measured by reference to the proportion that contract costs incurred for work done till the balance sheet date bears to the estimated total contract costs; full provision is made for any loss in the period in which it is foreseen.

2.6 Fixed Assets (Tangible / Intangible)

Fixed Assets are recorded at cost. The cost of fixed assets include all costs incidental to acquisition, commissioning and related internal costs. The fixed assets are carried at cost less accumulated depreciation.

2.7 Foreign currency transactions and translations

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency as at balance sheet date are restated at the exchange rates prevailing on that date. Exchange differences on such restatement or on settlement are recognized in the Statement of profit and loss. The Company's forward exchange contracts are not held for trading or speculation. The discount / premium arising on entering into such

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

contract is amortised over the life of such contracts and exchange differences arising on such contracts are recognised in the Statement of Profit and Loss.

2.8 Investments

Long-term investments are stated at cost less diminution in value other than temporary. Current investments are stated at lower of cost or fair market value. Cost of investments included acquisition charges such as brokerage, fees and duties. Dividends are accounted for when declared.

2.9 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Defined contribution plans

Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to Statement of profit and loss during the period in which employees perform the services that the payment covers. Superannuation fund is a defined contribution scheme. The Company contributes a sum equivalent to 15% of eligible employees' salary to Superannuation Fund administered by a trust and managed by a life insurance company.

Defined benefit plans

Gratuity liability is defined benefit obligation and is funded with Life Insurance Corporation of India. The present value of gratuity obligation is actuarially determined based on the projected unit credit method as at the balance sheet date. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

Short-term employee benefits

The amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.

Long-term employee benefits

The company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary.

2.10 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred. The borrowing costs in respect of funds borrowed to finance the qualifying fixed assets until the assets are ready for commercial use are capitalised.

2.11 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized, on consideration of prudence if there is certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized; deferred tax asset consisting of losses / accumulated depreciation is recognized only if there is virtual certainty supported by convincing evidence that the asset will be realized in future. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involve substantial degree of estimation in measurement and are recognized when it is probable that there will be outflow of resources as a result of past events. Separate disclosure in notes to accounts is made for each class of provision. Contingent Liabilities (where outflow of resources is not considered probable) are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 3 Share Capital**

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	2,17,47,900	2,174.79	2,17,47,900	2,174.79
Redeemable preference shares of ₹ 10/- each	82,52,100	825.21	82,52,100	825.21
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	1,32,55,768	1,325.58	1,32,55,768	1,325.58
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	1,32,55,768	1,325.58	1,32,55,768	1,325.58
Total		1,325.58		1,325.58

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Issue / Buy back	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2016			
- Number of shares	13,255,768	-	13,255,768
- Amount (₹ In Lacs)	1,325.58	-	1,325.58
Year ended 31 March, 2015			
- Number of shares	13,255,768	-	13,255,768
- Amount (₹ In Lacs)	1,325.58	-	1,325.58

- (ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Williamson Magor & Co. Ltd	4,319,043	32.58	4,319,043	32.58
Bishnauth Investments Limited (Formerly Metal Centre Limited)	1,454,200	10.97	1,454,200	10.97
United Machine Co. Limited	929,126	7.01	929,126	7.01
Mcleod Russel India Limited	848,168	6.40	848,168	6.40

The company has only one class of shares referred to above as Equity Shares having par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share. Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

Note 4 Reserves and surplus

Particulars	₹ in Lacs	
	As at 31 st March, 2016	As at 31 st March, 2015
(a) Capital reserve		
Balance at the beginning and end of the year	0.08	0.08
(b) Capital redemption reserve		
Balance at the beginning and end of the year	24.01	24.01
(c) Securities premium account		
Balance at the beginning and end of the year	1,811.18	1,811.18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ in Lacs
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(d) General reserve		
Balance at the beginning and end of the year	843.10	843.10
(e) Surplus in Statement of Profit and Loss		
Opening balance	5,807.33	5,404.44
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹ 4.86 lacs)	-	10.87
Add: Profit for the year	793.11	413.76
Less: Dividend		
Dividend proposed to be distributed to equity shareholders (₹ 2.00 per share)	265.12	-
Tax on dividend	53.97	-
Closing balance	6,281.35	5,807.33
Total	8,959.72	8,485.70

Note 5 Long-term Borrowings

		₹ in Lacs
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Long-term maturities of finance lease obligations - secured* (Refer Note 27.8)		
From Banks	30.90	-
- HDFC Bank Ltd		
Total	30.90	-

*Secured by hypothecation of car

Note 6 Long-term Provisions

		₹ in Lacs
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(b) Provision - Others:		
Provision for other contingencies (Refer Note 27.7)	-	192.91
Total	-	192.91

