KILBURN ENGINEERING LTD.
PLOT NO. 6, MIDC-SARAVALI, KALYAN BHIWANDI ROAD, TALUKA BHIWANDI, DIST. THANE - 421 311, MAHARASHTRA, INDIA
Tel : +91 2522 283000 Fax : +91 2522 281026 / 280166 Website : www.kilburnengg.com

Ref : KEL/ BSE-CSE / 18 – 19/ A.R. August 26, 2019

To
The Corporate Relationship Department
BSE Limited
1st Floor, P.J. Tower
Dalal Street, Fort
Mumbai-400 001

Scrip Code : BSE 522101.

To,
The Secretary
The Calcutta Stock Exchange Association Ltd.,
7 , Lyons Range,
Kolkata – 700 001

Scrip Code : CSE 21022.

Sub: Submission of Annual Report as per regulation 34(1) of SEBI (LODR) Regulations, 2015

Dear Sir / Madam

We submit herewith a copy of Annual Report of Kilburn Engineering Limited for the year 2018 - 19 adopted by the members at 31st AGM held on 13th August, 2019, pursuant to regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take it on record.

Thanking You,

Yours faithfully,
For **Kilburn Engineering Limited**

Arvind Bajoria
Company Secretary
& Sr. Manager (Costing)

KILBURN ENGINEERING LTD.

ANNUAL REPORT 2018-19

PADDLE DRYER - DIRECT COUPLED DRIVE

PELLETLZER

COMBUSTOR

KILBURN ENGINEERING LTD.

A Williamson Magor Group Enterprise

Website: www.kilburnengg.com,
Email: cs@kilburnengg.com
CIN : L24232WB1987PLC042956

BOARD OF DIRECTORS

Chairman (Non-Executive)
Mr. Aditya Khaitan

Managing Director
Mr. Subir Chaki

Other Directors

Mr. Amritanshu Khaitan

Mr. Subir Rajan Dasgupta (upto 19.06.2019)

Mr. Manmohan Singh (upto 30.04.2019)

Mr. Padam Kumar Khaitan (upto 28.05.2019)

Mr. Gobind Saraf

Mrs. Priya Saran Chaudhri

Mr. Amitav Roy Choudhury (w.e.f. 29.05.2019)

CHIEF FINANCIAL OFFICER

Mr. Suresh Anjaneyan Shenoi (upto 31.05.2019)

Mr. Sachin Jaibal Vijayakar (w.e.f. 01.06.2019)

COMPANY SECRETARY

Mr. Arvind Bajoria

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Gobind Saraf (Chairman)

Mr. Subir Rajan Dasgupta (upto 19.06.2019)

Mr. Subir Chaki

Mr. Manmohan Singh (upto 30.04.2019)

Mr. Amitav Roy Choudhury (w.e.f. 29.05.2019)

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Padam Kumar Khaitan (Chairman) (upto 28.05.2019)

Mr. Gobind Saraf

Mr. Manmohan Singh (upto 30.04.2019)

Mr. Amitav Roy Choudhury (w.e.f. 29.05.2019)

NOMINATION AND REMUNERATION COMMITTEE

Mr. Manmohan Singh (Chairman) (upto 30.04.2019)

Mr. Gobind Saraf (Chairman)

Mr. Subir Rajan Dasgupta (upto 19.06.2019)

Mr. Amritanshu Khaitan (w.e.f. 29.05.2019)

Mr. Amitav Roy Choudhury (w.e.f. 29.05.2019)

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mr. Manmohan Singh (Chairman) (upto 30.04.2019)

Mr. Amritanshu Khaitan (Chairman) (w.e.f. 29.05.2019)

Mr. Subir Chaki

Mr. Gobind Saraf

STATUTORY AUDITORS

S R B C & CO LLP
(upto 29th June, 2019)

V. Singhi & Associates
Chartered Accountants
(w.e.f. 15th July, 2019)

COST AUDITORS

M/s. D. Sabyasachi & Co.

SECRETARIAL AUDITOR

M/s. Dhrumil M. Shah & Co.

REGISTERED OFFICE

Four Mangoe Lane
Surendra Mohan Ghosh Sarani,
Kolkata-700 001
Tel. No.- (033) 2231 3337/3450
Fax No.- (033) 2231 4768

CORPORATE OFFICE

Plot no. 6, MIDC – Saravali, Taluka Bhiwandi, Kalyan - Bhiwandi Road,
Thane 421 311 Maharashtra
Tel. No. - (02522) 283000
Fax No. - (02522) 281026

Contents	Page

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 Thirty First Annual General Meeting of the Company will be held on Tuesday, 13th August, 2019 at 11:00 a.m. at Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2019 and Report of Directors and Auditors' Report thereon.
2. To declare dividend for the financial year ended 31st March, 2019.
3. 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.
4. To approve the appointment of M/s. V. Singhi & Associates, Chartered Accountants (FRN : 311017E) as Statutory Auditors for the period from 15th July, 2019 till this AGM due to casual vacancy caused by resignation by M/s S R B C & Co., Chartered Accountants (FRN : 324982E), previous auditors, and also to hold office as Statutory Auditors for Five years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting for the year ended March 31, 2024, and authorize the Board to fix their remuneration.

Special Business

To consider and, if thought fit, to pass the following Resolutions:-

5. As an Ordinary Resolution – appointment of Mr. Amitav Roy Choudhury as director of the Company :

"RESOLVED that Mr. Amitav Roy Choudhury (DIN : 08501895) who was appointed as an Additional Director of the Company on 29th May, 2019 and holds office up to this Annual General Meeting of the Company in terms of Section 161 of The Companies Act, 2013 and in respect of whom the Company has received a notice in writing pursuant to section 160 of The Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as a director of the Company."

6. As an Ordinary Resolution – appointment of Mr. Amitav Roy Choudhury as an Independent director of the Company, for a tenure of five years:

"RESOLVED that Mr. Amitav Roy Choudhury (holding DIN : 08501895), a Non-Executive Director, be and is hereby appointed as an Independent Director of the Company, in accordance with the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to hold office for a period of five consecutive years from the conclusion of the Company's Thirty First Annual General Meeting to the conclusion of the Company's Thirty-sixth Annual General Meeting."

7. As an Special Resolution – appointment of Mr. Gobind P. Saraf as an Independent director of the Company, for a tenure of five years:

"RESOLVED that Mr. Gobind P. Saraf (holding DIN : 00206447), a Non-Executive Independent Director, be and is hereby re-appointed as an Independent Director of the Company for second term, in accordance with the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to hold office for a period of five consecutive years from the conclusion of the Company's Thirty First Annual General Meeting to the conclusion of the Company's Thirty-sixth Annual General Meeting."

8. As an Ordinary Resolution - 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, 2020, 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."

9. As a Special Resolution – Approval for continuation of Mr. Gobind P. Saraf as director, after completion of 75 years of age.

"RESOLVED that in accordance with the applicable regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members be and is hereby accorded to Mr. Gobind Saraf (DIN: 00206447), to continue as director of the Company post completion of 75 years of his age on his original terms of appointment."

By Order of the Board of Directors

Kolkata
15th July, 2019

Arvind Bajoria
Company Secretary
Membership No. :15390

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. Explanatory Statement in terms of Section 102 of the Companies Act, 2013 is enclosed and constitutes part of this Notice.

III. Corporate Members are required to send to the company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.

IV. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

V. Relevant documents referred to in the accompanying notice including Annual Report for the financial year 2018-2019 are open for inspection by members at the registered office of the company on all working days of the Company (Monday to Friday) between 11:00 a.m. and 1:00 p.m. up to the date of AGM.

VI. The Company's shares are available in demat mode. The shares of the company can be dematerialized under ISIN: INE338F01015. In terms of SEBI Circular, physical shares cannot be transferred on or after 01.04.2019. Members are requested to dematerialize the shares for operational convenience.

VII. Complete particulars of the venue of the Meeting including route map and prominent land mark for easy location is enclosed for the convenience of the members. The same has also been hosted at the website of the Company at www.kilburnengg.com

VIII. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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 10th August, 2019 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 shares of the paid up equity share capital of the Company held on the cut-off date of 06th August, 2019.

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.

IX. The details of Directors seeking appointment / re-appointment at this Annual General Meeting as required under SEBI LODR Regulations, 2015 is annexed hereto.

X. Members holding shares in physical form are requested to notify immediately change of address, demat, ECS credit request, if any, to the Registrars and Transfer Agents of the Company i.e. M/s Maheshwari Datamatics Pvt. Ltd. at 23, R. N. Mukherjee Road, 5th 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.

XI. The Notice of the 31st 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.

XII. The dividend, if declared at the Annual General Meeting, would be paid / despatched on or after 14th August, 2019 to those equity shareholders or their mandates :

(a) whose names appear as Beneficial Owners as at the end of the business hours on Tuesday, 6th August, 2019 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

(b) whose names appear as Members in the Register of Members of the Company after giving effect to valid request(s) received for transmission/transposition of shares lodged with the Company / its Registrar and Share Transfer Agent on or before Tuesday, 6th August, 2019.

XIII. Members may also note that the Notice of the 31st AGM and the Annual Report 2018-19 will be available on the Company's website, www.kilburnengg.com.

XIV. 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.

XV. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 7th August, 2019 to Tuesday, 13th August 2019 (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.

XVI. The members who have not encashed their Dividend warrants or who have not received the

Dividend for the FY 2015-16, FY 2016-17 and FY 2017-18 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.

XVII. 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.

XVIII. Queries on accounts, if any, should reach the Registered Office of the Company at least seven days before the meeting.

XIX. 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 23, R. N. Mukherjee Road, 5th 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.

XX. 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.

By Order of the Board of Directors

Kolkata
15th July, 2019

Arvind Bajoria
Company Secretary
Membership No. :15390

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

Particulars of the Directors seeking Appointment / re-appointment in the Annual General Meeting, as required pursuant to SEBI (LODR) Regulations, 2015 :

Name of Director	**Mr. Gobind P. Saraf**	**Mr. Amitav Roy Choudhury**
Category	Independent Director	Independent Director
Date of Birth	16/08/1944	12/06/1953
Date of Appointment	30/09/2014	29/05/2019
Qualification	B. Com	B.Tech Hons from IIT and also M.Tech in Industrial Engineering and Operations Research from IIT Kharagpur
No. of Equity Shares held	NIL	NIL
Brief Resume	Mr. Saraf has vast experience in overall management of the Companies especially in printing industry. He is associated with Ganges Printing Company Limited since 37 years wherein he is in charge of finance, operations and its overall management.	He has a total experience of about 39 years in management of manufacturing industry. Out of this about 29 years was with Eveready Industries India Limited. He retired as the Vice President And head of Manufacturing at EVEREADY. He was a member of Manufacturing sub committee at CII and subsequently a member of the West Bengal State Committee at CII also.

Name of Director	Mr. Gobind P. Saraf	Mr. Amitav Roy Choudhury
Directorships held in other Companies (as on 31-03-2019)	Williamson Financial Services Limited The Ganges Printing Company Ltd. Vikas Jute Private Ltd. Jet Converters Private Ltd. Easy Pack Private Ltd. Sunshine Marketing Pvt. Ltd. D1 Williamson Magor Bio Fuel Ltd. Varun Tradelink Pvt. Ltd. Babcock Borsig Ltd. Woodside Parks Ltd. Seajuli Developers & Finance Ltd.	NIL
Particulars of Committee Chairmanship / Membership held in other Companies	Woodside Parks Ltd. Member Audit Committee Nomination and Remuneration Committee	NIL
Relationship with other directors / KMPs	NIL	NIL

Name of Director	Mrs. Priya Saran Chaudhri
Category	Non Executive Director
Date of Birth	22/09/1968
Date of Appointment	14/11/2014
Qualification	Graduation (with Double major) US
No. of Equity Shares held	Nil
Brief Resume	She is the managing director of KCT Trading Private Limited and has a vast exposure in business management and Corporate Affairs
Directorships held in other Companies (as on 31-03-2019)	KCT Trading Private Ltd. Shree Durga Agencies Ltd. Arham Vyapaar Private Ltd. Kilburn Engineering Ltd. Papyrus Recycling Private Ltd. Ovol Fibre Solution India Pvt. Ltd.
Particulars of Committee Chairmanship / Membership held in other Companies	Shree Durga Agencies Limited Member – Audit Committee Member – Nomination and Remuneration Committee
Relationship with other directors / KMPs	None

Item No. 4

Board of the Company had proposed some cost reduction measures and some reduction was proposed in the Audit Fees. Company had received a letter dated 29th June, 2019 from previous Statutory Auditors M/s. S R B C & CO. LLP, conveying their inability to continue as statutory auditors till the end of their tenure and their resigning with immediate effect from 29th June, 2019.

They had resigned as the reduction in fees proposed by Kilburn Engineering Ltd., leads to a change of the terms of audit engagement as envisaged under Standard on Auditing 210 (Revised) " Agreeing the Terms of Audit Engagement", is not acceptable to them as it is significantly lower compared to previous year fees and compared to their estimated efforts for audit of F.Y. 2020.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Board of directors of the Company filled casual vacancy caused due to resignation of statutory auditors by appointment of new auditors – M/s. V. Singhi & associates, Chartered Accountants, Kolkata, with effect from 15th July, 2019 till this AGM. Their appointment as Statutory Auditors is also proposed for a tenure of five years from the conclusion of this AGM till the conclusion of AGM in 2024, and consent for the said appointment has already been received from the new auditors.

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. 4.

Item No. 5 to 7

Board of Directors had appointed Mr. Amitav Roy Choudhury as Additional Director in their meeting held on 29th May, 2019. His appointment is proposed as an Independent Director for a tenure of five years ending with the AGM to be held in 2024.

Appointment of Mr. Gobind Prasad Saraf (Independent Director) ended on the AGM in 2019 and his further appointment is proposed as an Independent Director for a tenure of five years ending with the AGM to be held in 2024.

The appointment of Directors has been approved by Nomination and Remuneration Committee. Board of Director have received declaration of Independence from Mr. Amitav Roy Choudhury and Mr. Gobind Prasad Saraf. All the details of other directorships and shareholding of the aforesaid directors have been provided in this notice.

None of the Directors (other than the director whose appointment is proposed) 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 to 7.

Item No. 8

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 2019 -20 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. 8 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. 8.

Item No. 9

In terms of Regulation 17(1A) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 and effective from April 1, 2019, consent of the Members by way of a Special Resolution is required for continuing the directorship of a Non-Executive Director who has attained the age of seventy five years.

Mr. Gobind P. Saraf, Non-Executive Director of the Company will attend the age of seventy five years on 10.10.2019. Mr. Saraf is a renowned Businessman and had been on the Board of the Company for several years in the past. The Board considers that Mr. Saraf's continued association as Non- Executive Director of the Company would be of immense benefit to the Company. Accordingly, the Board recommends the resolution set out at Item No. 9 by way of a Special Resolution for approval of the Members.

Except Mr. Gobind P. Saraf, 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. 9.

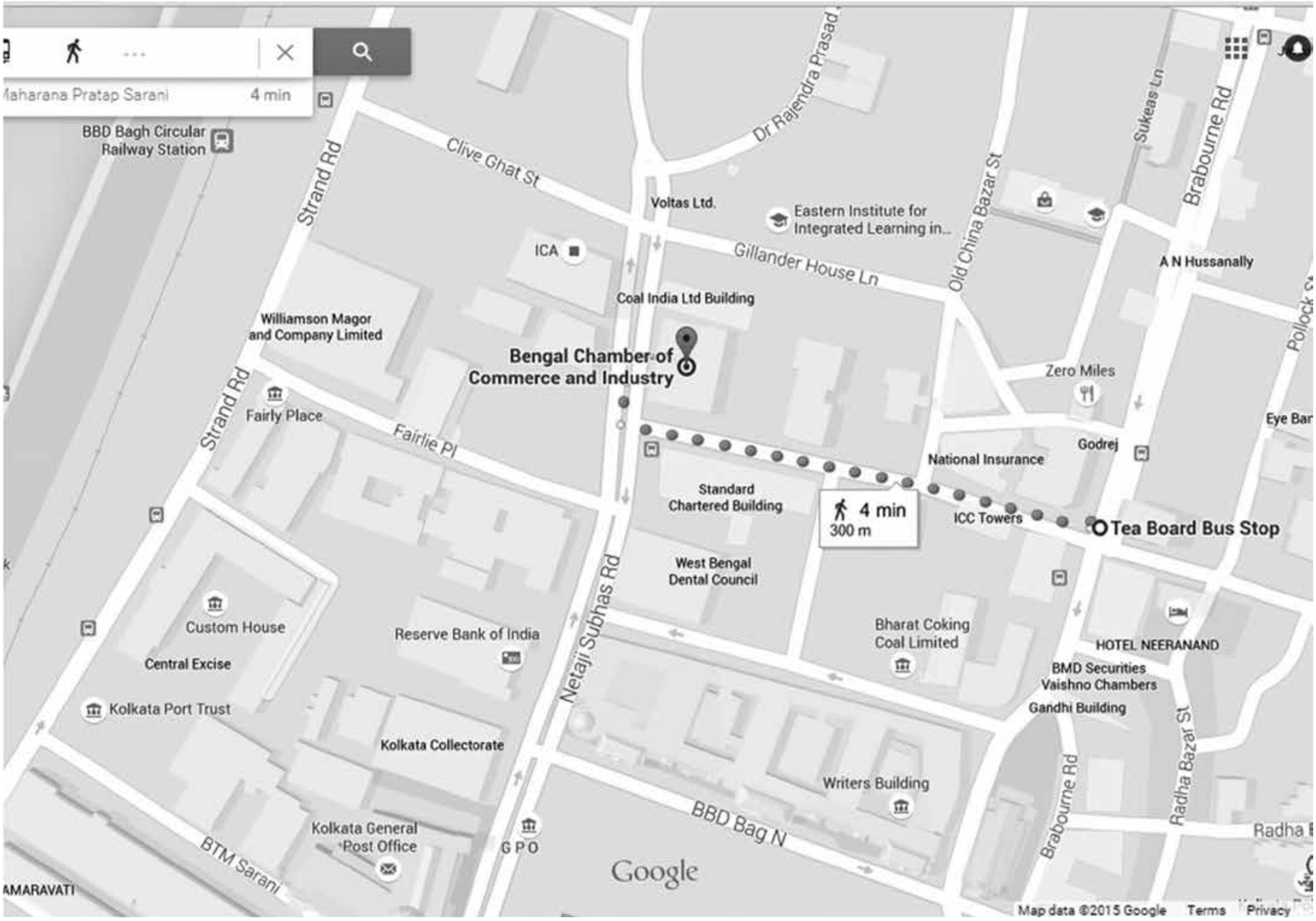
By Order of the Board of Directors

Kolkata
15th July, 2019

Arvind Bajoria
Company Secretary
Membership No. :15390

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

Route Map of the Venue of 31st Annual General Meeting



REPORT OF THE DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

The Directors of your Company are pleased to present the 31st Annual Report and Audited Statement of Accounts for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

(₹ In Lac)

	Year ended 31st March, 2019	Year ended 31st March,2018
Revenue from Operations	**14386**	10896
Other Income	**2001**	2246
Total Revenue	**16,387**	13,142
Total Expenses (excluding finance cost & depreciation)	**13,404**	10,503
Earnings Before Finance Costs & Depreciation (EBIDTA)	**2,983**	2,639
Finance Costs	**1,711**	1,722
Depreciation & Amortization Expenses	**422**	433
Profit Before Tax	**850**	484
Tax Expenses	**258**	149
Profit for the Year	**592**	335

Revenue from operations increased substantially by 32% from Rs. 10,896 Lac to Rs. 14,386 Lac and consequently the PBT increased from Rs.484 Lac to Rs.850 Lac. Profit after tax stood at Rs.592 Lac for the year as against Rs.335 Lac during the previous year.