Note 7 Short-term borrowings

		₹ in Lacs
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Loans repayable on demand (Secured)		
From Banks		
(i) Cash Credit from Bank (Refer Note Below)	1,476.33	2,733.26
(ii) Overdraft under Channel Finance Scheme	133.73	115.25
(b) Current maturities of finance lease obligations - secured (Refer note no. 5)	7.50	-
Total	1,617.56	2,848.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note:**

Details of security for (a)(i)

1. Equitable Mortgage created by way of Deposit of Title Deed on the Company's immovable property situated at Plot No.6, Kalyan Bhiwandi Industrial Area, Thane.
2. Hypothecation of present and future stocks of raw materials, semi-finished goods, finished goods and book debts by way of first charge and also by hypothecation of movable plant and machinery by way of first charge.

Details of Security for (a)(ii)

1. Secured by Letter of Comfort from Steel Authority of India Ltd.

Note 8 Trade payables

₹ in Lacs		
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
a) Trade payables:		
Acceptances	449.62	582.36
Other than Acceptances	2,373.34	2,266.77
b) Accrued employee benefit expense	29.93	19.76
Total	2,852.89	2,868.89

Note 9 Other current liabilities

₹ in Lacs		
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Interest accrued but not due on borrowings	9.46	14.79
(b) Unpaid dividends	12.51	12.56
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax etc.)	129.82	64.44
(ii) Trade / security deposits received	3.08	2.18
(iii) Advances from customers	4,285.32	2,676.31
(iv) Royalty and selling commission	284.62	217.03
(v) Gratuity (Refer Note 27.2)	14.12	-
Total	4,738.93	2,987.31

Note 10 Short-term provisions

₹ in Lacs		
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Provision for employee benefits:		
Provision for compensated absences	117.15	112.57
(b) Provision - Others:		
(i) Provision for tax (Net of advance tax of ₹ Nil, As at 31 March, 2015, ₹ 490.85 lacs)	237.50	312.15
(ii) Provision for Liquidated Damages (Refer Note 27.7)	268.47	157.95
(c) Provision for proposed equity dividend	265.12	-
(d) Provision for tax on proposed dividend	53.97	-
Total	942.21	582.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 11 Fixed Assets**

₹ In Lacs

A.	Tangible assets	Gross block			
		Balance as at 1 st April, 2015	Additions	Disposals	Balance as at 31 st March, 2016
	(a) Leasehold Land	1,139.56	-	-	1,139.56
	(Previous Year)	(1,139.56)	-	-	(1,139.56)
	(b) Buildings	4,332.06	11.76	-	4,343.82
	(Previous Year)	(4,306.46)	(25.60)	-	(4,332.06)
	(c) Plant and Equipment	1,749.08	120.63	-	1,869.71
	(Previous Year)	(1,515.91)	(233.17)	-	(1,749.08)
	(d) Furniture and Fixtures	465.74	2.18	-	467.92
	(Previous Year)	(463.32)	(2.42)	-	(465.74)
	(e) Vehicles	132.97	49.25	-	182.22
	(Previous Year)	(132.97)	-	-	(132.97)
	(f) Office equipment	187.48	23.28	-	210.76
	(Previous Year)	(180.57)	(6.91)	-	(187.48)
	Total	8,006.89	207.10	-	8,213.99
	Previous year	7,738.79	268.10	-	8,006.89

₹ In Lacs

B.	Tangible assets	Accumulated depreciation and impairment					Net Block	
		Balance as at 1 st April, 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Adjustment as per Schedule II to Co. Act. 2014	As at 31 st March, 2016	As at 31 st March, 2016	Balance as at 31 st March, 2015
	(a) Leasehold Land	117.50	21.86	-	-	139.36	1,000.20	1,022.06
	(Previous Year)	(95.64)	(21.86)	-	-	(117.50)		
	(b) Buildings	537.82	167.45	-	-	705.27	3,638.55	3,794.24
	(Previous Year)	(373.06)	(164.76)	-	-	(537.82)		
	(c) Plant and Equipment	595.02	137.13	-	-	732.15	1,137.56	1,154.06
	(Previous Year)	(468.86)	(126.16)	-	-	(595.02)		
	(d) Furniture and Fixtures	148.65	56.47	-	-	205.12	262.80	317.09
	(Previous Year)	(92.01)	(56.26)	-	(0.38)	(148.65)		
	(e) Vehicles	76.95	20.37	-	-	97.32	84.90	56.02
	(Previous Year)	(54.48)	(16.25)	-	(6.22)	(76.95)		
	(f) Office equipment	155.84	22.36	-	-	178.20	32.56	31.64
	(Previous Year)	(116.83)	(29.89)	-	(9.12)	(155.84)		
	Total	1,631.78	425.64	-	-	2,057.42	6,156.57	6,375.11
	Previous year	1,200.88	415.18	-	15.72	1,631.78	6,375.11	

₹ In Lacs

C.	Intangible assets	Gross block			
		Balance as at 1 st April, 2015	Additions	Disposals	Balance as at 31 st March, 2016
	Computer Software	31.47	19.85	-	51.32
	(Previous Year)	(19.76)	(11.71)	-	(31.47)

D.	Intangible assets	Accumulated depreciation and impairment					Net block	
		Balance as at 1 st April, 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	As at 31 st March, 2016	As at 31 st March, 2016	Balance as at 31 st March, 2015
	Computer Software	8.41	8.31	-	-	16.72	34.60	23.06
	(Previous Year)	(3.18)	(5.23)	-	-	(8.41)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation and amortization expense:

Particulars	Balance as at 31 st March, 2016	Balance as at 31 st March, 2015
Depreciation and amortisation for the year on tangible assets as per Note 11 B	425.64	415.18
Amortisation for the year on intangible assets as per Note 11 D	8.31	5.23
Depreciation and amortisation relating to continuing operations	433.95	420.41

Note 12 Non-current investments

₹ in Lacs				
Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Quoted (Nos.)	Total	Quoted (Nos.)	Total
Investment (At Cost) : Trade				
Investment in fully paid-up equity shares				
a) Eveready Industries Limited of ₹ 5 each	271,337	244.48	271,337	244.48
b) Mcleod Russel India Limited of ₹ 5 each	66,666	71.72	66,666	71.72
c) Mcnally Bharat Engineering Company Ltd. of ₹ 10 each - Refer Note 26.4	854,300	1,993.45	854,300	1,993.45
Total - Trade		2,309.65		2,309.65
Less: Provision for diminution in value of investments		800.00		600.00
Total		1,509.65		1,709.65
Aggregate amount of quoted investments (net of provision)		1,509.65		1,709.65
Aggregate market value of listed and quoted investments		1,400.87		1,579.33

Note 13 Long-term loans and advances

₹ In Lacs		
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured, considered good		
(a) Security deposits	18.05	7.59
(b) Advance Tax and TDS Receivable (Net of provisions of ₹ Nil, As at 31 March, 2015, ₹ 1,327.12 lacs)	202.01	443.44
(c) MAT credit entitlement	237.50	-
Total	457.56	451.03

Note 14 Other non-Current Assets

₹ In Lacs		
Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Balances with banks		
- Balances held as margin money against guarantees	11.70	24.80
(b) Sales tax appeal payment	149.85	152.81
Total	161.55	177.61

Notes:

Balances with banks held as margin money include ₹ 11.70 lacs (previous year ₹ 24.80 lacs) having residual maturity of more than 12 months.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 15 Inventories**

(At lower of cost and net realisable value)

₹ In Lacs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Raw materials	766.08	647.79
(b) Work-in-progress (Refer Note below)	172.26	346.40
(c) Finished goods	313.10	37.16
(d) Stores and spares	84.48	66.43
Total	1,335.92	1,097.78

Note: Details of inventory of work-in-progress

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Dryers and Drying systems for Food Processing Industry and components	89.58	246.41
Process Equipments and components thereof	82.68	99.99
Total	172.26	346.40

Note 16 Trade receivables

(₹ in Lacs)

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	202.04	383.51
Doubtful	7.34	7.34
	209.38	390.85
Less: Provision for doubtful trade receivables	7.34	7.34
	202.04	383.51
Other Trade receivables		
Unsecured, considered good	1,522.81	145.19
Total	1,724.85	528.70

Note 17 Cash and Cash Equivalents

₹ in Lacs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
A. Cash and Cash Equivalents (As per AS-3 Cash Flow Statement)		
(a) Cash on hand	1.93	4.32
(b) Balances with banks		
- In current accounts	36.98	21.75
Total Cash and Cash Equivalents	38.91	26.07
B. Other Bank Balances		
In earmarked accounts		
- Unpaid dividend accounts	12.51	12.56
- Balances held as Margin Money against guarantees & Other Commitments	621.47	604.28
Total Other Bank Balances	633.98	616.84
Total	672.89	642.91

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 18 Short-term loans and advances**