DIVIDEND

Your Directors are pleased to recommend, a dividend of 10% i.e. Re. 1/- per Equity Shares of Rs. 10 each.

OPERATIONAL REVIEW & STATE OF THE COMPANY'S AFFAIRS

Your company is primarily engaged in Designing, Manufacturing, & Commissioning Customized / Critical Equipments/Systems for critical applications across a wide range of various industries.

Process Equipments (PE) : During the year, there has been steady inflow of orders from the carbon black industry. The demand from the automobile sector remained buoyant throughout leading to a strong demand from the tyre manufacturers for carbon black. In the financial year, several new projects for carbon black have come up across the world in companies which are major producers of Carbon Black. Kilburn is proud to state that it has bagged all the orders for the dryers in the face of stiff competition from several manufacturers including the Chinese. It speaks volumes of the trust that these companies repose on Kilburn as a dependable and quality manufacturer.

The soda ash industry which largely caters to the washing powder manufacturers is gaining pace. After a brief hiatus, investments are coming in this sector and Kilburn has benefitted from this. Orders have also come from the fertilizer industry as this sector is expected to get government impetus.

Kilburn's sustained efforts in championing the need of scientifically drying the industrial waste and treating the sludge is paying dividends. During the year under review, Kilburn received a total of 22 sludge drier orders mainly from the textile industry.

During the year under review, Kilburn bagged orders from the Process Industry of a total of Rs 139 crores, which is by far the highest ever.

Food Processing Equipment

In spite of very depressed tea sentiments due to poor price realization, our domestic marketing team has done really well in increasing the order booking from Rs 14 crore to Rs 16 crore.

The export orders from Africa suffered due to withdrawal of investments by the tea growers following drastic fall

in the export orders of tea. However the Bangladesh market has been strong due to protection by the government. Majority of the orders are from bought leaf factories and this trend of increase in bought leaf factories is rising both in India as well as in Bangladesh. There is an increasing number of small tea growers who are finding it easier to sell to the numerous bought leaf tea processors who are setting up plants without owning any tea garden of their own.

Order booking

The total order booking during the year 2018-19 was Rs 166 crores which is by far the highest ever by the company. As a result of this the closing order book improved to a healthy figure of Rs 105 crores as compared to an opening order book of Rs 78 crores.

FUTURE OUTLOOK

Your Company operates primarily in two divisions viz Process Equipment and Tea Drying Equipment. The future outlook based on orders in hand and the expected order inflow appears to be encouraging.

A detailed review of the outlook of each division is incorporated in the Management Discussion and Analysis Report in Annexure I which forms part of this Report.

AUDITORS

a) Statutory Auditors : At the AGM on 25.09.2017 M/s. S R B C & CO LLP, Chartered Accountants (Firm's Registration no.324982E / E300003) were appointed as Statutory Auditors as per the provisions of Section 139(2) of the Companies Act, 2013 and the rules framed thereunder, upto the conclusion of Annual General Meeting to be held in 2022. Due to proposed reduction in Audit Fees, M/s. S R B C & CO LLP, Chartered Accountants opted to resign as Statutory Auditor in the month of June, 2019. The Board of Directors filled the vacancy by appointment of M/S. V. Singhi & Associates, Chartered Accountants (FRN :311017E) as Statutory Auditors subject to the approval of members at the Annual General Meeting.

b) Internal Auditors : M/s. SPAN & Associates, Chartered Accountants were appointed as Internal Auditors by the Board of Directors for 2018 – 19 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 2018-19 and their appointment is proposed for 2019 – 20 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 2018–19, as required under section 204 of The Companies Act, 2013 read with the applicable rules. The Secretarial Audit Report for 2018 – 19 forms part of the Annual Report as Annexure - VII.

Statutory Auditors' Report

The audit report for Financial year 2018 – 19 has a qualified opinion, as following :

Basis for Qualified Opinion

As detailed in Note 5b of the accompanying Ind AS financial statements, the Company's financing arrangements include borrowings availed from a bank aggregating to Rs. 9,500 lakhs for working capital. However, pending utilization of these loans, the Company has placed it with group companies (owned by same promoter) as inter-corporate deposits ('ICDs'). This is a breach of the conditions of the loan agreement with the bank. The ICDs and interest accrued thereon receivable from these group companies as at March 31, 2019 is aggregating to Rs. 10,826 lakhs and Rs, 514 lakhs respectively. These group companies have not adhered to repayment schedule as set by the Company. Further, these group companies have not been regular in payment of interest and have been incurring losses leading to erosion in their net worth. In the absence of sufficient and appropriate audit evidence in relation to recoverability of these ICDs and recognition of interest income without any certainty of recoverability, we are unable to determine whether any adjustments are required to the carrying value of these lCDs and interest income recognized during the year and any further adjustments that may be required to these Ind AS financial statements.

<u>Qualified opinion in the Audit Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of The Companies Act, 2013 reads as following :</u>

The Company did not have an appropriate internal control system for recoverability of Inter Corporate Deposits (ICDs) placed with group companies and interest thereon, which could potentially result in the Company not recording adequate provision for doubtful ICDs and recognising interest revenue without establishing reasonable certainty of ultimate collection.

Management's response to the Audit qualification :

The Company in September 2016 had originally availed working capital loan from a bank which was subsequently renewed / rolled over. However, pending utilisation of the monies for the aforesaid, the Company has placed it with group companies (owned by same promoter) as Inter-Corporate Deposits. The aggregate amount of Inter-Corporate Deposits ('ICDs') and accrued interest receivable as at 31 March 2019 is Rs. 10,826 lakhs and Rs. 514 lakhs respectively. Considering the financial positions of these group companies, the Company has obtained unconditional and irrevocable personal guarantee from Promoter Director, for the said Inter-Corporate Deposits as collateral security in case the borrowers are unable to repay the ICDs and interest accrued thereon.

Further, a promoter group level restructuring is currently underway to monetize assets to meet up the various liability of the group companies (owned by same promoter) including the settlement of outstanding ICDs. The management has assessed the recoverability of the said ICDs, including interest receivable thereon, and has considered the same to be good and recoverable.

The Company is implementing appropriate Internal Control System to ensure timely recovery of the Inter Corporate Deposits (ICD's) placed with group companies alongwith interest thereon.

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.

MANAGEMENT DISCUSSION & ANALYSIS

A separate report on Management Discussion & Analysis is appended to the Annual Report as Annexure "I" and forms part of this Director's Report;

CORPORATE GOVERNANCE

Report on Corporate Governance has been attached herewith as Annexure - II pursuant to the provisions of Regulation 34(3) and 53(f) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EMPLOYEE RELATIONS

Employee relations have remained cordial with no loss in workdays. During the year, a number of steps have been taken for restructuring the organization to make it simpler, more responsive to customer needs and less compartmentalized. Several departments have been combined thereby bringing down the overheads. The physical layout of the office has been changed to enable closer interactions between allied functions.

The tripartite long term agreement could not be signed and efforts are on for amicable resolution. A strategy of soft counselling and intense communicating is being balanced with strict imposition of discipline. That has ensured work not to be affected and management is confident of handling the situation.

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 "VIII" 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. Subir Chaki continued as Managing Director of the Company during the year, as per terms of appointment approved by members. Board of directors had reappointed Mr. Chaki as Managing Director for a tenure of two years with effect from 01.04.2018 at the same terms of remuneration, which was approved by members of the Company at AGM on 28th September, 2018.

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

Mr. Manmohan Singh, independent director has resigned with effect from 30.04.2019 due to his health reasons.

Mr. Padam Kumar Khaitan, independent director has resigned with effect from 28.05.2019, due to his pre-occupations with profession of Legal practice.

Mr. Amitav Roy Choudhury was appointed as an Independent Director in the Board Meeting held on 29th May, 2019. His appointment has been proposed to the members at coming AGM, for a tenure of five years.

Tenure of Mr. Gobind P. Saraf as Independent Director is coming to an end at the coming AGM and Board of Directors have recommended his appointment as Independent Director for a tenure of five years.

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 2018 – 19, following officials continued as Key Managerial Personnel, pursuant to section 203 of

The Companies Act, 2013 :

i. Mr. Subir Chaki , Managing Director

ii. Mr. Suresh Shenoi (A. Suresh), Chief Financial Officer

iii. Mr. Arvind Bajoria, Company Secretary

BOARD EVALUATION

Securities Exchange Board of India (SEBI) vide its circular no. SEBI /HO /CFD /CMD /CIR /P /2017/004 dated 5th January, 2017 had issued a guidance note on Board Evaluation which inter alia contains indicative criterion for evaluation of the Board of Directors, its Committees and the individual members of the Board.

Pursuant to the new Evaluation Framework adopted by the Board, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2018 – 19. After the evaluation process was complete, the Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the Listing Regulations and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the Listing Regulations and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

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

has been displayed on the Company's website at http://www.kilburnengg.com/company-policy-main.

The Statement in Form AOC -2 containing the details of the Related Party Transactions pertaining to contracts with Related Parties forms a part of this Report as Annexure - IX.

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 - X.

Mr. Subir Chaki, Managing Director is the only Executive Director in receipt of remuneration, and remuneration details are available in the corporate governance details attached to this directors' report.

VIGIL MECHANISM

The Company has formulated 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 and can be accessed at http://www.kilburnengg.com/company-policy-main.

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 at http://www.kilburnengg.com/company-policy-main/ and also annexed herewith as Annexure - V.

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 has constituted Corporate Social Responsibility (CSR) Committee in compliance with provisions of Section 135 of the Companies Act 2013 and SEBI Listing Regulations, with Mr. Manmohan Singh (Chairman), Mr. Gobind Saraf (Member) and Mr. Subir Chaki (Member). The CSR Committee laid down the CSR policy of the Company which can be accessed at http://www.kilburnengg.com/ company-policy-main/. The Company made a total CSR expenditure amounting to Rs. 18.45 Lac (through various implementing agencies) during the FY : 2018–19. The details of said expenditure are given in Annual Report on CSR Activities, attached herewith as Annexure - IV in the form prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

EXTRACT OF THE ANNUAL RETURN

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

OTHER DISCLOSURES

During the year under review:

a. Your Company has constituted an Internal Committee (IC) to consider and resolve all sexual harassment complaints reported by women employees. The constitution of IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints reported or 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 its 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 **Aditya Khaitan**
Date : 15th July, 2019 Chairman

Annexure - I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CURRENT & FUTURE BUSINESS OUTLOOK

Your Company is engaged in design and manufacturing of special purpose process equipment and systems for critical applications primarily in the chemical, petrochemical and nuclear power sector.

During the year under review, the order booking was the highest ever for Kilburn at Rs 166 crores. This is as compared to Rs 107 crores in the previous year. This is despite a very dull tea market in Africa where no major projects came up and the total orders from tea have come down from Rs 32 crores to Rs 27 crores. This shortfall was adequately made up from the chemical and petrochemical sector where the order booking in 18-19 was Rs 139 crore compared to Rs 75 crore in 17-18.

This trend of regular flow of orders has continued. In the current year of 19-20, the opening order book was Rs 105 crore, which is significantly higher than the previous year when the year opened with an order book of Rs 78 crores. The current order book is by far the highest ever for Kilburn. This healthy order book augurs well for the current year.

The sharp increase in the order inflow is not without its concerns. A significant majority of the orders have come in from the carbon black sector. Ideally, the orders should have flown from several sectors in equal measures. While this is an ideal situation, Kilburn will strive to achieve the ideal. This year, the focus will be moving beyond the carbon black sector and focus on fertilisers, tea, municipal and industrial sludge and petrochemicals.

The other concern is the sustained pressure on margins due to stiff competition from the Chinese engineering equipment manufacturers. The only reason for this is the inverted duty structure of steep anti-dumping duties on steel, the major raw material and a very nominal import duty on the finished product. All efforts will be made to raise this issue with the government for correcting the extremely unfair playing ground.

INDUSTRY/BUSINESS OVERVIEW

While the demand for carbon black in India has now tapered off, many of the manufacturers are now planning to consolidate their business and the trend is to move to manufacturing of higher grades of carbon black. There are enquiries for several brown field projects and upgradation and it is expected that this sector will provide scope for significant orders for Kilburn. Over the years, Kilburn has developed expertise in manufacturing carbon black dryers with special grades of steel and this is widely acknowledged in the industry.

The fertilizer industry too is expected to receive a fillip as the new government will give special attention to farm inputs and support to reduce the framer distress. This industry relies on government subsidy and the policies of the government of the day influences the demand and growth in the manufacturing facilities.

Most of the players in the soda ash industry is planning expansion. This is one sector where Kilburn has a proven track record in manufacturing and supplying complete packages. While there is stiff competition from the Chinese, Kilburn will make all efforts in encashing every opportunity that comes up in this sector.

The petrochemical sector is undergoing modernization program, technology upgradation particularly in the area of clean fuel and there is always scope for Kilburn in this sector. The chemicals and dyes industry offer scope mainly in their drive to meet tighter environment norms.

The tea industry has been dull throughout the year under review and particularly in the African markets no major projects have been initiated. Tea being cyclical industry, it is to be seen how it performs in the year of 19-20.

Waste management and tighter environmental norms provide opportunity to Kilburn. The company has, during the year concluded a technology agreement with Komline Sanderson of USA for technology for manufacturing municipal sludge dryers.

The company is always on the lookout for getting more technology partners. During the year, Kilburn entered into a technology partnership with Symex Technologies of Netherland for manufacturing vapour recovery systems and successfully won orders in the petrochemical sector. The company also with technology support from Bertrams AG of Switzerland successfully won orders in chemical manufacturing sector.

Kilburn faces stiff challenge from the Chinese manufacturers. This is being mitigated by providing post commissioning support and strengthening the trust with the customers. The motto that Kilburn has taken is Building Relations and every function of the company is being geared up to respond faster to the customer.

FINANCIAL PERFORMANCE

Financial performance has been separately dealt with under the Director’s Report.

Segment-wise or Product-wise Performance

The Company is primarily engaged in designing and manufacture of drying systems for diverse applications. The Company’s performance in respect of these business groups has been outlined in the Directors Report.

1. RISKS CHALLENGES AND THREATS :

Risks	Mitigation
➢ Infringement Intellectual property Rights. (IPR)	a) Constant innovation of the Company's products to deter copying of the product by unscrupulous competitors. b) Your Company is providing a total system to customers against products by some competitors which mitigate the risk from competition to an extent
➢ 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 provides a performance guarantee to its customers which in short guarantees the technology provided which many of the smaller players are unable to provide. Chinese challenge is being mitigated by providing post commissioning support and strengthening the trust with the customers.
➢ Long execution periods expose your Company to the risk of price variations.	At the time of quotation your Company executes Suitable contracts with vendors where price & credit period are matched with the buyers terms.
➢ As significant portion of the Company's sales is export the Company also faces the risk of currency fluctuations.	Your Company has a policy of hedging currency exposures to optimum levels.
➢ As the Company's products are capital goods in nature, cyclical dip in sales is an inherent risk in its business.	Your Company is continuously developing several new products and expanding geographically which helps to bridge dip in sales if any of established products.
➢ As some of the applications are entirely new and designed & manufactured for 1st time there may be some shortfall in the product performance.	Technological vetting of designs is done at the highest levels to ensure the product meets customer requirements.
➢ Due to changing economic environment Customers delaying i) Payments ii) Taking Delivery of the manufactured product on committed date	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 Company's manufacture is completed. Such demands are settled through negotiations.

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 Board meeting. Their recommendations are duly compiled with.

HUMAN RESOURCE DEVELOPMENT :

One of your Company's key strengths is its people. During the year a number of steps have been taken for restructuring the organization to make it simpler , more responsive to customer needs and less compartmentalized.

Employee relations remained cordial throughout the year under review.

GENTLE WORD OF CAUTION :

Some of the statements in this management discussion and analysis report describing the Companies objectives, projections, estimates and expectation may be '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

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 organization 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 2019, 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 three 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, 2019 is given below :

Sr. No.	Names of the Directors	Category	No. of Board Meetings during the year 2018-19		Attendance at the last AGM held on 28.09.2018	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	4	4	No	9	1	2
2	Mr. Subir Chaki Managing Director	Executive	4	4	Yes			
3	Mr. Subir Ranjan Dasgupta	Independent	4	1	No	3	1	3
4	Mr. Amritanshu Khaitan	Non-Executive	4	4	Yes	8	-	-
5	Mr. Manmohan Singh	Independent	4	3	Yes	-	-	-
6	Mr. Padam Kumar Khaitan	Independent	4	2	Yes	7	1	1
7	Mr. Gobind Saraf	Independent	4	4	Yes	5	-	-
8	Mrs. Priya Saran Chaudhri	Independent	4	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, 2019, 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) Composition of Board had undergone change after 31st March, 2019, due to resignation of Independent directors, Mr. Manmohan Singh (w.e.f. 30th April, 2019), Mr. Padam Kumar Khaitan (w.e.f. 28th May, 2019) and Mr. Subir Ranjan Dasgupta (w.e.f. 19th June, 2019). Board of directors had appointed Mr. Amitav Roy Choudhury as Independent Director w.e.f. 29th May, 2019.

vi) 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 2018 - 19. 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 2018-19, the Board has met four times as on 30/5/2018, 13/8/2018, 14/11/2018 and 13/02/2019 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 15 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, Stakeholders' Relationship Committee, Nomination and Remuneration Committee) for the year 2018-19 are as under:

(Amount in Rs.)

Names of Directors	Designation	Sitting Fees	Salary & Perquisites **	Commission	Total
Mr. Aditya Khaitan	Non-Executive	40,000	NA	NA	40,000
Mr. Subir Chaki	Executive	NA	Rs. 127.54 Lacs**	Nil	Rs. 127.54 Lacs**
Mr. Subir Ranjan Dasgupta	Independent	20,000	NA	NA	20,000
Mr. Amritanshu Khaitan	Non-Executive	40,000	NA	NA	40,000
Mr. Manmohan Singh	Independent	1,00,000	NA	NA	1,00,000
Mr. Padam Kumar Khaitan	Independent	60,000	NA	NA	60,000
Mr. Gobind Saraf	Independent	1,30,000	NA	NA	1,30,000
Mrs. Priya Saran Chaudhri	Independent	20,000	NA	NA	20,000

** Includes salary, house rent allowance, bouns contribution to superannuation funds.

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 (alongwith their family members) as on 31st March, 2019 are as under :

Names of Directors	Nature of Directorship	No. of Equity shares held
Mr. Aditya Khaitan	Non-Executive	2,20,000
Mr. Amritanshu Khaitan	Non-Executive	1,60,600
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	Non-Executive Director	NIL

IV. Audit Committee

i) Members of the Audit Committee:

All 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 as per regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013 has following members:

Names of the Members	Position Held	Category
Mr. Gobind Saraf	Chairman	Non-Executive Independent Director
Mr. Subir Chaki	Member	Managing Director
Mr. Manmohan Singh	Member	Non-Executive Independent Director
Mr. Subir Ranjan Dasgupta	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 2018-19 and its objectives:-

During the year 2018-19, four 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			
		30/5/2018	13/8/2018	14/11/2018	13/02/2019
1	Mr. Subir Ranjan Dasgupta	Present	Absent	Absent	Absent
2	Mr. Subir Chaki	Present	Present	Present	Present
3	Mr. Manmohan Singh	Absent	Present	Present	Present
4	Mr. Gobind Saraf	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 SEBI (LODR) 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.

<u>Change in constitution of Audit Committee after the close of F.Y. – 2018 – 19 :</u>

Constitution of Audit Committee had changed after 31st March, 2019 due to resignation of Mr. Manmohan Singh on 30th April, 2019 due to his medical condition. Board of directors appointed Mr. Amitav Roy Choudhury as Independent Director w.e.f. 29th May, 2019. Mr. Amitav was also appointed as a member of the Audit Committee w.e.f. 29th May, 2019. On 19th June, 2019, Mr. Subir Ranjan Dasgupta resigned as Independent Director, due to other pre-occupations.

Resignation by Statutory Auditors – Board of Directors took cost cutting measures across the company to reduce the rising costs. M/s. S R B C & Co., LLP resigned w.e.f 29th June, 2019 conveying their inability to continue as statutory auditors till the end of their tenure till 2022, due to proposed reduction in audit fees. They have resigned as the reduction in fees proposed by Kilburn Engineering Ltd., leads to a change of the terms of audit engagement as envisaged under Standard on Auditing 210 (Revised) " Agreeing the Terms of Audit Engagement", is not acceptable to them as it is significantly lower compared to previous year fees and compared to their estimated efforts for audit of F.Y. 2020.

Board of Directors have approved the appointment of V. Singhi & Associates, Chartered Accountants as statutory auditors to fill the casual vacancy subject to approval of members at the coming AGM.

V. Nomination and Remuneration Committee

i) The Nomination and Remuneration Committee consisted of the following members during the year 2018 – 19 :

Names of Members	**Position Held**	**Category**
Mr. Manmohan Singh	Chairman	Non-Executive Independent Director
Mr. Subir Ranjan Dasgupta	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 were held during the financial year 2018 - 19 on 13th August, 2018. In the meeting dated 13th August, 2018 the members reviewed the performance of senior management personnel and approved the revised terms of remuneration of Managing Director, Mr. Subir Chaki w.e.f. 13th November, 2017, which were approved by Board of Directors and members of the Company.

<u>Change in constitution of Nomination and Remuneration Committee after the close of F.Y. – 2018 – 19 :</u>

Constitution of Nomination and Remuneration Committee had changed after 31st March, 2019 due to resignation of Mr. Manmohan Singh on 30th April, 2019 due to his medical condition. Board of directors appointed Mr. Amitav Roy Choudhury as Independent Director and a member of the Committee w.e.f. 29th May, 2019. On 19th June, 2019, Mr. Subir Ranjan Dasgupta resigned as Independent Director, due to other pre-occupations.

ii) Terms of reference:

a) To determine and set forth, in consultation with the Board, the Remuneration package of Executive Directors of the Company;

b) To determine and approve the remuneration and commission / incentive payable to the Managing Director of the Company for each financial year;

c) To approve the sitting fees / commission payable to the Non-Executive Directors of the Company;

d) 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 2018 – 19, 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

Mr. Subir Chaki was appointed as Managing Director w.e.f. 1st April, 2018. During the year 2018 – 19, he was paid Rs. 48.00 Lacs as Salary, Rs. 24.00 Lacs as Bonus, Rs. 6.02 Lacs as perquisites, and other benefits were paid as per below mentioned details. He does not hold any equity shares in the Company as on 31st March, 2019. His tenure as per the agreement is from 13th November, 2017 till 31st March, 2020, approved by shareholders. His remuneration during the past two years was as following :

Particulars	**2018-19 (Rs.)**	**2017-18 (Rs.)**
Salary	48,00,000	21,00,000
Perquisites (Car, Gas, Electricity etc.)	6,02,400	18,080
Commission, bonus and allowances	66,31,792	31,17,100
Contribution to Super Annuation Fund	7,20,000	3,15,000

Board of Directors at its meeting held on August 13, 2018, resolved to restructure the remuneration of Mr. Subir Chaki w.e.f. 13th November, 2017, as per the recommendation of Nomination and Remuneration Committee, as following.

A) RESTRUCTURED REMUNERATION

Mr Subir Chaki

	Annual	**Per Month**
Basic	4800000	400000
HRA	2400000	200000
Sp. Pay	1432000	119316
S.A.F. Contribution 15%	720000	60000
Co.'s Contribution to PF 12%	576000	48000
Gratuity Contribution	230880	19240
LTE	400000	33333
Performance Bonus (Note 4 below)	2400000	200000
Total	**12958880**	**1079890**

Other Perquisites :

1. Family Medical insurance coverage for hospitalization as per Co Scheme
2. Domiciliary medical expenses will not be reimbursed.
3. Leave encashment : Unavailed Privilege Leave (UPL) can be encashed on completion of tenure and Basic Salary will be paid for number of un-availed PL subject to rules of the company.
4. Mr. Chaki will be entitled to performance bonus equivalent to six months basic salary payable half yearly based on performance evaluation by the Management.

The above terms as to remuneration have been approved by the members at 30th AGM held on 28-09-2018.

Remuneration of Non Executive Directors :

The details of relationship between Directors inter-se, sitting fees paid to Non-Executive Directors during the year 2018 - 19 (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 31st March, 2019 (alongwith dependant relatives)
Mr. Aditya Khaitan	-	40,000	2,20,000
Mr. Amritanshu Khaitan	-	40,000	1,60,600
Mr. Subir Ranjan Dasgupta	-	20,000	NIL
Mr. Manmohan Singh	-	1,00,000	NIL
Mr. Padam Kumar Khaitan	-	60,000	NIL
Mr. Gobind Saraf	-	1,30,000	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 (other than Corporate Social Responsibility Comittee) 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 2018- 19, 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, 2019 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

<u>Change in constitution of Stakeholders' Relationship Committee after the close of F.Y. – 2018 – 19 :</u>

Constitution of Stakeholders' Relationship Committee had changed after 31st March, 2019 due to resignation of Mr. Manmohan Singh on 30th April, 2019 due to his medical condition. Board of directors appointed Mr. Amitav Roy Choudhury as Independent Director and a member of the Committee w.e.f. 29th May, 2019. On 19th June, 2019, Mr. Subir Ranjan Dasgupta resigned as Independent Director, due to other pre-occupations.

iii) Procedure for approval and details of meetings and attendance during the year 2018 - 2019:

During the year 2018 - 2019, four meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Members	Meetings / Attendance			
		30/05/2018	**13/08/2018**	**14/11/2018**	**13/02/2018**
1	Mr. Padam Kumar Khaitan	Present	Present	Present	Absent
2	Mr. Gobind Saraf	Present	Present	Present	Present
3	Mr. Manmohan Singh	Absent	Present	Present	Absent

The power to approve the share transfer / transmission and dematerialization 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 283000

Fax: 91 2522 281026

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 2017 - 18 is as follows:

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Declared Dividend	4	4
Non-receipt of Share Certificates	1	1
Non-receipt of Annual Reports	5	5
Shares not dematerialized / rematerialized	NIL	NIL
Others	NIL	NIL
Total	10	10

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
2017-2018	30th	Friday, 28th September, 2018	ICC Auditorium, 10th Floor, ICC Towers, Indian Chamber of Commerce (ICC), 4, India Exchange Place, Kolkata – 700 001	11.00 a.m.
2016-2017	29th	Monday, 25th September, 2017	Williamson Magor Hall, The Bengal Chamber of Commerce and Industry, 6, Netaji Subhash Road, Kolkata – 700 001	10.00 a.m.
2015-2016	28th	Monday, 22nd September, 2016	Williamson Magor Hall, The Bengal Chamber of Commerce and Industry, 6, Netaji Subhash Road, Kolkata – 700 001	10.00 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
30th	2 (Two)	1. Approval of appointment of Mr. Subir Chaki as Managing Director 2.Approval of continuation of Mr. Gobind Saraf as director of the Company, on completion of 75 years of Age.
29th	1 (One)	1. Re-appointment of Mr. Supriya Mukherjee as Managing Director of the Company for a period of One year w.e.f. 01st April, 2017;
28th	NIL	N.A.

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

No resolutions were passed through Postal Ballot in the past three years

2. Disclosures

i) Related party transactions:

Related party transactions have been disclosed under Note 36 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, 2019 are prepared in conformity with the Accounting Standards. Refer Significant Accounting Policies para 2 and Revenue recognition policy.

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, 2019, 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 SEBI (LODR) Requirements, 2015.

c) The details of compliance with non-mandatory requirements of SEBI (LODR) Requirements, 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 behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguard to the victimized 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 SEBI (LODR) Requirements, 2015 (read with erstwhile Clause 54 of the Listing Agreement), 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 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, 2019 as required under SEBI Listing Regulations, 2015 was placed and taken on record at the Board Meeting of the Company held on 15th July, 2019.

xi) Certificate of compliance:

The Certificate of a Practicing Company Secretary confirming compliance with all requirements of the SEBI (LODR) Regulations for the year ended 31st March, 2019 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	:	13th August, 2019
Time	:	11:00 A.M.
Venue	:	Willamson Magor Hall The Bengal Chamber of Commece and Industry 6, Netaji Subhash Road Kolkatta - 700 001

b) Financial year 2019-2020 (tentative schedule)

Quarter Results

Ending on June 30, 2019	:	Second week of August 2019
Ending on September 30, 2019	:	Second week of November 2019
Ending on December 31, 2019	:	Second week of February 2020
Year ended March 31, 2020	:	AGM is prosposed to be held in August / September, 2020

c)	Date of Book Closure	:	7th August, 2019 to 13th August, 2019 (Both days inclusive)
d)	Listing on Stock Exchanges	:	BSE Limited (BSE), Mumbai The Calcutta Stock Exchange Limited (CSE), Kolkata The Annual Listing fees for the year 2019-2020 has been paid.
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 : 2018 – 19 was as following :

Month & Year	Share Price of KEL on BSE			
	Month's High (₹Rs.)	Month's Low (₹Rs.)	Month's Closing Price (₹Rs.)	Volume of shares traded (In no.)
Apr-18	84.40	73.50	79.85	170134
May-18	89.35	50.60	53.60	229136
Jun-18	61.65	48.85	55.90	122550
Jul-18	63.90	52.00	62.15	75184
Aug-18	69.15	55.55	65.55	175988
Sep-18	68.50	52.80	58.85	82105
Oct-18	62.95	49.10	56.55	73997
Nov-18	65.00	50.55	51.50	78309
Dec-18	61.45	47.00	53.10	55698
Jan-19	54.95	47.55	49.40	40316
Feb-19	55.00	39.55	40.60	48695
Mar-19	50.00	37.55	44.00	59560

i) Registrars and Transfer Agents :
Maheshwari Datamatics Private Limited

5th Floor, 23, R. N. Mukherjee Road, Kolkata – 700 001.

Tel No.: (033) 2243 5809 / 5029; 2248 2248

Fax No.: (033) 2248 4787

E-mail: mdpldc@yahoo.com

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 dematerialized form.

k) Distribution of shareholding as on 31st March, 2019:

No. of Equity shares held	**No. of shareholders**	**% of shareholders**	**No. of shares**	**% of shareholding**
UPTO - 500	6675	85.16	1055528	7.96
501 – 1000	575	7.34	473225	3.57
1001 - 2000	289	3.69	451428	3.41
2001 - 3000	87	1.11	220693	1.66
3001 - 4000	36	0.46	127886	0.96
4001 - 5000	42	0.54	198849	1.50
5001 - 10000	62	0.79	480493	3.62
10001 and above	72	0.92	10247666	77.31
TOTAL	**7838**	**100.00**	**13255768**	**100.00**

Shareholding pattern as on 31st March, 2019:

		Category	**No. of Shareholders**	**No. of Shares held**	**Percentage of Shareholding**
A	Promoters' Holding				
	1	Promoters			
		Indian	12	8005038	60.39
		Foreign	-	-	-
B	Public Shareholding				
	2	Institutional Investors	-		
		a. Mutual Funds and UTI	2	800	0.01
		b. Banks, Financial Institutions	-	-	-
		c. Insurance Companies	-	-	-
		d. Foreign Institutional Investors	-	-	-
	3	Others			
		a. Bodies Corporate	77	232410	1.75
		b. Indian Public	7648	4733054	35.71
		c. NRIs / OCBs	66	32634	0.25
		d. IEPF	1	144381	1.09
		d. Others	32	107451	0.80
		Total (1+2+3)	**7838**	**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 2019

The Company's Shares are traded in Stock Exchange in dematerialized 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, 2019 the data are as follows.

Particulars	No. of Shares	Percentage of Total Shares
Physical Segment	2,56,510	1.93 %
NSDL	1,08,35,921	81.75 %
CDSL	21,63,337	16.32 %
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
2017-2018	Equity	Rs. 1/-	Rs. 10/-	10 %
2016-2017	Equity	Rs. 2/-	Rs. 10/-	20 %
2015-2016	Equity	Rs.2/-	Rs. 10/-	20 %

n) Transfer of Unpaid / Unclaimed dividend and the shares to Investor Education and Protection Fund (IEPF).

Section 124 of the Companies Act, 2013, 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 31.03.2019 (₹ Rs.)	Date of Declaration	Dividend Payment Date	Due date for transfer to IEPF
2015-2016 Final	602174.00	22nd September, 2016	10th October, 2016	9th October, 2023
2016-2017 Final	595710.00	25th September, 2017	10th October, 2017	9th October, 2024
2017-2018 Final	223397.00	28th September, 2018	12th October, 2018	11th October, 2025

Unpaid dividend amounting to Rs. 496728.00 for the financial year 2010-11 was transferred to IEPF during the year 2018.