₹ In Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured		
(a) Loans and advances to employees considered good	12.21	12.10
(b) Prepaid expenses considered good	21.34	24.99
(c) Security Deposits	-	19.91
(d) Balances with government authorities considered good		
(i) CENVAT credit receivable	76.83	22.06
(ii) VAT credit receivable	525.63	603.78
(iii) Service Tax credit receivable	73.12	97.53
(iv) MODVAT	2.44	4.88
(v) Octroi Claim Receivable	5.34	6.08
(vi) Duty Drawback / Export Benefit Receivable	140.01	273.94
	823.37	1,008.27
(e) Advance to Vendors:		
Considered good	480.82	724.91
Considered doubtful	44.72	30.98
	525.54	755.89
Less: Provision for doubtful advances	44.72	30.98
	480.82	724.91
(f) Inter-corporate deposits		
Given to Williamson Magor & Co. Ltd - Company having significant influence	300.00	-
Given to others	450.00	335.00
Total	2,087.74	2,125.18

Note 19 Other current assets

₹ In Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Unbilled revenue (Contract related activity)	4,656.23	4,925.08
(b) Retention Money - Contracts	1,626.65	781.98
(b) Accruals		
(i) Interest accrued on Bank deposits	7.69	3.87
(ii) Interest accrued on intercorporate deposits	0.46	357.27
(iii) Interest accrued on trade receivables	-	8.73
(c) Others		
(i) Unamortized discounts on forward contracts	13.00	13.96
(ii) Gratuity Fund (Refer Note 27.2)	-	13.91
(iii) Others	22.43	-
Total	6,326.46	6,104.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 20 Revenue from operations**

₹ In Lacs		
Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
(a) Sale of Manufactured products / Contract Revenue (Refer Note (i) below)		
- Sale of products	2,565.84	2,835.98
- Contract Revenue	11,500.02	9,559.80
Sub-total	14,065.86	12,395.78
(b) Sale of services (Refer Note (ii) below)	275.78	50.85
(c) Other operating revenues (Refer Note (iii) below)	174.59	191.24
	14,516.23	12,637.87
Less:		
(d) Excise duty	(1,007.85)	(569.29)
Total	13,508.38	12,068.58

Note

₹ in Lacs		
Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
(i) <u>Sale of Manufactured products / Contract Revenue comprises :</u>		
(i) Dryers and Drying systems for Food Processing Industry and components	2,166.96	2,456.80
Process Equipments and components thereof	11,898.90	9,938.98
Total	14,065.86	12,395.78
(ii) <u>Sale of services comprises:</u>		
Erectioning and Commissioning	179.20	0.45
Annual Maintenance Services	25.11	20.29
Service Income - Deputation	15.10	23.82
Design and Engineering	56.37	6.29
Total	275.78	50.85
(iii) <u>Other operating revenues comprise:</u>		
Sale of scrap	67.22	62.10
Sale of import license	-	30.40
Duty Drawback & Export Incentives Received	107.37	98.74
Total	174.59	191.24

Note 21 Other income

₹ in Lacs		
Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
(a) Interest income (Refer Note (i) below)	137.04	113.60
(b) Dividend income from long-term investments	2.71	6.02
(c) Net gain on foreign currency transactions and translation	1.04	146.94
(d) Other non-operating income (Refer Note (ii) below)	323.88	76.48
Total	464.67	343.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs		
Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Note		
(i) <u>Interest income comprises:</u>		
Interest from banks on deposits	49.31	44.75
Interest on inter corporate deposits	87.73	68.85
Total - Interest income	137.04	113.60
(ii) <u>Other non-operating income comprises:</u>		
Liabilities / provisions no longer required written back	65.60	76.48
Provision for contingencies written back (Refer Note 27.7)	209.78	-
Miscellaneous income	48.50	-
Total - Other non-operating income	323.88	76.48

Note 22.a Cost of materials consumed

₹ in Lacs

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Opening stock	647.79	580.13
Add: Purchases (including job work charges)	7,418.51	6,904.67
	8,066.30	7,484.80
Less: Closing stock	766.08	647.79
Cost of material consumed	7,300.22	6,837.01
<u>Material consumed comprises:</u>		
Steel	2,187.08	1,764.48
Components & Others	3,663.85	3,467.28
Total	5,850.93	5,231.76

Note 22.b Changes in inventories of finished goods and work-in-progress

₹ in Lacs

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
<u>Inventories at the end of the year:</u>		
Finished goods	313.10	37.17
Work-in-progress	172.26	346.40
	485.36	383.57
<u>Inventories at the beginning of the year:</u>		
Finished goods	37.17	115.26
Work-in-progress	346.40	195.63
	383.57	310.89
Net (increase)/ decrease	(101.79)	(72.68)