Transfer of Shares to IEPF

Pursuant to the provisions of Section 124(6) of The Companies Act, 2013 read alongwith the Investor Education and Protection Fund Authority (Accounting Audit, Transfer and Refund) Rules, 2016 ("The Rules") notified by the Ministry of Corporate Affairs, New Delhi, transfer of all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years was made to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, individual communication was sent to those shareholders whose shares were liable to be transferred to IEPF under the said Rules at their latest available address alongwith the notice in the newspaper and thereafter the shares were transferred in 2018.

o) INVESTORS SAFEGAURDS:

· 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 dematerialized 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., 5th Floor, 23, R.N. Mukherjee Road, 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 dematerialized 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.,

5th Floor, 23, R.N. Mukherjee Road,

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

Place: Kolkata
Date: 15th July, 2019

Subir Chaki
Managing Director

ANNEXURE – III

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,

KILBURN ENGINEERING LTD

I have examined all the relevant records of **Kilburn Engineering Ltd** ('the Company') for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31st March, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the said Listing Regulations.

I 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 theCompany.

For Dhrumil M. Shah & Co.

Dhrumil M. Shah

Place: Mumbai

Practicing Company Secretary

Date: 15th July, 2019

CP 8978; FCS 8021

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Subir Chaki, 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, 2019.

Subir Chaki

Kolkata,

Managing Director

15th July, 2019

ANNEXURE – IV

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company's Corporate Social Responsibility (CSR) Policy encompasses the Company's philosophy for delineating its responsibility as a Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large. In alignment with the vision of the Company, KEL, through its CSR initiatives, strives to create and enhance value in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth and development and welfare for the society and community at large, more specifically for the deprived and underprivileged persons.

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for the Company to undertake and fulfil its Corporate Social Responsibility. The Policy functions as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms. In brief, the Policy provides inter alia, the following:

a. CSR Activities identified are related to the activities included in the Companies Act, 2013 (the Act) and the Companies (CSR Policy Rules) 2014 and exclude the activities undertaken in the normal course of business as well as exclude projects or programmes or activities that benefit only the employees of the Company and their families.

b. CSR Activities may be through a registered Trust or a registered society or a Company established under section 8 of the Act, subject to provisions in the Act and the CSR Rules.

c. The Company may also collaborate with other Companies for undertaking projects or programmes for CSR activities in such manner as provided.

d. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities but does not include any expenditure on an item not in conformity with the CSR Policy.

e. CSR expenditure of at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of CSR Policy.

f. CSR expenditure excludes any amount contributed, directly or indirectly to any political party u/s 182 of the Act.

g. Any surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.

Being aware of its CSR, the Company continues to be associated with a unique sustainable initiative-purpose of eradication of hunger and poverty and promotion of education, special education for differently abled, promotion of sports and education for rural development, details of which are provided below

The Policy is available on the Company's website at http://www.kilburnengg.com/company-policy- main/

2. **The Composition of the CSR Committee:**

As on March 31, 2019, the Corporate Social Responsibility (CSR) Committee of the Board comprised of Mr. Manmohan Singh (Chairman), Mr. Subir Chaki and Mr. Gobind Saraf.

3. **Average net profit of the Company for the last three financial years : Rs. 921.67 Lakhs**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 18.43 Lakhs**

5. **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial

year: Prescribed amount

(b) Amount unspent, if any: Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below :

CSR Project or activity identified	Sector in which the Project is covered (vide Schedule VII to The Companies Act, 2013)	Projects or programs Local area or other Name of the state and district where projects or programs will be undertaken	Amount of outlay (budget of the Company) project or program wise (Rs. Lakhs)	Amount spent on the projects Or programs (Rs. Lakhs)	Cumulative CSR expenditure upto the reporting period (Rs. Lakhs)	Amount spent : Direct or through Implementing Agency
Providing Food and Education for Street Children	Sch. VII Item (i), (ii) and (iii)	(i) Local Area (ii) Howrah, Hooghly and Kolkata, where the Company has its regd. Office	18.45	18.45	18.45	Implementing Agency : MCKS FOUNDATION, KOLKATA

6. Reasons for failing to spend the two per cent of the average net profit of the last three financial years or any part thereof : Not Applicable
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

Kolkata

15th July, 2019

Gobind Saraf

Chairman (CSR Committee of the Board)

ANNEXURE – V

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 the Kilburn. 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 and a benchmark of international companies, which are similar to Kilburn in size and complexity.

Benchmarking is done with the help of reports generated by/through internationally recognized compensation service 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 **Aditya Khaitan**

Date: 15th July, 2019 Chairman

ANNEXURE "VI"

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[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	:	3rd 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, 2nd 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

Sl. no.	Name and Description of Main Products/ Services	NIC Code of the Product / Service	%age to total turnover
1	Industrial Machinery / Dryer / Cooler	84193900	95.87%

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-2018]				No of Shares held at the end of the year [As on 31-March-2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	454501	0	454501	3.4287	454501	0	454501	3.4287	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	7550537	0	7550537	56.9604	7550537	0	7550537	56.9604	0.0000
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	8005038	0	8005038	60.3891	8005038	0	8005038	60.3891	0.0000
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	8005038	0	8005038	60.3891	8005038	0	8005038	60.3891	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	900	900	0.0068	0	900	900	0.0068	0.0000
b) Banks/FI									
c)Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	0	900	900	0.0068	0	900	900	0.0068	0.0000

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2018]				No of Shares held at the end of the year [As on 31-March-2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	272644	3100	275744	2.0802	229810	2600	232410	1.7533	-0.3269
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2739287	308173	3047460	22.9897	2667586	253010	2920596	22.0326	-0.9571
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1625937	0	1625937	12.2659	1812358	0	1812358	13.6722	1.4063
c) Others (Specify)									
Non Resident Indians	59533	400	59933	0.4521	32634	0	32634	0.2462	-0.2059
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	59272	0	59272	0.4471	37951	0	37951	0.2863	-0.1608
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	70385	0	70385	0.5310	69500	0	69500	0.5243	-0.0067
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority	111099	0	111099	0.8381	144381	0	144381	1.0892	0.2511
Sub-total(B)(2):-	4938157	311673	5249830	39.6041	4994220	255610	5249830	39.6041	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4938157	312573	5250730	39.6109	4994220	256510	5250730	39.6109	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	12943195	312573	13255768	100.0000	12999258	256510	13255768	100.0000	0.0000

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/04/2018]			Shareholding at the end of the year [As on 31/03/2019]			% 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	32.5824	0.0000	4319043	32.5824	0.0000	0.0000
2	BISHNAUTH INVESTMENTS LIMITED	1454200	10.9703	0.0000	1454200	10.9703	0.0000	0.0000
3	UNITED MACHINE CO LTD	929126	7.0092	0.0000	929126	7.0092	0.0000	0.0000
4	MCLEOD RUSSEL INDIA LIMITED	848168	6.3985	0.0000	848168	6.3985	0.0000	0.0000
5	ADITYA KHAITAN	150000	1.1316	0.0000	150000	1.1316	0.0000	0.0000
6	AMRITANSHU KHAITAN	130000	0.9807	0.0000	130000	0.9807	0.0000	0.0000
7	YASHODHARA KHAITAN	57901	0.4368	0.0000	57901	0.4368	0.0000	0.0000
8	ADITYA KHAITAN	50000	0.3772	0.0000	50000	0.3772	0.0000	0.0000
9	VANYA KHAITAN	20600	0.1554	0.0000	20600	0.1554	0.0000	0.0000
10	KAVITA KHAITAN	20000	0.1509	0.0000	20000	0.1509	0.0000	0.0000
11	B M KHAITAN	16000	0.1207	0.0000	16000	0.1207	0.0000	0.0000
12	ISHA KHAITAN	10000	0.0754	0.0000	10000	0.0754	0.0000	0.0000
	TOTAL	**8005038**	**60.3891**	**0.0000**	**8005038**	**60.3891**	**0.0000**	**0.0000**

iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MCLEOD RUSSEL INDIA LIMITED				
	01/04/2018	848168	6.3985		
	31/03/2019	848168	6.3985	848168	6.3985
2	UNITED MACHINE CO LTD				
	01/04/2018	929126	7.0092		
	31/03/2019	929126	7.0092	929126	7.0092
3	WILLIAMSON MAGOR & CO LIMITED				
	01/04/2018	4319043	32.5824		
	31/03/2019	4319043	32.5824	4319043	32.5824
4	BISHNAUTH INVESTMENTS LIMITED				
	01/04/2018	1454200	10.9703		
	31/03/2019	1454200	10.9703	1454200	10.9703
5	ADITYA KHAITAN				
	01/04/2018	50000	0.3772		
	31/03/2019	50000	0.3772	50000	0.3772
6	YASHODHARA KHAITAN				
	01/04/2018	57901	0.4368		
	31/03/2019	57901	0.4368	57901	0.4368

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	ADITYA KHAITAN				
	01/04/2018	150000	1.1316		
	31/03/2019	150000	1.1316	150000	1.1316
8	KAVITA KHAITAN				
	01/04/2018	20000	0.1509		
	31/03/2019	20000	0.1509	20000	0.1509
9	B M KHAITAN				
	01/04/2018	16000	0.1207		
	31/03/2019	16000	0.1207	16000	0.1207
10	AMRITANSHU KHAITAN				
	01/04/2018	130000	0.9807		
	31/03/2019	130000	0.9807	130000	0.9807
11	ISHA KHAITAN				
	01/04/2018	10000	0.0754		
	31/03/2019	10000	0.0754	10000	0.0754
12	VANYA KHAITAN				
	01/04/2018	20600	0.1554		
	31/03/2019	20600	0.1554	20600	0.1554

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/18]/ end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	G. SUNDAR				
	01/04/2018	178101	1.3436		
	31/03/2019	178101	1.3436	178101	1.3436
2	RADHIKA TRADERS & INVESTORS LTD				
	01/04/2018	69200	0.5220		
	31/03/2019	69200	0.5220	69200	0.5220
3	YARLAGADDA SVRPC PRABHAKARA PRASAD				
	01/04/2018	62369	0.4705		
	31/03/2019	62369	0.4705	62369	0.4705
4	RKSV SECURITIES INDIA PVT LTD				
	01/04/2018	0	0.0000		
	20/04/2018 - Transfer	225	0.0017	225	0.0017
	27/04/2018 - Transfer	-225	0.0017	0	0.0000
	01/06/2018 - Transfer	72190	0.5446	72190	0.5446
	08/06/2018 - Transfer	-65451	0.4938	6739	0.0508

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/ end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	15/06/2018 - Transfer	-6739	0.0508	0	0.0000
	30/11/2018 - Transfer	200	0.0015	200	0.0015
	07/12/2018 - Transfer	-200	0.0015	0	0.0000
	31/03/2019	0	0.0000	0	0.0000
5	SWARAN FINANCIAL PVT LTD *				
	01/04/2018	0	0.0000		
	08/06/2018 - Transfer	43131	0.3254	43131	0.3254
	15/06/2018 - Transfer	1280	0.0097	44411	0.3350
	31/08/2018 - Transfer	-11481	0.0866	32930	0.2484
	07/09/2018 - Transfer	-1425	0.0108	31505	0.2377
	29/03/2019 - Transfer	26869	0.2027	58374	0.4404
	31/03/2019	58374	0.4404	58374	0.4404
6	MADHU GUPTA				
	01/04/2018	87000	0.6563		
	20/04/2018 - Transfer	3000	0.0226	90000	0.6789
	11/05/2018 - Transfer	3018	0.0228	93018	0.7017
	08/06/2018 - Transfer	11482	0.0866	104500	0.7883
	15/06/2018 - Transfer	10500	0.0792	115000	0.8675
	10/08/2018 - Transfer	5000	0.0452	120000	1.0849
	31/08/2018 - Transfer	20000	0.1509	140000	1.0561
	31/03/2019	140000	1.0561	140000	1.0561
7	RENU KABRA				
	01/04/2018	81513	0.6149		
	11/05/2018 - Transfer	1001	0.0076	82514	0.6225
	06/07/2018 - Transfer	-4301	0.0389	78213	0.7080
	31/08/2018 - Transfer	4301	0.0324	82514	0.6225
	31/03/2019	82514	0.6225	82514	0.6225
8	SUBHASH HASTIMAL LODHA				
	01/04/2018	94943	0.7162		
	06/07/2018 - Transfer	-94943	0.8594	0	0.0000
	31/08/2018 - Transfer	98533	0.7433	98533	0.7433
	30/11/2018 - Transfer	4602	0.0346	103135	0.7764
	07/12/2018 - Transfer	1765	0.0133	104900	0.7896
	14/12/2018 - Transfer	498	0.0038	105398	0.7952
	01/03/2019 - Transfer	1560	0.0118	106958	0.8069
	31/03/2019	106958	0.8069	106958	0.8069

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/ end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	ANAND MISHRILAL JAJU				
	01/04/2018	22000	0.1660		
	27/04/2018 - Transfer	8000	0.0604	30000	0.2263
	04/05/2018 - Transfer	10000	0.0754	40000	0.3018
	06/07/2018 - Transfer	-40000	0.3621	0	0.0000
	31/08/2018 - Transfer	50000	0.3772	50000	0.3772
	31/03/2019	50000	0.3772	50000	0.3772
10	LINCOLN P COELHO #				
	01/04/2018	50000	0.3772		
	31/03/2019	50000	0.3772	50000	0.3772
11	CHOITHANI RAJESH ASHOK #				
	01/04/2018	45250	0.3414		
	31/03/2019	45250	0.3414	45250	0.3414
12	BHAGIRATH PASARI				
	01/04/2018	194100	1.4643		
	31/03/2019	194100	1.4643	194100	1.4643
13	SHILPI GUPTA *				
	01/04/2018	30000	0.2263		
	15/06/2018 - Transfer	6000	0.0453	36000	0.2716
	22/06/2018 - Transfer	6040	0.0456	42040	0.3171
	29/06/2018 - Transfer	7960	0.0600	50000	0.3772
	13/07/2018 - Transfer	6834	0.0618	56834	0.5141
	20/07/2018 - Transfer	6166	0.0558	63000	0.5697
	27/07/2018 - Transfer	4000	0.0362	67000	0.6058
	10/08/2018 - Transfer	3000	0.0271	70000	0.6329
	31/03/2019	70000	0.5281	70000	0.5281
14	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	01/04/2018	111099	0.8381		
	30/11/2018 - Transfer	31522	0.2373	142621	1.0736
	21/12/2018 - Transfer	1760	0.0133	144381	1.0892
	31/03/2019	144381	1.0892	144381	1.0892

* Not in the list of Top 10 shareholders as on 01/04/2018 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

\# Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	B M KHAITAN				
	4/1/2018	16000	0.1207		
	3/31/2019	16000	0.1207	16000	0.1207
2	ARVIND BAJORIA				
	4/1/2018	5	0.0000		
	3/31/2019	5	0.0000	5	0.0000

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	11443.62			11443.62
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	402.63	-	-	402.63
	Total (i+ii+iii)	**11846.25**	**-**	**-**	**11846.25**
	Change in Indebtedness during the financial year				
	• Addition	12152.06	-	-	12152.06
	• Reduction	11895.28	-	-	11895.28
	• Other Adjustment	400.39			400.39
	Net Change	(143.61)	-	-	(143.61)
	Indebtedness at the end of the financial year				
i.	Principal Amount	11303.87	-	-	11303.87
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	398.77	-	-	398.77
	Total (i + ii + iii)	**11702.64**	**-**	**-**	**11702.64**

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 (Mr. Subir Chaki)
1	**Gross Salary**	
a.	Salary	114.32
b.	Value of perquisites	6.02
c.	Profits in lieu of salary	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify …	-
5	Others, please specify	-
	Total	**120.38**

Note: Above remunaration is as per financial Statement of 2018-19.

B. Remuneration to other directors

Names of Directors	Sitting Fees (Rs./-)	Commission	Others	Total
Mr. Aditya Khaitan	40,000	0.00	0.00	40,000
Mr. Subir Ranjan Dasgupta	20,000	0.00	0.00	20,000
Mr. Amritanshu Khaitan	40,000	0.00	0.00	40,000
Mr. Manmohan Singh	1,00,000	0.00	0.00	1,00,000
Mr. Padam Kumar Khaitan	60,000	0.00	0.00	60,000
Mr. Gobind Saraf	1,30,000	0.00	0.00	1,30,000
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	43.69	13.58
b.	Value of perquisites	3.07	-
c.	Profits in lieu of salary	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify …	-	-
5	Others, please specify	-	-
	Total	**45.76**	**13.58**

Note: Above remunaration is as per financial Statement of 2018-19.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offenses for the year ended March 31, 2019.

For and on behalf of the Board

Place : Kolkata

Date : 15th July, 2019

Aditya Khaitan

Chairman

ANNEXURE "VII"

FORM NO MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019 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, 2019 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 and Overseas Direct Investment and External Commercial Borrowings.

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, 2015

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable to the company for the financial year ended March 31, 2019

   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable to the company for the financial year ended March 31, 2019

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable to the company for the financial year ended March 31, 2019

   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 for the financial year ended March 31, 2019

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable to the company for the financial year ended March 31, 2019

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;- Not applicable to the company for the financial year ended March 31, 2019; and

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi. The Company has informed that there are no laws which are specifically applicable to the Company.

I have also examined compliance of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

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. No changes in composition of the Board of Directors taken place during the period under review.

Adequate notice is given to all Directors to schedule Board Meetings. Agenda and detailed notes on agenda were sent generally 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 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.

Observations:

Pursuant to rule 6(13) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Company has not transferred dividend amount declared and paid for the financial year 2017-18 to IEPF fund in relation to equity shares credited to IEPF fund as per 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

For **Dhrumil M Shah & Co.**

Place: Mumbai
Date: 15-07-2019

Dhrumil 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 **Dhrumil M Shah & Co.**

Dhrumil M Shah
Practicing Company Secretary
CP 8978; FCS 8021

Place: Mumbai
Date: 15-07-2019

Annexure - “VIII”

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS’ REPORT FOR THE YEAR ENDED 31ST MARCH, 2019.

A. CONSERVATION OF ENERGY-

a) steps taken or impact on conservation of energy :

Nil

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

Nil

c) Capital investment on energy conservation equipments :

Nil

I. TECHNOLOGY ABSORPTION

- Developed technology for drying of agro based product using fluid bed technology with embedded heat exchanger. At present, rotary batch type vacuum dryers are used due to temperature limitation.

  Fluid bed technology using convective mode of heat transfer ensures uniform drying at low temperature with better efficiency and economical mode of drying with better quality product.
- Developed drying technology for handling liquid / slurry waste using indirect mode of drying. System is very compact and efficient as compare to normal way of removing solvent/liquid using evaporator with steam heating system.

  Using indirect mode to heat transfer to remove solvent/liquid from slurry to separate out solid from liquid waste. System is very compact and energy efficient.
- Fluid bed technology using inert gas recirculation for drying of product having very low ignition energy which can cause explosion. At present, vacuum batch type systems are used and are highly energy intensive.
- Successfully commissioned paddle drying system for distillery and paper industry using conductive mode of heat transfer. Such products are sticky in nature and difficult to handle. Paddle dryer is very economical and efficient with considerable very less space to handle such products.

II. BENEFITS DERIVED

- Improvement in product quality, energy efficient and compact continuous drying systems are designed as compared to batch drying mode.
- Conductive mode of drying system are very efficient for handling liquid / slurry based material. Systems using this concept will be very compact and highly energy efficient with considerable reduction in civil cost.

1. Information regarding imported technology (Three Years)

Paddle Dryer Technology has been fully absorbed and research is in progress to improve the technology further with more applications.

a) For drying of Sodium Bi Carbonate (food grade) Using Vibratory Fluidized Bed System from M/s. Carrier Vibrating Equipment Inc. USA

b) Paddle Dryer Technology developed by M/s. Nara Machinery Company will be used for differential application. We have done work to dry human waste using paddle dryer technology in 'Swachh Bharat Abhiyan'.

c) Whether the technology been fully absorbed – Yes.

d) If not fully absorbed, areas where absorption has not taken placed, and the reasons thereof – N/A.

2. Expenditure incurred on Research and Development:

Expenditure on R&D:

a)	Capital	
b)	Recurring	Rs. 67.81 Lacs
c)	Total	Rs. 67.81 Lacs
d)	Total R&D expenditure as a percentage of total turnover	0.47

A. 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 - Rs. 820.27 Lacs

Total foreign exchange earned – Rs. 2623.37 Lacs

For and on behalf of the Board

Place: Kolkata
Date: 15th July, 2019

Aditya Khaitan
Chairman

Annexure - "IX"

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 during the year ended 31st March, 2019 – As following**

   The agreement was approved by Audit Committee and Board for two years w.e.f. 1st April, 2017 in the meeting held on 13th February, 2017.

Name of Party	Relationship	Nature of transaction	Duration	Salient terms including value (₹ Lakhs)
Williamson Magor and Company Limited	Company having significant Influence	Payment of corporate consultancy charges	April 1, 2018 to March 31, 2019	24.00

2. **Details of contract or arrangements or transactions at arm's length basis during the year ended 31st March 2019 :**

   The Omnibus approval was given by Audit Committee and Board in the meeting held on 30th May 2018.

   However, the transactions of ICD were entered with the prior approval at the meeting of Audit Committee and Board as mentioned below.

Name of Party	Relationship	Nature of transaction and date of approval of audit committee	Date / Duration	Salient terms including value (₹ Lakhs)
Williamson Financial Services Limited	Company in which directors are interested	Inter Corporate Deposit (ICD) placed	4th May, 2018	300.00
Williamson Magor and Company Limited	Company having significant Influence	Placement of ICD (approved by Audit Committee on 30th May, 2018)	20th July, 2018	1200.00
Williamson Financial Services Limited	Company in which directors are interested	Inter Corporate Deposit (ICD) returned	18th Sept., 2018	4115.00
Williamson Financial Services Limited	Company in which directors are interested	Placement of ICD (approved by Audit Committee on 13th Aug., 2018)	18th Sept., 2018	4000.00
Williamson Magor and Company Limited	Company having significant Influence	Inter Corporate Deposit (ICD) returned	1st Oct., 2018	800.00
Williamson Financial Services Limited	Company in which directors are interested	Inter Corporate Deposit (ICD) returned	5th Oct., 2018	4000.00
Williamson Financial Services Limited	Company in which directors are interested	Placement of ICD (approved by Audit Committee on 13th Aug., 2018)	15th Oct., 2018	3700.00
Williamson Magor and Company Limited	Company having significant Influence	Interest Income on ICD	April 1, 2018 to March 31, 2019	69.79
Williamson Financial Services Limited	Company in which directors are interested	Interest Income on ICD	April 1, 2018 to March 31, 2019	656.88

Mrs. Isha Khaitan	Spouse of Director (Mr. Amritanshu Khaitan)	Payment of consultancy fees	April 1, 2018 to March 31, 2019	14.40
Babcock Borsig Ltd.	Enterprises over which Directors or relatives of Directors have significant influence	Interest Income on ICD	April 1, 2018 to March 31, 2019	885.26
Williamson Magor and Company Limited	Company having significant Influence	Rent and service charges	April 1, 2018 to March 31, 2019	16.80
Aditya Khaitan	Chairman and Non-executive director	Personal Guarantee received	12th Nov., 2018	12,000.00

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. Disclosure of other Directors' remuneration has been made in the Directors Report.

For and on behalf of the Board

Place: Kolkata

Date: 15th July, 2019

Aditya Khaitan

Chairman

ANNEXURE – "X"

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:

Sr. no.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Managing Director	
		Mr. Subir Chaki	52.46 : 1
		Non Executive Directors	
		Mr. Aditya Khaitan	0.15 : 1
		Mr. Amritanshu Khaitan	0.15 : 1
		Mr. Manmohan Singh	0.39 : 1
		Mr. Subir Ranjan Dasgupta	0.08 : 1
		Mr. Padam Kumar Khaitan	0.23 : 1
		Mr. Gobind Saraf	0.50 : 1
		Mrs. Priya Saran Chaudhri	0.08 : 1
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 or CFO during the year 2018 - 19. There was about 10% increase in the salary of CS. Salary of Mr. Subir Chaki was restructured w.e.f. 13th Nov., 2017 in the Board meeting held on 13th August, 2018, and approved by members at AGM held on 28-09-2018.	
3	The percentage increase in the median remuneration of employees in the financial year	There was approx. 4% increase in the median remuneration of employees during 2018 – 19.	
4	The number of permanent employees on the rolls of the Company	305 employees were on the rolls of company as on March 31, 2019.	
5	The explanation on the relationship between average increase in remuneration and Company performance	During 2018-19, Profit Before Tax (PBT) of Company increased by 75.56% (approx). Accordingly, there was increase in remuneration of managerial personnel and wages of workmen, based on their performance.	
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total remuneration of Key Managerial Personnel is 22.43% of the Profit Before Tax (PBT) for the year 2018 – 19.	
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 decreased from Rs. 98.29 crores as on March 31, 2018 to Rs. 58.33 crores as of March 31, 2019. Over the same period, the price to earnings ratio moved from 29.31 to 9.85. The stock price of the Company as at March 31, 2019 has increased by 76% to Rs. 44 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.	

Sr. no.	Requirements	Disclosure
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.	There was no increase in the salary of workmen and average remuneration of managerial personnel increased by 7% during the year 2018 - 19, due to better profitability as compared to previous year.
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Remuneration of Key Managerial Personnel was 22.43% of the Profit Before Tax (PBT) for the year 2018 – 19. MD (15.00%), CFO(5.72%) and CS (1.71%)
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

Place: Kolkata

Aditya Khaitan

Date: 15th July, 2019

Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KILBURN ENGINEERING LTD.

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of Kilburn Engineering Ltd. ("the Company"), which comprise the Balance sheet as at March 31 , 2019 , the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 , as amended (" the Act ") in the manner so required and give a t rue and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 , 2019, it s profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As detailed in Note 5b of the accompanying Ind AS financial statements, the Company's financing arr angements include borr owings availed from a bank aggregating to Rs. 9,500 lakhs for working capital. However, pending ut ilizat ion of these loans, the Company has placed it with group companies (owned by same promoter) as inter-corporate deposits ('ICDs'). This is a breach of the conditions of the loan agreement with the bank. The ICDs and interest accrued thereon receivable from these group companies as at March 31 , 2019 is aggregating to Rs. 10 ,826 lakhs and Rs, 514 lakhs respectively. These group companies have not adhered to repayment schedule as set by the Company. Further, these group companies have not been regular in payment of interest and have been incurr ing losses leading to erosion in their net worth. In the absence of suff icient and appropriate audit evidence in relat ion to recoverability of these ICDs and recognition of interest income without any certainty of recoverability, we are unable to determine whether any adjustments are required to the carr ying value of these lCDs and interest income recognized during the year and any further adjustments that may be required to these Ind AS financial statements.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Inst it ute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is suff icient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw att ention to Note 42 in the Ind AS financial statements, where in it is stated that the Company's loans are scheduled to be repaid during in the financial year ending March 31 , 2020 and that the Company has not yet concluded it s plan for obtaining replacement financing. These events or conditions, along with other matters as set forth in Note 5b, indicate the existence of a material uncertainty that may cast significant doubt on the Company's abilit y to continue as a going concern.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31 , 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matt er described in the 'Basis for Qualified Opinion' section and in the 'Material Uncertainty Related to Going Concern' section, we have determined the matt er described below to be the key audit matters to be communicated in our report. For the matt er below, our description of how our audit addressed the matt er is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relat ion to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial st atements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Revenue recognition from design, construction and commissioning contracts with customer (as described in Note 45 of the accompanying Ind AS financial statements)	
The Company's significant portion of business is from design, construction and commissioning contracts with customer. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115 , Revenue from Contracts with Customers. Due to the nature of the contracts, revenue is accounted over a period of time (using input method) which involves significant judgments and est imates including: ➢ Identification of contractual obligations and the Company's rights to receive payments for performance completed t ill date, ➢ Changes in scope and consequential revised contract price including provision of liquidated damages and recognition of the liabilit y for loss making contracts/ onerous obligations, ➢ Estimation of total contract costs to be incurred.	We performed following procedures, among others: ➢ We understood the Company's policies and processes, control mechanisms and methods in relat ion to the revenue recognition for these contracts and evaluated the design and operative effectiveness of the financial controls from the above through our test of control; ➢ We evaluated management's estimates and assumptions for sample contracts. We inspected the underlying documents which form the basis of revenue recognition under the input method. We evaluated the revenue recognized over a period of time, status of the project and of contractual obligation, total cost estimates and re- calculated the arithmetic accuracy of the same; ➢ Amongst other, for sample contracts we performed the following procedures:
Revenue and profits may deviate significantly on account of change in judgements and estimates. Accordingly, revenue recognition for contracts is considered as a key audit matter.	➢ We analysed the balance cost estimation, tested the historical accuracy of previous forecasts and discussed variances with project teams. We tested that the costs incurr ed were accrued at year end and also t ested the assumptions for balance costs-to- complete; ➢ We analysed and tested exceptions for contracts including contracts with low or negative margins, loss making contracts, contracts with significant changes in cost estimates, probable penalties due to delay in contract execution and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required. ➢ We verified the presentation and disclosure of such contracts in the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, management report and chairman's statement, but does not include the Ind AS financial statements and our auditor's report thereon. The annual report, management report and chairman's statement are expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, management report and chairman's statement, if we conclude that there is a material misstatement of this other information, we are required to communicate the matt er to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind AS financial statements that give a t rue and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 , as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irr egularities; selection and application of appropriate accounting policies; making judgments and est imates that are reasonable and prudent; and the 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 Ind AS financial statements that give a t rue and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's abilit y to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realist ic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is suff icient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overr ide of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's abilit y to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate t he overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying t ransactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relat ionships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matt er or when, in extremely rare circumstances, we determine that a matt er should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (" the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the " Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and except for the possible effects of the matt er described in the Basis for Qualified Opinion paragraph, 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 matt er described in the Basis for Qualified Opinion paragraph, 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) Except for the possible effects of the matt er described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The going concern matt er described in Material Uncertainty Related to Going Concern paragraph above and the matter described in the Basis for Qualified Opinion paragraph, 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 as on March 31 , 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) The qualification relat ing to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

   (h) With respect t o the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in " Annexure 2" to this report;

   (i) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to it s directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (j) 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 , as amended 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 lit igat ions on it s financial position in it s Ind AS financial statements – Refer Note 35 to the Ind AS 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 – Refer Note 45 to the Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982 E/ E300003

per Anil Jobanputra
Partner
Membership Number: 1107 59

Place of Signature: Kolkata
Date: May 29, 2019

Annexure 1 referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" 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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the t it le deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans that are re-payable on demand to two companies covered in the register maintained under section 189 of the Companies Act, 2013 . According to the information and explanations given by the management, the Company has not demanded the repayments as scheduled by the Board of Directors. As referred in basis of qualified opinion and clause 3(ix) below, considering these loans have been granted in breach of the loan agreement with the bank and considering these companies have not been regular in payment of interest, grant of such loans is prejudicial to the Company's interest.

(b) The Company has granted loans that are re-payable on demand to Companies covered in the register maintained under section 189 of the Companies Act, 2013 and schedule of payment of interest of these loans has not been st ipulated. According to the information and explanations given by the management, the Company has not demanded the repayments as st ipulated by the Board of Directors. Further, as referred in the basis of qualified opinion, these companies have not been regular in payment of interest.

(c) The Company has a sum of Rs. 70 lakhs of interest which is overdue for more than ninety days from a company covered in the register maintained under section 189 of the Companies Act, 2013 and in our opinion and according to the information and explanations given by the management, the Company has not taken reasonable steps for recovery of this overdue interest. According to the information and explanations given by the management, the Company has not demanded the repayments of ICDs as st ipulated by the Board of Directors.

(iv) In our opinion and according to the information and explanations given to us, there are no loans given in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of section 186 of the Companies Act, 2013 in respect of loans and advances given and investments made have been complied with by the Company. The Company not provided any guarantees and securities.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, related to the manufacture or service of Process Equipment and Tea Dryer, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service t ax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, undisputed dues in respect of tax deducted at source which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	TDS u/ s 195	0.47	June 2018	July 7, 2018	May 17, 2019
Income Tax Act, 1961	TDS u/ s 195	1.17	September 2018	July 7, 2018	May 17, 2019

(c) According to the records of the Company, there are no dues of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, duty of excise and cess which have not been deposited on account of any dispute. The particulars of dues of income-tax and sales-tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Non production of declaration forms	4.59	FY 2008 -09	Jt . Comm. of Sales Tax (Appeals)
Income Tax Act, 1961	Disallowance u/ s 14A, and disallowance of unabsorbed depreciation,	18 .51	AY 2008 -09	ITAT / Dy. Comm. Of Income Tax

* Net of amount paid under protest.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. The Company does not have any loan or borrowing from financial inst it ut ion or Government. Further, the Company has not issued any debenture.

(ix) As referred in basis of qualified opinion, in our opinion and according to the information and explanations given to us, the Company has not ut ilized the term loans during the year for the purposes for which they were raised. The term loans of Rs. 9,500 lakhs have been fully deployed as inter-corporate deposits to group companies. According to the information and explanations given by the management, the Company has not raised moneys by way of init ial public offer or further public offer (including debt inst ruments) and hence reporting to this extent under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the t rue and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the off icers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 .

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, t ransactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash t ransactions with directors or persons connected with him as referr ed to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45 -IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982 E/ E300003

per Anil Jobanputra
Partner
Membership Number: 1107 59

Place of Signature: Kolkata
Date: May 29, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF KILBURN ENGINEERING LTD.