Note 23 Employee benefits expense

₹ in Lacs

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Salaries and wages	1,630.69	1,333.95
Contributions to provident and other funds (Refer Note 27.2)	170.00	149.19
Staff welfare expenses	71.28	51.89
Total	1,871.97	1,535.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 24 Finance costs**

Particulars	₹ in Lacs	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
(a) Interest expense on:		
(i) Borrowings	387.78	360.48
(ii) Trade payables	60.65	47.25
(b) Other borrowing costs	151.67	138.40
Total	600.10	546.13

Note 25 Other Expenses

Particulars	₹ in Lacs	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Consumption of Stores, Spares and Loose Tools (Indigenous)	174.93	202.72
Increase / (decrease) of excise duty on inventory	-	-
Subcontracting (Contract Labour)	126.01	224.82
Power and fuel	105.56	96.26
Rent including lease rentals (Refer Note 27.8)	29.94	25.94
Repairs and maintenance - Buildings	7.53	12.16
Repairs and maintenance - Machinery	26.67	28.54
Repairs and maintenance - Others	107.49	116.15
Royalty Charges	155.85	52.70
Insurance	53.92	36.68
Rates and taxes	6.32	2.45
Bank Charges	51.55	59.52
Travelling and conveyance	334.13	339.15
Service Tax Expenses	133.11	20.90
Freight and forwarding (net)	189.46	347.26
Sales commission	146.26	24.35
Site Expenses	184.60	35.92
Donations and contributions	7.00	6.00
Legal and professional	200.89	145.46
Liquidated Damages, Warranties and Rebates (Refer Note 27.7)	167.60	152.70
Payments to auditors (Refer Note (i) below)	25.61	15.04
Advances / Bad Debts written off (net of write back)	118.30	210.36
Less: Provision for Doubtful Debts / Advances / Liquidated	-	(19.64)
Damages written back		190.72
Provision for Doubtful Debts / Advances	13.74	7.34
Provision for diminution in the value of long-term investments (Net)	200.00	79.52
Sales Tax	69.94	91.00
Debit/ Credit Balances written off (Net)	4.40	0.50
Intangible asset under development written off	-	29.76
Miscellaneous expenses	297.93	220.03
Total	2,938.74	2,563.60

Notes:		
Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	21.50	11.50
For other services	3.75	3.50
Reimbursement of expenses	0.36	0.04
	25.61	15.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 26 Additional information to the financial statements**

Particulars	₹ In Lacs	
	As at 31 st March, 2016	As at 31 st March, 2015
26.1 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
(a) Letters of Credit and Bank Guarantees outstanding as at the year end. FDR of ₹ 633.17 lacs (previous year ₹ 629.08 lacs) pledged with banks against the LC's and Bank Guarantees.	4,117.60	3,712.57
(b) Demand Notice from DGFT for non-fulfilling of export obligations. The Company expects no liability on this account.	137.00	137.00
(c) The Company had received an order from Joint Commissioner of Sales Tax, Mumbai for the year 2008-09 against which the Company has filed an appeal with Sale Tax Tribunal after payment of ₹ 1.50 lacs. During current year the demand is revised to ₹ 15.36 lacs & the Company has made a provision of ₹ 2.95 lacs in books of account.	12.41	30.75
(d) The Company had received a Demand Notice from the Maharashtra State VAT Authority for the assessment year 2005-06. The Company has filed an appeal against the said order.	111.98	111.98
(e) The Company had received a Demand Notice from the Central Sales Tax Authorities for the assessment year 2005-06. The Company has filed an appeal against the said order & has paid an amount of ₹ 242.30 lacs & made a provision of ₹ 91 lacs in books last year. In respect of (d) & (e) above, the total demand of ₹ 842.71 lacs is on account of non-production of "C" Forms which were lost and certain errors in assessment.	639.73	639.73
(f) In FY. 2013-14 the Company had received Demand Notice from the Income Tax Authorities disallowing certain expenses and selling commission expense for the assessment year 2011-12. The Company has made provision for the same in books of accounts during current year.	-	35.39
(g) The Company has received Demand Notice from the Income Tax Authorities disallowing certain expenses for the assessment year 2008-09. The company has filed an appeal against the said order with Deputy Commissioner of Income Tax (Appeals).	9.50	-
(h) The Company has received Demand Notice from the Income Tax Authorities disallowing certain expenses for the assessment year 2010-11. The company has filed an appeal against the said order with Deputy Commissioner of Income Tax (Appeals).	14.15	-
(i) The company has received Service Tax Demand Notice from Additional Commissioner of Central Excise disallowing cenvat credit taken during financial year 2011-12. The Company has made provision of ₹ 28.03 lacs against amount so disallowed & ₹ 21.03 lacs against penalty & Interest.	21.03	-
(j) Other claims not acknowledged as debts.	0.80	0.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ In Lacs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
26.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	14.70	9.18
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

26.3 Details on derivatives instruments and unhedged foreign currency exposures

Year	Purpose	No of Contracts	Amount in FCY (in lacs)	Amount (₹ in Lacs)
A. Outstanding forward exchange contracts entered into by the Company in USD				
Current	Firm Commitment	4	7.13	487.78
Previous	Firm Commitment	9	21.91	1,407.85
EURO				
Current	Firm Commitment	-	-	-
Previous	Firm Commitment	2	4.00	284.16
B. The following are the foreign currency exposure not hedged as at the year end				
Current	Trade Receivables	USD	21.35	1,406.07
		EURO	1.47	109.59
Previous		USD	15.61	971.01
		EURO	-	-
Current	Liabilities / Advance from Customer	USD	7.48	498.17
		EURO	-	-
Previous		USD	14.73	941.20
		EURO	-	-

26.4 The Company holds investment in equity shares of Mcnally Bharat Engineering Company Limited (Book Value ₹ 1,993.45 lacs) as strategic investment on a long term basis. The Company is of the view that the diminution in value of ₹ 1344.17 lacs (Previous Year ₹ 1280.10 lacs) in these investments is temporary. Notwithstanding this, out of abundant caution, a total provision of ₹ 800 lacs (Previous Year ₹ 600 lacs) including ₹ 200 lacs (Previous Year ₹ 200 lacs) during the year is made in the books.

₹ In Lacs

26.5 Value of imports calculated on CIF basis :	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Raw materials	113.36	199.07
Components and spare parts	465.05	131.24
Capital Goods	-	5.87
Total	578.41	336.18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26.6 Expenditure in foreign currency :	For the year ended 31st March, 2016	For the year ended 31 st March, 2015
Travelling	20.17	47.85
Selling Commission	31.72	27.70
Royalty	155.85	52.70
Total	207.74	128.25

26.7 Details of consumption of imported and indigenous items	For the year ended 31st March, 2016		For the year ended 31 st March, 2015	
	₹ in Lacs	%	₹ in Lacs	%
<u>Raw materials and components consumed</u>				
Indigenous	5,272.51	90.11%	4,895.90	93.58%
Imported	578.41	9.89%	335.86	6.42%
Total	5,850.92	100.00%	5,231.76	100.00%

26.8 Earnings in foreign exchange :	For the year ended 31st March, 2016	For the year ended 31 st March, 2015
FOB value of exports (Net of adjustments towards unbilled revenue)	2,918.66	3,667.31
Designing & Engineering Services	74.49	18.02
Other charges recovered	40.58	77.65
Total	3,033.73	3,762.98

26.9 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.

Note 27 Disclosures under Accounting Standards**Note 27.1**

In accordance with requirements of Accounting Standard 7, Company has recognized unbilled revenue during the year 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.

Details of contract revenue and costs	For the year ended 31st March, 2016	For the year ended 31 st March, 2015
Contract revenue recognised during the year	11,500.02	9,559.80
<u>For Contracts in Progress:</u>		
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	9,964.65	10,870.33
Advances received	4,133.89	1,639.65
Retention money	279.63	233.60

Note 27.2**Employee benefit plans**Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 82.61 lacs (Year ended 31 March, 2015 ₹ 79.29 Lacs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for Provident Fund contributions and ₹ 34.52 lacs (Year ended 31 March, 2015 ₹ 33.43 lacs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The following table sets out the funded status of the Gratuity benefit and the amount recognised in the financial statements:

Particulars	₹ in Lacs	
	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Components of employer expense		
Current service cost	16.52	13.88
Interest cost	12.27	12.35
Expected return on plan assets	(13.37)	(13.73)
Past service cost	-	-
Actuarial losses/(gains)	21.41	4.69
Total expense recognised in the Statement of Profit and Loss	36.83	17.19
Actual contribution and benefit payments for year		
Actual benefit payments	(35.84)	(9.17)
Actual contributions	8.80	5.64
Net liability / (asset) recognised in the Balance Sheet		
Present value of defined benefit obligation	167.96	154.35
Fair value of plan assets	153.84	168.26
Net (asset) / liability recognised in the Balance Sheet	14.12	(13.91)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	154.35	132.40
Current service cost	16.52	13.88
Interest cost	12.27	12.35
Actuarial (gains) / losses	20.66	4.88
Past service cost	-	-
Benefits paid	(35.84)	(9.17)
Present value of DBO at the end of the year	167.96	154.35
Change in fair value of assets during the year		
Plan assets at beginning of the year	168.27	157.88
Expected return on plan assets	13.37	13.74
Actuarial gain / (loss)	(0.76)	0.18
Actual contributions	8.80	5.64
Actual benefit payments	(35.84)	(9.17)
Plan assets at the end of the year	153.84	168.27
Actuarial assumptions		
Discount rate	7.86%	7.95%
Expected return on plan assets	7.86%	7.95%
Salary escalation	5.00%	5.00%
Attrition	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08) (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)