Report on the Internal Financial Controls 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 Ltd. (" the Company") as of March 31 , 2019 , in conjunction with our audit of the Ind AS 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 report ing criteria established by the Company considering the essential components of internal control stated in t he Guidance Not e on Audit of Internal Financial Controls Over Financial Reporting issued by the Inst it ute 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 it s business, including adherence to the Company's policies, the safeguarding of it s 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 with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the " Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013 , to the extent applicable to an audit of internal financial controls, both issued by the Inst it ute of Chartered Accountants of India. 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 with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 suff icient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliabilit y 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 with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain t o the maintenance of records that, in reasonable detail, accurately and fairly reflect the t ransactions and dispositions of the assets of the company; (2) provide reasonable assurance that t ransactions 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 With Reference to these Ind AS Financial Statements

Because of the inherent limitat ions of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management overr ide 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements 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, the following material weakness has been identified as at March 31 , 2019 :

The Company did not have an appropriate internal control system for recoverability of Inter Corporate Deposits (ICDs) placed with group companies and interest thereon, which could potentially result in the Company not recording adequate provision for doubtful ICDs and recognising interest revenue without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting with reference to these Ind AS financial statements, 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, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as of March 31 , 2019, 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 Inst it ute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Inst it ute of Chartered Accountants of India, as specified under Section 143 (10) of the Act, the Ind AS financial statements of Kilburn Engineering Ltd., which comprise the Balance Sheet as at March 31 , 2019 , and the related Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31 , 2019 Ind AS financial statements of Kilburn Engineering Ltd. and this report affects our report dated May 29 , 2019 which expressed a qualified opinion on those financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982 E/ E300003

per Anil Jobanputra
Partner
Membership Number: 1107 59

Place of Signature: Kolkata
Date: May 29, 2019

BALANCE SHEET

AS AT 31ST MARCH, 2019

Particulars	Notes	As at 31 March 2019 INR in lacs	As at 31 March 2018 INR in lacs
A. Assets			
1. Non-Current Assets			
Property, plant and equipment	3	**5,233.90**	5,623.03
Intangible assets	4	**26.45**	40.00
Financial assets			
- Investments	5a	**637.73**	1,608.52
- Loans	5b	**14.83**	22.32
- Other financial assets	5c	**8.80**	30.68
Income tax assets (net)	9	**319.10**	331.47
Deferred tax assets (net)	22	**320.20**	311.84
Other non-current assets	10	**49.07**	47.62
Total Non-Current Assets		**6,610.08**	8,015.48
2. Current Assets			
Inventories	11	**1,513.37**	1,262.15
Financial assets			
- Trade receivables	6	**4,070.50**	3,451.74
- Cash and cash equivalents	7	**295.63**	483.24
- Bank balance other than included in Cash and cash equivalents above"	8	**377.27**	612.49
- Loans	5b	**10,826.26**	10,325.00
- Other financial assets	5c	**544.13**	2,799.43
- Contract assets	5d	**3,607.79**	-
Other current assets	12	**1,047.78**	1,157.61
Total Current Assets		**22,282.73**	20,091.66
Total Assets		**28,892.81**	28,107.14
B. Equity and Liabilities			
1. Equity			
Equity Share Capital	13	**1,325.58**	1,325.58
Other Equity	14	**8,573.33**	9,303.36
Total Equity		**9,898.91**	10,628.94
2. Non-Current Liabilities			
Financial liabilities			
- Borrowings	16	**36.86**	77.62
Total Non-Current Liabilities		**36.86**	77.62
3. Current Liabilities			
Financial liabilities			
- Borrowings	16	**11,226.24**	9,028.58
- Trade payables	17		
a) total outstanding dues if micro enterprises and small enterprises		**91.90**	6.26
b) total outstanding dues of creditors other than micro enterprises		**3,016.00**	2,020.92
- Other financial liabilities	18	**1,701.95**	3,347.28
Contract Liabilities	20	**2,856.50**	-
Other current liabilities	21	**50.28**	2,685.79
Provisions	19	**14.17**	311.75
Total Current Liabilities		**18,957.04**	17,400.58
Total Equity and Liabilities		**28,892.81**	28,107.14
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financials statement.
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors of Kilburn Engineering Ltd.

per Anil Jobanputra
Partner
Membership Number : 110759

Aditya Khaitan
Chairman
(DIN - 00023788)

Subir Chaki
Managing Director
(DIN : 05174555)

Suresh Shenoi
VP-Finance & Chief Financial Officer

Arvind Kumar Bajoria
Company Secretary

Place : Kolkata
Date : 29 May 2019

Place : Kolkata
Date : 29 May 2019

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Notes	Year ended 31 March 2019 INR in lacs	Year ended 31 March 2018 INR in lacs
Income			
Revenue from operations	23	**14,385.60**	10,895.82
Other income	24	**2,001.17**	2,246.35
Total Income (I)		**16,386.77**	13,142.17
Expenses			
Cost of materials consumed	25	**7,676.15**	5,181.76
Subcontracting charges	26	**1,821.42**	1,108.84
Changes in inventories of finished goods and work-in-progress	27	**(316.29)**	(172.24)
Excise duty on sale of goods		**-**	385.79
Employee benefits expenses	28	**1,930.27**	1,942.92
Finance costs	29	**1,710.57**	1,722.26
Depreciation and amortisation expenses	30	**422.23**	432.45
Other expenses	31	**2,292.52**	2,056.28
Total Expenses (II)		**15,536.87**	12,658.06
Profit before tax (III=I - II)		**849.90**	484.11
Tax expenses	22		
Current tax		**202.35**	91.94
Deferred tax charge		**55.68**	56.50
Total tax expense		**258.03**	148.44
Profit for the year		**591.87**	335.67
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) on defined benefit plan		**(23.67)**	10.96
Income tax charge / (credit) on above	22	**(6.59)**	3.62
Net gain/(loss) on equity investments at fair value through other comprehensive income		**(970.79)**	344.06
Income tax charge / (credit) on above	22	**-**	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(987.87)**	351.40
Items that will be reclassified to profit or loss			
Net gain/(loss) on cash flow hedges		**(252.62)**	(380.53)
Income tax charge / (credit) on above	22	**(73.56)**	(100.88)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(179.06)**	(279.65)
Other comprehensive income for the year, net of tax		**(1,166.93)**	71.75
Total Comprehensive Income for the year, net of tax		**(575.06)**	407.42
Earnings per share	32		
Basic earnings per share (INR)		**4.47**	2.53
Diluted earnings per share (INR)		**4.47**	2.53
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financials statement.
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number : 110759

Place : Kolkata
Date : 29 May 2019

For and on behalf of the Board of Directors of Kilburn Engineering Ltd.

Aditya Khaitan
Chairman
(DIN - 00023788)

Subir Chaki
Managing Director
(DIN : 05174555)

Suresh Shenoi
VP-Finance & Chief Financial Officer

Arvind Kumar Bajoria
Company Secretary

Place : Kolkata
Date : 29 May 2019

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2019

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	INR in lacs
At 1 April 2017	13,255,768	1,325.58
At 31 March 2018	13,255,768	1,325.58
At 31 March 2019	**13,255,768**	**1,325.58**

b. Other Equity:

For the year ended 31 March 2019

Particulars	Reserves & Surplus					Fair value through other comprehensive income		Total other equity
	Capital Redemption Reserve	Securities premium	Capital Reserve	General reserve	Retained earnings	Net gain/ (loss) on cash flow hedges	Net gain/(loss) on equity investments at fair value through other comprehensive income	
	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	
	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs
As at 1 April 2018	24.00	1,811.18	0.09	843.10	6,815.28	(397.94)	207.65	9,303.36
Net Profit for the period	-	-	-	-	591.87	-	-	591.87
Impact of IND AS 115 adoption	-	-	-	-	3.62	-	-	3.62
Other comprehensive income	-	-	-	-	(17.08)	(179.06)	(970.79)	(1,166.93)
Total comprehensive income	-	-	-	-	578.41	(179.06)	(970.79)	(571.44)
Dividends including dividend distribution tax	-	-	-	-	(158.59)	-	-	(158.59)
As at 31 March 2019	**24.00**	**1,811.18**	**0.09**	**843.10**	**7,235.10**	**(577.00)**	**(763.14)**	**8,573.33**

For the year ended 31 March 2018

Particulars	Reserves & Surplus					Fair value through other comprehensive income		Total other equity
	Capital Redemption Reserve	Securities premium	Capital Reserve	General reserve	Retained earnings	Net gain/ (loss) on cash flow hedges	Net gain/(loss) on equity investments at fair value through other comprehensive income	
	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	
	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs
As at 1st April 2017	24.00	1,811.18	0.09	843.10	6,791.36	(118.29)	(136.41)	9,215.03
Net Profit for the period	-	-	-	-	335.67	-	-	335.67
Other comprehensive income	-	-	-	-	7.34	(279.65)	344.06	71.75
Total comprehensive income	-	-	-	-	343.00	(279.65)	344.06	407.42
Dividends including dividend distribution tax	-	-	-	-	(319.09)	-	-	(319.09)
As at 31 March 2018	**24.00**	**1,811.18**	**0.09**	**843.10**	**6,815.28**	**(397.94)**	**207.65**	**9,303.36**

Summary of significant accounting policies 1 & 2
The accompanying notes are an integral part of the financials statement.
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number : 110759

Place : Kolkata
Date : 29 May 2019

For and on behalf of the Board of Directors of Kilburn Engineering Ltd.

Aditya Khaitan
Chairman
(DIN - 00023788)

Subir Chaki
Managing Director
(DIN : 05174555)

Suresh Shenoi
VP-Finance & Chief Financial Officer

Arvind Kumar Bajoria
Company Secretary

Place : Kolkata
Date : 29 May 2019

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2019

	Notes	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Cash Flows from Operating Activities :			
Profit before tax		**849.90**	484.11
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		**422.23**	432.45
Net foreign exchange differences		**(4.88)**	(15.22)
Loss /(profit) on disposal of property, plant and equipment		**0.17**	5.41
Finance costs		**1,710.57**	1,722.26
Liquidated damages, warranties and rebates (net)		**-**	93.80
Bad debts / advances written off		**196.13**	115.56
Provision for sales tax payable		**43.86**	-
Liabilities / provisions no longer required written back		**(290.40)**	(472.12)
Dividend Income		**(4.40)**	(0.17)
Interest Income		**(1,642.51)**	(1,531.58)
Operating profit before working capital changes		**1,280.67**	834.49
Working capital adjustments:			
(Increase)/decrease in contract assets and other financial assets		**(1,050.23)**	2,982.86
(Increase)/decrease in trade receivables		**(769.64)**	(267.45)
(Increase)/decrease in inventories		**(251.23)**	(332.98)
(Increase)/decrease in other assets		**88.56**	(247.50)
(Increase)/decrease in loans		**7.49**	(5.18)
Increase /(decrease) in trade payables		**1,130.27**	(287.92)
Increase /(decrease) in provisions		**(141.94)**	(15.72)
Increase /(decrease) in other financial liabilities		**(1.73)**	-
Increase /(decrease) in contract liabilities and other liabilities		**221.00**	(898.98)
Cash generated from / (used in) operations		**513.22**	1,761.62
Income tax paid (net of refunds)		**(176.56)**	(258.58)
Net cash flows from / (used in) operating activities (A)		**336.66**	1,503.04
Cash Flows from Investing Activities :			
Proceeds from sale of property, plant and equipment		**0.04**	3.00
Purchase of property, plant and equipment (including capital work in progress and intangible assets)		**(19.77)**	(221.47)
Net bank balances not considered as cash and cash equivalents		**257.10**	92.21
Inter-corporate deposit given		**(9,200.00)**	(8,000.00)
Inter-corporate deposit received back		**8,915.00**	8,905.00
Dividend received		**4.40**	0.17
Interest received		**1,127.43**	1,536.08
Net cash flows from / (used in) investing activities (B)		**1,084.20**	2,314.99

	Notes	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Cash Flows from Financing Activities :			
Interest paid		**(1,710.52)**	(1,324.99)
Proceeds from long term borrowings		**-**	94.70
Repayment of long term borrowings		**(2,337.41)**	(710.57)
Proceeds from short term borrowings		**11,397.11**	8,000.00
Repayment of short term borrowings		**(9,500.00)**	(8,000.00)
Increase / (decrease) in working capital borrowings (net)		**754.95**	(1,404.25)
Payment of dividend		**(132.56)**	(262.90)
Payment of dividend distribution tax		**(26.04)**	(53.97)
Net cash flows from / (used in) financing activities (C)		**(1,554.47)**	(3,661.98)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(133.61)**	156.05
Cash & cash equivalent at the beginning of the year		**358.92**	202.87
Cash & cash equivalent at the end of the year		**225.31**	358.92
Components of cash and cash equivalents :			
Balances with banks			
- On current accounts		**294.83**	481.52
- Cash on hand		**0.80**	1.72
Less : Bank overdraft (Note 16)		**70.32**	124.32
Total Cash and cash equivalents at the end of the year (Note 7)		**225.31**	358.92

Notes:

1. The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. For changes in liability arising from financing activities, refer Note 7.

Summary of significant accounting policies 1 & 2

The accompanying notes are an integral part of the financials statement.
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number : 110759

Place : Kolkata
Date : 29 May 2019

For and on behalf of the Board of Directors of Kilburn Engineering Ltd.

Aditya Khaitan
Chairman
(DIN - 00023788)

Subir Chaki
Managing Director
(DIN : 05174555)

Suresh Shenoi
VP-Finance & Chief Financial Officer

Arvind Kumar Bajoria
Company Secretary

Place : Kolkata
Date : 29 May 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Kilburn Engineering Limited ("the Company") 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.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001, West Bengal.

The financial statements of the Company were authorised for issue in accordance with a resolution of the board of directors on 29 May 2019.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plan - plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR which is also it's functional currency.

Transactions in foreign currencies are initially recorded by the Company at it's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transactions and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedge.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

The Company measures financial instruments, such as, derivative financial instruments and investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)
- Disclosure for valuation methods, significant estimates and assumptions.

d. Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Design, construction and commissioning contracts with the customers

These contracts are for design and construction of highly customised drying equipments and range for a period of 3 to 12 months. Since, these equipments are highly customised and do not have any alternative use and as per the terms as agreed in the contracts, in case the contracts get terminated during the design or construction phase, the Company will be entitled to the costs incurred till that date, plus reasonable profit margin. Thus, the Company recognises revenue for these contracts over the time in accordance with the provisions of para 35 (c) of Ind AS 115.

Variable Consideration: These contracts usually have a liquidated damages clause for delay in delivery of these equipments beyond the scheduled dates as agreed in the contracts. The Company estimates the amount to be recognised towards liquidated damages based on an analysis of accumulated historical experience. The Company includes estimated amount in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Supply of other drying equipments and spares

These contracts are for supply of other drying equipments and spares. These are standard equipments and spares which the manufactured and sold by the Company with a little modification as per the requirements of the customer. Revenue from these contracts are recognised when the significant risks and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods to the customer as per the inco-terms as agreed in the contracts. Revenue is measured at the fair value of consideration received or receivable net of return, trade allowances and rebates.

Service Income

The Company recognises service income over the time based on the terms as agreed in the contracts entered into with the customers.

Dividends

Revenue is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income

For all debt instruments and inter-corporate deposits measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

"Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period."

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Leasehold land is amortised on a straight line basis over the lease term. All other assets are depreciated to the residual values on the straight line basis over the estimated useful lives. Estimated useful lives of the assets are as follows :

Nature of tangible asset	Useful life (years)
Factory buildings	30
Other buildings	60
Roads (RCC)	10
Roads (Non-RCC)	3
Plant & equipment	15
Furniture & fixtures	10
Vehicle	8
Electrical installations	10
Office equipment	5
Computer – Desktop, Laptops	3
Computer – Server and Networks	6

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 5 years on straight line basis.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores & spare parts: Cost is determined on First In First Out (FIFO) basis
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the actual operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

m. Provisions & contingencies

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a present obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognises impairment on the assets with the contract.

Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

o. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

a) The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables. For more information on receivables, refer to note 6 of the financial statements.

Financial assets at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash (including revenue earned in excess of billing) or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

d) Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables (including revenue in excess of billing).

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head “Other expenses” in the Statement of Profit and Loss and “Other Income” in case of reversal. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and trade receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI (if any).

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company’s financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

(ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Dividend distribution

The Company recognises a liability to make cash or non-cash distributions to its equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

Dividend paid/payable are recognised in the year in which related dividends are approved by the Shareholders or Board of Directors as appropriate.

s. Earnings per share

The Company's Earning per Share ('EPS') is determined based on the net profit attributable to the equity shareholders of the Company.

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted Earnings per share is computed using the weighted average number of common and dilutive shares outstanding during the year including share based payments, except where the result would be anti-dilutive.

t. Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company as manufacturer of Engineering Products, which is considered to be the only reportable segment by the management. Accordingly the Company discloses only the geographical information required to be disclosed in accordance with the requirements of Ind AS 108.

2.3 Changes in accounting policies and disclosures

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The company adopted Ind AS 115 using the modified retrospective method of adoption. The impact on adoption of Ind AS 115 has been explained in Note 44 of the financial statements of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3: Property, plant and equipment

	Leasehold land	Buildings	Plant & equipments	Vehicles	Furniture & fixtures	Office equipments	Total	Capital Work in Progress	Total
	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs
At 1 April 2017	1,000.19	3,669.56	1,197.01	84.90	272.89	58.21	6,282.76	0.16	6,282.92
Additions	-	-	30.48	120.47	0.95	43.09	194.99	(0.16)	194.83
Disposals	-	-	(41.82)	-	-	-	(41.82)	-	(41.82)
At 31 March 2018	**1,000.19**	**3,669.56**	**1,185.67**	**205.37**	**273.84**	**101.30**	**6,435.93**	**-**	**6,435.93**
Additions	-	-	2.03	-	1.25	16.49	19.77	-	19.77
Disposals	-	-	-	-	(3.43)	(37.25)	(40.68)	-	(40.68)
At 31 March 2019	**1,000.19**	**3,669.56**	**1,187.70**	**205.37**	**271.66**	**80.54**	**6,415.02**	**-**	**6,415.02**
Accumulated depreciation and impairment losses									
At 1 April 2017	21.86	165.87	140.50	22.10	56.87	17.46	424.66	-	424.66
Depreciation charge for the year	21.86	161.50	140.41	23.63	56.53	17.72	421.65	-	421.65
Disposals	-	-	(33.41)	-	-	-	(33.41)	-	(33.41)
At 31 March 2018	43.72	327.37	247.50	45.73	113.40	35.18	812.90	-	812.90
Depreciation charge for the year	21.86	159.45	135.89	20.84	49.13	21.51	408.68	-	408.68
Disposals	-	-	-	-	(3.38)	(37.08)	(40.46)	-	(40.46)
At 31 March 2019	**65.58**	**486.82**	**383.39**	**66.57**	**159.15**	**19.61**	**1,181.12**	**-**	**1,181.12**
Net Book Value									
At 31 March 2019	**934.61**	**3,182.74**	**804.31**	**138.80**	**112.51**	**60.93**	**5,233.90**	**-**	**5,233.90**
At 31 March 2018	**956.47**	**3,342.19**	**938.17**	**159.64**	**160.44**	**66.12**	**5,623.03**	**-**	**5,623.03**

Notes:

1. Land and buildings

   Land and buildings with a carrying amount of INR 4,117.35 lacs (31 March 2018: INR 4,298.66 lacs) are subject to a first charge to secure Company's cash credit facilities.