Experience adjustments	2015-16	2014-15	2013-14	2012-13	2011-12
Experience gain / (loss) adjustments on plan liabilities	(19.47)	(4.42)	(4.49)	5.70	6.80
Experience gain / (loss) adjustments on plan assets	(0.76)	0.18	1.83	1.68	1.54

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

100% of Plan Assets are invested in Group Gratuity Scheme offered by LIC of India, an insurance company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27.3 Based on the guiding principles given in the Accounting Standard on 'Segment Reporting' (AS-17) issued by the Institute of Chartered Accountants of India, the primary segment of the Company is business segment which comprises of Engineering Segment. As the Company operates in a single primary business segment, no segment information thereof is given.

Segment information for secondary segment reporting (by geographical segments).

The company has a customer base within and outside India.

₹ in Lacs

Particulars	India	Outside India	Total
Revenue	10,515.23 (8,383.25)	2,993.15 (3,685.33)	13,508.38 (12,068.58)
Segment Assets	18,952.13 (18,320.56)	1,515.66 (971.01)	20,467.79 (19,291.57)
Segment Liabilities	9,684.32 (8,539.07)	498.17 (941.20)	10,182.49 (9,480.27)
Capital Expenditure	171.21 (313.86)	- -	171.21 (313.86)

Previous year figures are in brackets

27.4 Related Party Disclosure as per Accounting Standard 18

₹ in Lacs

Sr. No.	Name of Related Party	Nature of Relationship	Nature of Transaction	Transactions during the year	
				Current year	Previous year
1	Mr. Supriya Mukherjee - Managing Director	Key Management Personnel	Managerial Remuneration	168.28	146.48
			Payable as on 31 st March	45.82	22.37
2	Williamson Magor & Co. Ltd.	Company having significant influence	Service Charges	24.00	24.00
			Rent	16.80	16.94
			Electricity Expenses	5.72	5.95
			Inter Corporate Deposit given	300.00	-
			Interest Income on ICD	0.46	-
			Receivable against ICD as on 31 st March	300.00	-
			Receivable against Interest on ICD as on 31 st March	0.46	-
			Payable as on 31 st March	44.66	-

27.5 Earnings Per Share :

₹ in Lacs

Earning Per Share (Basic / Diluted)	Current year	Previous year
A. (Loss) / Profit after Tax	793.11	413.76
B. Weighed Average Number of Equity Shares used (in Lacs)	132.56	132.56
C. Basic / Diluted Earnings per Share (A/B) (In ₹)	5.98	3.12
D. Face Value Per Equity Share (In ₹)	10.00	10.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**27.6 Deferred tax (liability) / asset**

₹ In Lacs

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	(488.97)	(411.94)
Tax effect of items constituting deferred tax liability	(488.97)	(411.94)
<u>Tax effect of items constituting deferred tax assets</u>		
Expenses allowable on payment basis under Income Tax Act	477.44	285.90
Unabsorbed Depreciation	11.53	126.04
Tax effect of items constituting deferred tax assets	488.97	411.94
Net Deferred Tax Asset	-	-

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

27.7 Disclosure of provisions as required by Accounting Standard 29

₹ in Lacs

Description of Provision	Opening Balance	Amount used during the year	Excess Provision Written back	Provisions made during the year	Closing Balance
Provision for Contingencies (Claims under litigation)*	192.91	3.91	189.00	-	-
	(204.41)	(11.50)	(-)	(-)	(192.91)
Provision for Liquidated Damages / Warranties	157.95	-	51.30	161.82	268.47
	(5.75)	(-)	(-)	(152.20)	(157.95)

(Figures for the previous year are shown in bracket)

*(i) Consequent to closure of Baroda factory in 2003, provision was made for additional retrenchment compensation in respect of 97 employees amounting to ₹ 45.80 lacs. Consequent to a settlement with the workers before the labour court an amount of ₹ 30 lacs was paid as full and final settlement during previous two years. The balance amount has been written back.