   The Company has obtained land on leasehold basis from Maharashtra Industrial Development Corporation for a period of 52 years commencing from 17 November 2009. The lease can be further renewed for 95 years on mutually agreed terms. As per the terms of the agreement, the Company is required to use the leasehold land for the purpose of setting up and operating an engineering factory only and for no other purpose. The Company has classified the leasehold land as finance lease as the Company can hold the land for the major part of the economic life of the asset even if title is not transferred and residual interest in the land after the completion of the lease term when measured at inception is not significant and present value of minimum lease payments is substantially equal to fair value of the asset.

2. Plant and equipments, Vehicles, Furniture and Fixtures and Office Equipments with a carrying amount of INR 1,116.55 lacs (31 March 2018: INR 1,324.37 lacs) have been hypothecated for Company's cash credit facilities & working capital term loans.

3. In accordance with the Ind AS 36 on 'Impairment of Assets' , the Company has reassessed the carrying amounts of its Property, plant & equipment and is of the view that no further impairment / reversal is considered to be necessary in view of its expected realisable value.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4: Intangible assets

	Computer - Software INR in lacs
At 1 April 2017	34.72
Additions	26.48
Disposals	-
At 31 March 2018	61.20
Additions	-
Disposals	-
At 31 March 2019	61.20
Accumulated amortization and impairment losses	
At 1 April 2017	10.40
Amortisation	10.80
Disposals	-
At 31 March 2018	21.20
Amortisation	13.55
Disposals	-
At 31 March 2019	34.75
Net Book Value	
At 31 March 2019	26.45
At 31 March 2018	40.00

Notes:

1. In accordance with the Ind AS 36 on 'Impairment of Assets', the Company has reassessed the carrying amount of its Intangible assets and is of the view that no further impairment / reversal is considered to be necessary in view of its expected realisable value.

Note 5: Financial assets

Note 5a. Investments

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
Non-Current Investments- Quoted		
Investments at fair value through OCI (fully paid)		
Investments in Equity Instruments		
a) 2,71,337 (31 March 2018: 2,71,337) fully paid up equity shares of INR 5 each in Eveready Industries Limited	**522.72**	1,009.64
b) 66,666 (31 March 2018: 66,666) fully paid up equity shares of INR 5 each in Mcleod Russel India Limited	**57.17**	95.27
c) 8,54,300 (31 March 2018: 8,54,300) fully paid up equity shares of INR 10 each in Mcnally Bharat Engineering Company Ltd.	**57.84**	503.61
Total	**637.73**	1,608.52
Aggregate book value of quoted investments	**637.73**	1,608.52
Aggregate market value of quoted investments (refer Note 38 & 39)	**637.73**	1,608.52

Investments at fair value through OCI (fully paid) reflect investment in quoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose, thus disclosing their fair value fluctuation in the statement of profit and loss will not reflect the purpose of holding.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 5b. Loans

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Security deposits (unsecured and considered good)	**14.83**	22.32
Inter-corporate deposits given to Related Party (unsecured and considered good)**	**-**	10,325.00
Inter-corporate deposits given to Related Party (unsecured and having significant increase in credit risk)**	**10,826.26**	-
Total	**10,841.09**	10,347.32
Current	**10,826.26**	10,325.00
Non Current	**14.83**	22.32
	10,841.09	10,347.32

** The Company in September 2016 had originally availed working capital loan from a bank which was subsequently renewed/ rolled over. However, pending utilisation of the monies for the aforesaid, the Company has placed it with group companies (owned by same promoter) as Inter-Corporate Deposits (ICDs). Considering the financial positions of these group companies, the Company has obtained unconditional and irrevocable personal guarantee from Promoter Director for the said ICDs as collateral security in case the borrowers are unable to repay the ICDs and interest accrued thereon. The management has assessed the recoverability of the said ICDs including interest receivable thereon and has considered the same to be good and recoverable.

Inter-corporate deposits are repayable on demand. The Company has not demanded the money from borrowers.		
Inter-corporate deposits given to Related Parties include :		
Company having significant influence		
Williamson Magor & Co Ltd.	**441.88**	-
Maximum amount outstanding during the year was INR 1,200 lacs (31 March 2018 : Nil)		
Enterprises in which a Director is a member/ director /promoter/ partner		
Williamson Financial Services Ltd	**4,279.00**	4,295.00
Maximum amount outstanding during the year was INR 4,595 lacs (31 March 2018 : INR 4,295 lacs)		
Enterprises over which Directors or relatives of Directors have significant influence Babcock Borsig Ltd.	**6,105.38**	6,030.00
Maximum amount outstanding during the year was INR 6,105 lacs (31 March 2018 : INR 10,880 lacs)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 5c. Other Financial Assets

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Unsecured, considered good, unless otherwise stated		
Non-current		
Bank deposits with maturity more than 12 months***	**8.80**	30.68
Current		
Unbilled revenue:		
Project Revenue	**-**	2,795.08
Less : Impairment allowance	**-**	(236.97)
Net project revenue	**-**	2,558.11
Interest accrued on Fixed Deposits and Inter-corporate deposits	**518.38**	99.75
Derivatives not designated as hedges		
- Foreign exchange forward contracts	**2.78**	8.63
Export Incentives Receivable	**59.26**	43.85
Less : Impairment allowance	**(36.29)**	(36.29)
Net export incentives receivable	**22.97**	7.56
Recovery of roll over charges from group companies	**-**	125.38
Total	**552.93**	2,830.11
Current	**544.13**	2,799.43
Non-current	**8.80**	30.68
	552.93	2,830.11

***Bank deposits with maturity more than 12 months represents balances with banks held as margin money as lien against bank guranatees and LCs issued by the bank on behalf of the Company having residual maturity of more than 12 months.

Derivative instruments at fair value through profit or loss includes foreign exchange forward contracts entered into by the Company with the intention of reducing the foreign exchange risk of trade receivables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Note 5d. Contract Assets

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Unbilled revenue:		
Project Revenue	**3,692.71**	-
Less : Impairment allowance	**(84.92)**	-
Total	**3,607.79**	-
Current	**3,607.79**	-
Non-current	**-**	-
	3,607.79	-

As the Company had adopted modified retrospective approach under IND AS 115 - Revenue from contracts with customers, no reclassification has been made for contract assets of INR 2,558.11 lacs which were included in other financial assets as at 31 March 2018.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 6: Trade receivables

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Unsecured and current		
Considered good	**4,070.50**	3,451.74
Trade receivables which has significant increase in credit risk **	**-**	-
Considered doubtful, Credit Impaired	**337.20**	226.70
Less: Impairment allowance	**(337.20)**	(226.70)
Total	**4,070.50**	3,451.74

1. No trade receivables are due from directors or other persons in whom directors or promoters are interested.

2. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

3. The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approch does not require the Company to track changes in credit risk. Rather, it recognizes impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recoganized in the Statement of Profit and Loss.

Note 7: Cash and cash equivalents

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Cash on hand	**0.80**	1.72
Balances with banks		
In current accounts	**294.83**	481.52
Total	**295.63**	483.24

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Balances with banks:		
– On current accounts	**294.83**	481.52
Cash on hand	**0.80**	1.72
	295.63	483.24
Less – Bank overdraft (note 16)	**70.32**	124.32
	225.31	358.92

Changes in liabilities arising from financing activities:

Particulars	As at 1 April 2017 INR in lacs	Cash Flows INR in lacs	Reclassification INR in lacs	Effect of changes in foreign exchange rates INR in lacs	As at 31 March 2018 INR in lacs
Non-Current Liabilities					
Financial Liabilities					
- Borrowings	22.65	92.39	(37.42)	-	**77.62**
Current Liabilities					
Financial Liabilities					
- Borrowings	10,238.49	(1,368.29)	-	158.38	**9,028.58**
Other Financial Liabilities					
- Current maturities of long term debt	3,008.25	(708.25)	37.42	-	**2,337.42**
Total liabilities from financing activities	13,269.39	(1,984.15)	-	158.38	**11,443.62**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 1 April 2018	Cash Flows	Reclassification	Effect of changes in foreign exchange rates	As at 31 March 2019
	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs
Non-Current Liabilities					
Financial Liabilities					
- Borrowings	77.62	-	(40.76)	-	**36.86**
Current Liabilities					
Financial Liabilities					
- Borrowings	9,028.58	2,598.06	-	(400.40)	**11,226.24**
Other Financial Liabilities					
- Current maturities of long term debt	2,337.42	(2,337.42)	40.76	-	**40.76**
Total liabilities from financing activities	11,443.63	260.64	-	(400.40)	**11,303.86**

Note 8: Bank Balances other than cash and cash equivalents

Particulars	31 March 2019	31 March 2018
	INR in lacs	INR in lacs
Margin money with banks **	**363.06**	596.55
Earmarked bank balance towards unclaimed dividend	**14.21**	15.94
Total	**377.27**	612.49

** Margin money with banks represents margin money held as lien against bank guranatees and LCs issued by the bank on behalf of the Company.

Categorisation of Financial Assets

Particulars	31 March 2019	31 March 2018
	INR in lacs	INR in lacs
Financial assets carried at FVTOCI		
Investments (Note 5a)	**637.73**	1,608.52
Financial assets carried at FVTPL		
Foreign exchange forward contracts (Note 5c)	**2.78**	8.63
Financial assets carried at Amortised cost		
Loans (Note 5b)	**10,841.09**	10,347.32
Trade Receivable (Note 6)	**4,070.50**	3,451.74
Cash and cash equivalents (Note 7)	**295.63**	483.24
Bank balance other than cash and cash equivalents (Note 8)	**377.27**	612.49
Other financial assets (Note 5c)	**550.15**	2,821.48
Contract assets (Note 5d)	**3,607.79**	-
Total financial assets	**20,382.94**	19,333.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9: Income tax assets (net)

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Income tax assets (net of provision)	**319.10**	331.47
Total	**319.10**	331.47

Note 10: Other non-current assets

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Unsecured, considered good		
Balances with government authorities	**49.07**	47.62
Total	**49.07**	47.62

Note 11: Inventories

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Raw materials (at lower of cost and net realisable value) (Including in transit inventory of Nil (31 March 2018: INR 42.83 lacs))	**714.61**	800.87
Stores and spares (at lower of cost and net realisable value)	**96.09**	74.90
Work in progress (at lower of weighted average cost and net realisable value)	**514.99**	316.01
Finished goods (at lower weighted average cost and net realisable value)	**187.68**	70.37
Total	**1,513.37**	1,262.15

During the year, the Company has provided for non-moving inventory of INR 13.59 lacs (net of reversals) (31 March 2018: INR 38.83 lacs).

Note 12: Other current assets

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Unsecured, considered good, unless otherwise stated		
Balance with government authorities	**638.68**	788.55
Prepaid expenses	**48.23**	19.30
Gratuity contribution paid in advance	**-**	3.66
Advance to employees	**3.41**	11.73
Advance to Vendors :		
Considered Good	**357.34**	333.92
Considered Doubtful	**4.27**	4.27
Less : Impairment Allowance	**(4.27)**	(4.27)
	357.34	333.92
Others	**0.12**	0.45
Total	**1,047.78**	1,157.61

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13: Share Capital

Authorised Share Capital

	Equity shares of INR 10 each		Redeemable Preference shares of INR 10 each	
	No. of shares	**INR in lacs**	**No. of shares**	**INR in lacs**
At 1 April 2017	21,747,900	2,174.79	8,252,100	825.21
Increase / (decrease) during the year	-	-	-	-
At 31 March 2018	21,747,900	2,174.79	8,252,100	825.21
Increase / (decrease) during the year	-	-	-	-
At 31 March 2019	**21,747,900**	**2,174.79**	**8,252,100**	**825.21**

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	INR in lacs
At 1 April 2017	13,255,768	1,325.58
Changes during the year	-	-
At 31 March 2018	13,255,768	1,325.58
Changes during the year	-	-
At 31 March 2019	**13,255,768**	**1,325.58**

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares	**% holding in the class**	No. of shares	% holding in the class
Equity shares with voting rights				
Williamson Magor & Co. Ltd	4,319,043	32.58	4,319,043	32.58
Bishnauth Investments 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

There are no shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Note 14: Other equity

Capital Redemption Reserve - The Company had made an offer of buyback of its own fully paid up equity shares through the methodology of "Open Market Purchase through Stock Exchange" pursuant to the approval of Board of Directors at their meeting held on 29 January 2009. The Company bought back 2,40,032 equity shares for an aggregate amount of INR 63.54 lacs by utilising Securties Premium Account to the extent of INR 39.53 lacs. Capital Redemption Reserve of INR 24.01 lacs has been created being the nominal value of the shares bought back.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Securities Premium – Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and the Company can use this reserve for buy-back of shares.

Capital Reserve - Capital Reserve contains profit on re-issue of forfeited shares.

General Reserve - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

FVOCI - Net gain/(loss) on hedging instruments in a cash flow hedge - The Company has taken foreign exchange forward contracts to hedge foreign currency term loans taken from banks to meet the working capital requirements. The forward contracts have been taken to offset the effect of changes in interest rates and foreign exchange rates. The net gain / (loss) on these foreign exchange forward contracts have been recognised in other comprehensive income in accordance with the requirements of Ind AS.

FVOCI - Net gain/(loss) on FVOCI equity investments - As per Ind AS 109, investment in equity shares are to be initially measured at fair value and subsequently at fair value through profit and loss or other comprehensive income. At initial recognition, an entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of this Standard that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies.

The Company represents that its investments are long term strategic investments and the Company intends to hold the same for an indefinite period. Thus, the Company has decided to subsequently measure investments at fair value through other comprehensive income.

Note 15 : Distribution made and proposed

	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Cash dividends on equity shares declared and paid :		
Final Dividend for the year ended on 31 March 2018: INR 1 per share (31 March 2017: INR 2 per share)	**132.56**	265.12
Dividend distribution tax on final dividend	**26.04**	53.97
	158.60	319.09
Proposed dividend on equity shares :		
Final Cash Dividend for the year ended on 31 March 2019: INR 1 per share (31 March 2018: INR 1 per share)	**132.56**	132.56
Dividend distribution tax on proposed dividend	**26.04**	26.03
	158.60	158.59

Proposed dividends on equity shares are subject to approval at the ensuing annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31 March.

Note 16: Borrowings

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
Non-current borrowings:		
Secured		
Vehicle loan from banks (Refer Note a)	**36.86**	77.62
Total	**36.86**	77.62
Current borrowings:		
Secured		
Cash Credit from banks (Refer Note b)	**1,686.08**	931.13
Export Bills Discounted (Refer Note d)	**397.11**	-
Working capital term loans (Refer Note e)	**9,072.73**	7,973.13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
Unsecured		
Overdraft under Channel Finance Scheme (Refer Note c)	**70.32**	124.32
Current maturity of long term loans	**40.76**	2,337.42
Total	**11,267.00**	11,366.00
Less: Amount clubbed under "other financial liabilities"	**(40.76)**	(2,337.42)
Net	**11,226.24**	9,028.58
Total	**11,263.10**	9,106.20
Aggregate Secured Loans	**11,192.78**	8,981.88
Aggregate Unsecured Loans	**70.32**	124.32

Notes

a. Secured by hypothecation of cars. Two loans - One loan having effective interest rate of 8.25% and payable on EMI basis up to 05 March 2021 and other loan having effective interest rate of 9.70% and payable on EMI basis up to 07 July 2020.

b. Details of security :

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 fixed assets by way of first charge.

   Outstanding loans carry an average interest rate of 11.60% to 14.50% p.a.(31 March 2018 : 11.60% to 14.50% p.a)

c. Backed by Letter of Comfort from Steel Authority of India Ltd. This loan carries an interest rate of 10.25% p.a. (31 March 2018 : 10.25%)

d. Exports bills are discounted with bank and the net amount after deduction of discounting charges is received by the Company. Once the bills are realised, the same are utilised to settle the outstanding amount with bank. For period upto 31 days, interest rate is 8.05% p.a. and from 32 to 90 days, interest rate is 8.20% p.a.

e. i) Payable on demand on 11 October 2019 - INR 5,500 lacs, Rate of interest - USD 1 Year Libor + 3.02% p.a. on Actual/360 basis. The effective rate of interest on this loan is 15.25%. Pending utilization of these loans, the Company has placed it with group companies (owned by same promoter) as inter-corporate deposits ('ICDs'). This is a breach of the conditions of the loan agreement with the bank. The breach has not been remediated upto the date of issue of financial statements.