*(ii) The Company was party to a litigation by certain ex-employees of the Company who were members of the WM Super Annuation Fund (SAF) who had filed a petition in the High Court of Mumbai to direct the Company to buy annuities enabling them to receive their pension. The Company had provided ₹ 220 lacs in total in the accounts towards this liability in addition to the amount already contributed by the erstwhile group company fund to a Super Annuation fund held with Life Insurance Corporation of India. During the year the Company has arrived at a settlement with petitioners. It is agreed in the memorandum of understanding that total amount available in Super Annuation fund held with Life Insurance Corporation of India will be equitably distributed among ex-employees and the writ petition will be withdrawn. Consequent to an understanding arrived at with the ex-employees and the withdrawal of the petition by them, the trust has settled their claim at the negotiated amount out of the accumulated corpus. Such settlement has been completed and the trust is likely to be wound up shortly. Balance provision no longer required has been written back.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**27.8 a) Operating Leases :**

Lease payments recognized in the Statement of Profit and Loss : ₹ 29.94 lacs (Previous Year ₹ 25.94 lacs).

b) Finance Lease

The Company has entered into finance lease arrangements for vehicle, which provide the Company an option to purchase the assets at the end of the lease period.

Reconciliation of minimum lease payments	₹ in Lacs	₹ in Lacs
Future minimum lease payments		
not later than one year	7.50	
later than one year and not later than five years	30.90	
later than five years	-	38.40
Less: Unmatured finance charges	-	
Present value of minimum lease payments payable		
not later than one year	3.40	
later than one year and not later than five years	5.39	
later than five years	-	8.79

Note 28

The total amount incurred on Research and Development activities during the year amount to ₹ 65.44 lacs (Previous Year ₹ 59.57 lacs).

Note 29

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Aditya Khaitan
Chairman
(DIN - 00023788)

Supriya Mukherjee
Managing Director
(DIN - 00127747)

A. Suresh
VP-Finance & Chief Financial Officer

Arvind Kumar Bajoria
Company Secretary

Place : Kolkata
Date : 23rd May 2016

ATTENDANCE SLIP
(To be presented at the entrance)

Kilburn Engineering Limited

CIN : L24232WB1987PLC042956

Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001

TEL: 033-2231-3337, 3450 **FAX:** 91-33-2231-4768

E-Mail: administrator@kilburnengg.oom; **Website:** www.kilburnengg.oom

Folio No/Client ID & DP Id:

28th ANNUAL GENERAL MEETING on Thursday, 22nd September, 2016 at 10.00 a.m. at Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, 6, Netaji Subhash Road, Kolkata - 700 001.

- A member/proxy wishing to attend the Meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
- If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the Meeting.
- Please bring your copy of the Annual Report to the Meeting.

I record my presence at the 28th Annual General Meeting

Name of Proxy in BLOCK LETTERS : _____

(If the Proxy attends instead of the Member)

Signature of Member/Proxy

Form No.MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : L24232WB1987PLC042956

Name of the Company : Kilburn Engineering Limited

Registered Office : Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001

Name of the Member(s) :

Registered address :

E-mail Id :

Folio No./Client Id & DP Id :

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name:

Address:.....

E mail: Signature: or failing him/her

2. Name:

Address:.....

E mail: Signature: or failing him/her

3. Name:

Address:.....

E mail: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Eighth Annual General Meeting of the Company on Thursday, 22nd September, 2016 at 10:00 A.M. at Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, 6, Netaji Subhash Road, Kolkata 700 001 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution Nos.

1.	To receive, consider and adopt the Audited Statement of Profit and Loss, Cash Flow Statement for the year ended 31 st March, 2016 and Balance Sheet as at 31 st March, 2016, Auditors' Report thereon and Directors' Report along with Management Discussion & Analysis Report and Report on Corporate Governance for the year ended 31 st March, 2016.
2.	To appoint a Director in place of Mrs. Priya Saran Chaudhri (holding DIN : 00704863), who retires by rotation and being eligible, offers himself for reappointment.
3.	To declare dividend for the financial year 2015 – 16.
4.	To ratify the appointment of Statutory Auditors – M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration no. : 117364W) upto the conclusion of next Annual General Meeting.
5.	Ratification of remuneration of Cost Auditor.

Signed this..... day of 2016

Signature of Shareholder(s)

Signature of Proxy holder(s)

Affix
Revenue
stamp

Notes:

1. This form of proxy In order to be effective should be duly completed and deposited at the Registered Office of the Company at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001, not later than 48 hours before commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 28th Annual General Meeting.

Fluid Bed Dryer



Paddle Dryer



If undelivered please return to:



KILBURN ENGINEERING LTD.

Plot No.6, MIDC Industrial Area, Saravali,
Kalyan-Bhiwandi Road, Thane – 421 311.

A Williamson Magor Group Enterprise