   Details of security :

   1. Subservient charge by way of hypothecation on the current assets and movable fixed assets of the Company.
   2. Board resolution backed Letter of Comfort from Mcleod Russel India Limited
   3. Unconditional and irrevocable corporate guarantee of Williamson Financial Services Ltd to remain valid during the currency of loan.

   ii) Payable on demand on 20 September 2019 - INR 4 000 lacs, Rate of interest - USD 1 Year Libor + 2.61% p.a. on Actual/360 basis. The effective rate of interest on this loan is 14.90%. Pending utilization of these loans, the Company has placed it with group companies (owned by same promoter) as ICDs. This is a breach of the conditions of the loan agreement with the bank. The breach has not been remediated upto the date of issue of financial statements.

   Details of security :

   1. Subservient charge by way of hypothecation on the current assets and movable fixed assets of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Board resolution backed Letter of Comfort from Mcleod Russel India Limited
3. Unconditional and irrevocable corporate guarantee of Williamson Financial Services Ltd to remain valid during the currency of loan.

iii) Payable on demand on 6 October 2018 - INR 4,000 lacs, Rate of interest - USD 1 year LIBOR plus 321 basis points. The effective rate of interest on this loan is 15.40%. Pending utilization of these loans, the Company has placed it with group companies (owned by same promoter) as ICDs. This is a breach of the conditions of the loan agreement with the bank. The breach has not been remediated upto the date of issue of financial statements.

Details of security :

1. Subservient charge on the current assets and movable fixed assets of the Company.
2. Board resolution backed Letter of Comfort from Mcleod Russel India Limited
3. Unconditional and irrevocable corporate guarantee of Williamson Financial Services Ltd to remain valid during the currency of loan.
4. Unconditional and irrevocable personal guarantee of Mr. Aditya Khaitan to remain valid during the currency of the loan.

iv) Payable on demand on 22 September 2018 - INR 4,000 lacs, Rate of interest - 1 year LIBOR plus 350 basis points. The effective rate of interest on this loan is 15.93%. Pending utilization of these loans, the Company has placed it with group companies (owned by same promoter) as ICDs. This is a breach of the conditions of the loan agreement with the bank. The breach has not been remediated upto the date of issue of financial statements.

Details of security :

1. Subservient charge on the current assets and movable fixed assets of the Company.
2. Board resolution backed Letter of Comfort from Mcleod Russel India Limited
3. Unconditional and irrevocable corporate guarantee of Williamson Financial Services Ltd to remain valid during the currency of loan.
4. Unconditional and irrevocable personal guarantee of Mr. Aditya Khaitan (Chairman) to remain valid during the currency of the loan.

Note 17: Trade payables

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
Trade payables**		
a) total outstanding dues if micro enterprises and small enterprises	**91.90**	6.26
b) total outstanding dues of creditors other than micro enterprises and small enterprises	**3,016.00**	2,020.92
Total	**3,107.90**	2,027.18

1. Trade payables are non-interest bearing and are normally settled on 60 - 90 day terms.

2. For explanations on the Company’s credit risk management processes, refer to Note 40.

** Disclosure as required under Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 (“the Act”):

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars			31 March 2019 INR in lacs	31 March 2018 INR in lacs
(a)	(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**91.90**	6.26
	(ii)	Interest due on above		-
(b)	Amount of interest paid by the buyer in terms of section 16 of the Act		**0.80**	-
(c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year but without adding the interest specified under this Act)		**0.80**	-
(d)	Amount of interest accrued and remaining unpaid at the end of each accounting year		**0.80**	-
(e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.		0.80	-

The information has been given in respect of such vendors to the extent they could be identified as 'Micro & Small Enterprises' on the basis of information available with the Company.

Note 18: Other financial liabilities

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Financial Liabilities at fair value through other comprehensive income(FVTOCI)		
Cash flow hedges :		
Foreign exchange forward contracts	**1,241.30**	588.29
Total Financial Liabilities at fair value through other comprehensive income	**1,241.30**	588.29
Other financial liabilities at amortised cost		
Current maturities of long term debt**	**40.76**	2,337.42
Interest accrued but not due on borrowings	**402.68**	402.63
Security Deposits	**3.08**	3.08
Total other financial liabilities at amortised cost	**446.52**	2,743.13
Unpaid dividend (Investor Education and Protection Fund will be credited by the amount as and when due)	**14.13**	15.86
Total	**1,701.95**	3,347.28

** Includes term loan repayable to bank by way of three annual installments starting from 30 September 2017: INR 700 lacs, 30 September 2018: INR 800 lacs & 30 September 2019: INR 1500 lacs as per the loan agreement carrying an interest rate of 6 months LIBOR plus 300 basis points. The effective interest rate on this loan is 15.40%. Pending utilization of these loans, the Company has placed it with group companies (owned by same promoter) as ICDs. This is a breach of the conditions of the loan agreement with the bank. The breach has not been remediated upto the date of issue of financial statements.

Details of security :

1. Subservient charge on the current assets and movable fixed assets of the Company.
2. Board resolution backed Letter of Comfort from group company Mcleod Russel India Limited.
3. Unconditional and irrevocable corporate guarantee of Williamson Financial Services Ltd to remain valid during the currency of loan.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial Liabilities at fair value through other comprehensive income

Financial Liabilities at fair value through other comprehensive income reflect the change in fair value of foreign exchange forward contracts designated as cash flow hedges to hedge foreign currency term loans taken from banks to meet the working capital requirements. The Company is exposed to changes in the rates of interest and foreign exchange rates on its foreign currency loans. The forward contracts have been taken to offset the effect of changes in interest rates and foreign exchange rates. The Company has a policy to hedge all its foreign currency loans.

Categorisation of Financial Liabilities

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
Financial Liabilities carried at FVTOCI		
Foreign exchange forward contracts (Note 18)	**1,241.30**	588.29
Financial Liabilities carried at Amortised cost		
Borowings (Note 16)	**11,263.10**	9,106.20
Trade payable (Note 17)	**3,107.90**	2,027.18
Other financial liabilities (Note 18)	**446.52**	2,743.13
Total	**16,058.82**	14,464.80

Note 19: Provisions

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
Provision for employee benefits		
-Provision for gratuity	**14.17**	-
-Provision for compensated absences	**-**	132.43
Provision for liquidated damages	**-**	179.32
Total	**14.17**	311.75

Provision for liquidated damages

The Company creates provision for liquidated damages on those contracts for which delivery has been delayed and no formal communication regarding extension of time has been received from the customers. The provision has been created on the basis of the terms of purchase order raised by the customers. As the Company has adopted Ind AS 115, the Company does not recognise liquidated damages (variable consideration) till the time it is certain that the Company will be able to realise the same based on an analysis of accumulated historical experience. Hence, in the current year, the provision for liquidated damages is nil as the same is either netted off from revenue (not recognised) or adjusted against trade receivables.

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
At the beginning of the year	**179.32**	264.35
Arising during the year	**-**	79.32
Opening provision adjusted retained earnings	**(75.82)**	-
Reclassified to Trade Receivables	**(103.50)**	
Unused amounts reversed during the year	**-**	(164.35)
At the end of the year	**-**	179.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 20: Contract liabilities

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Advances from customers	**2,856.50**	-
Total	**2,856.50**	-

As the Company has adopted modified retrospective approach under IND AS 115 - Revenue from Contracts with Customers, no reclassification has been made for contract liabilities of INR 2,643.35 lacs which were included in other current liabilites as at 31 March 2018.

Note 21: Other current liabilities

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Advances from customers	**-**	2,643.35
Dues to statutory bodies	**50.28**	42.44
Total	**50.28**	2,685.79

Note 22: Income Tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Profit or loss		
Current Income Tax	**202.35**	91.94
Deferred tax :		
Deferred tax expense recognised in the statement of profit or loss	**55.68**	56.50
Total Income Tax before OCI	**258.03**	148.44
OCI		
Income tax related to items recognised in OCI during the year	**(6.59)**	3.62
Deferred tax related to items recognised in OCI during the year	**(73.56)**	(100.88)
Income tax charged to OCI	**(80.15)**	(97.26)
Total Tax Expense (including tax impact on OCI)	**177.88**	51.18

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018 :

	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Profit before tax	**849.90**	484.11
Other Comprehensive Income before tax (only remeasurement of defined benefit plan)	**(23.67)**	10.96
Total	**826.23**	495.07
At India's statutory income tax rate of 27.82% (31 March 2018: 33.06%)	**229.86**	163.67
Expenses not allowed for tax purpose	**20.01**	17.08
Impact due to change in deferred tax rate	**1.57**	(28.69)
Deferred Tax pertaining to cash flow hedge reserve	**(73.56)**	(100.88)
Total Tax Expense (including tax impact on OCI)	**177.88**	51.18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Deferred tax:

Deferred tax relates to the following

	Balance Sheet	
	31 March 2019	31 March 2018
	INR in lacs	INR in lacs
Provision for loss allowance	**146.31**	188.48
Provisions made disallowed and allowed only on payment basis	**40.25**	61.66
Accelerated Depreciation for tax purposes	**(415.44)**	(423.34)
Cash Flow Hedge Reserve	**237.04**	163.48
MAT Credit Entitlement	**312.04**	321.56
Total	**320.20**	311.84

Reflected in the balance sheet as follows:

	31 March 2019	31 March 2018
	INR in lacs	INR in lacs
Deferred tax assets	**735.64**	735.18
Deferred tax liabilities	**(415.44)**	(423.34)
Deferred tax assets, net	**320.20**	311.84

Reconciliation of deferred tax assets (net):

	31 March 2019	31 March 2018
	INR in lacs	INR in lacs
Opening balance as of 1 April	**311.84**	284.26
Tax income/(expense) during the year recognised in Profit or Loss	**(55.68)**	(56.50)
Tax income/(expense) during the year recognised in OCI	**73.56**	100.88
MAT Credit Entitlement	**46.22**	-
Utilisation of MAT Credit Entitlement	**(55.74)**	(16.80)
Closing balance as at 31 March	**320.20**	311.84

Note: The Company has not recoganised deferred tax asset amounting to INR 454.31 lacs (March 31, 2018: Rs. 343.74 lacs) on capital loss on long term capital assets (on equity shares held by the Company in other companies), as it is not probable that the Company will have long term capital gains against which the Company can utilise the loss.

Note 23: Revenue from operations

Particulars	**2018-19**	2017-18
	INR in lacs	INR in lacs
Sale of manufactured products (including excise duty) **	**3,003.31**	2,435.69
Revenue from construction contracts (including excise duty) **	**10,788.06**	7,931.07
Sale of service	**277.65**	292.35
Other Operating Revenue		
Government Incentives	**143.27**	168.65
Scrap Sales	**173.31**	68.06
Total	**14,385.60**	10,895.82

**The Government of India introduced the Goods and Service Tax (GST) with effect from 1 July 2017. GST is collected on behalf of the Government and no economic benefit flows to the Company and hence gross revenue under GST regime is presented excluding GST as per Ind AS. However, gross revenue under pre-GST regime included Excise Duty which is now subsumed in GST. Consequently, the figures for the year ended 31 March 2019 are not comparable with the year ended 31 March 2018.

For further details of revenue from contracts with customers, refer Note 44.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 24: Other income

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Interest income on:		
- Inter-corporate deposits	**1,611.93**	1,484.93
- Bank deposits	**30.58**	46.66
Dividend income from investments in shares	**4.40**	0.17
Foreign exchange differences (net) (including fair value impact on foreign exchange forward contracts at fair value through profit or loss)	**22.13**	67.99
Provision no longer required written back	**290.40**	472.12
Other non-operating income	**41.73**	174.48
Total	**2,001.17**	2,246.35

Fair value gain on foreign exchange forward contracts at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting, which have been separated. No ineffectiveness has been recognised on foreign exchange and interest rate hedges.

Note 25: Cost of materials consumed

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Raw Material Inventory at the beginning of the year	**800.87**	656.18
Add: Purchases during the year	**7,589.89**	5,326.45
	8,390.76	5,982.63
Less: Raw Material Inventory at the end of the year	**714.61**	800.87
Cost of materials consumed	**7,676.15**	5,181.76

Note 26: Subcontracting charges

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Subcontracting charges	**1,821.42**	1,108.84
Total	**1,821.42**	1,108.84

Note 27: Changes in inventories of finished goods and work-in-progress

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Opening Stock		
Work-in-Progress	**316.01**	100.75
Finished Goods	**70.37**	113.39
	386.38	214.14
Less: Closing Stock		
Work-in-Progress	**514.99**	316.01
Finished Goods	**187.68**	70.37
	702.67	386.38
Net (Increase) / Decrease	**(316.29)**	(172.24)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 28: Employee benefits expenses

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Salaries, wages and bonus	**1,733.58**	1,718.51
Contribution to provident and other funds (Refer note 34)	**143.41**	143.26
Gratuity expense (Refer note 34)	**17.89**	20.52
Staff welfare expense	**35.39**	60.63
Total	**1,930.27**	1,942.92

Note 29: Finance costs

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Interest expense on :		
- Borrowings	**1,609.49**	1,460.93
- Trade payables	**13.63**	0.75
Others :		
- Bank commission charges	**66.90**	64.76
- Bank processing charges	**20.55**	195.82
Total	**1,710.57**	1,722.26

Note 30: Depreciation and amortization expense

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Depreciation on tangible assets (Refer note 3)	**408.68**	421.65
Amortisation on intangible assets (Refer note 4)	**13.55**	10.80
Total	**422.23**	432.45

Note 31: Other expenses

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Consumption of Stores, Spares and Loose Tools	**203.00**	155.48
Contract Labour	**227.99**	89.26
Power and fuel	**101.75**	116.29
Repairs and maintenance :		
Plant and equipment	**73.35**	58.74
Building	**1.63**	2.39
Others	**82.91**	121.63
Insurance	**50.38**	48.68
Rent including lease rentals (Refer note 43)	**19.44**	27.46
Rates and taxes	**43.86**	-
Royalty Charges	**66.32**	11.00
Sales commission	**108.35**	21.68
Liquidated Damages, Warranties and Rebates	**-**	93.80
Freight and forwarding (net)	**196.77**	198.37
Travelling and conveyance	**391.40**	363.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	2018-19 INR in lacs	2017-18 INR in lacs
Bad debts / advances written off	**196.13**	102.55
Bank charges	**7.49**	29.62
Directors' sitting fees	**4.00**	4.53
Legal and professional charges	**204.98**	250.31
Audit fees (refer details below)	**23.18**	28.00
CSR expenditure (refer details below)	**18.45**	18.60
Miscellaneous expenses	**271.14**	313.91
	2,292.52	2,056.28
Payments to the auditor:		
As auditor		
Audit fees	**15.50**	23.00
Other Services	**0.50**	-
Limited reviews	**4.50**	3.00
Reimbursement of expenses	**2.68**	2.00
	23.18	28.00

Details of CSR expenditure:

a. Gross amount required to be spent by the Company during the year was INR 18.43 lacs (31 March 2018: INR 17.75 Lacs)

b. Amount spent during the year

Purpose	2018-19 INR in lacs	2017-18 INR in lacs
(i) Construction / acquisition of any assets	**-**	-
(ii) On purposes other than (i) above	**18.45**	18.60
Total	**18.45**	18.60

Note 32: Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Profit attributable to equity holders	**591.87**	335.67
Weighted average number of Equity shares		
For basic EPS	**1,32,55,768**	1,32,55,768
For diluted EPS	**1,32,55,768**	1,32,55,768
Nominal value of equity shares	**INR 10**	INR 10
Basic EPS	**4.47**	2.53
Diluted EPS	**4.47**	2.53

Note 33: Significant Accounting Estimates and Assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported values of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Estimates and assumptions

The key assumptions concerning future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Project revenue and costs

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

Taxes

Significant management judgement is required to determine the amount of deferred tax assets (including MAT credit) that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 34.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provision for financial assets such as loans, inter-corporate deposits, trade receivables, contract assets and others are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

The Company follows 'simplified approach' for recognition of impairment allowance on trade receivables or contract assets (including revenue in excess of billing).

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss based on lifetime ECLs at each reporting date, right from its initial recognition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Going Concern Assumption

The financial statements have been prepared on going concern basis. Refer Note 42.

Note 34: Employee benefit disclosure

A. Defined contribution plans:

Amount of INR 143.41 lacs (31 March 2018: INR 143.26 lacs) is recognised as expenses and included in Note No. 28 “Employee benefit expense” in the Statement of Profit and Loss.

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
Employee State Insurance Corporation	**22.88**	24.29
Provident Fund	**86.31**	85.41
Superannuation Fund	**34.22**	33.56
Total	**143.41**	143.26

B. Defined benefit plans:

The Company has following post employement benefits which are in the nature of defined benefit plans:

Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company’s defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk : A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan’s liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.”

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

During the year, there were no plan amendments, curtailments and settlements.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31 March 2019 : Changes in defined benefit oblligation and plan assets

(INR in lacs)

		Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
	1 April 2018	Current Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31 March 2019
Gratuity												
Defined benefit obligation	**209.51**	**18.17**	**16.31**	**34.48**	**(51.40)**	**-**	**-**	**0.26**	**23.02**	**23.28**	**-**	**215.87**
Fair value of plan assets	**(213.20)**	**-**	**(16.59)**	**(16.59)**	**51.40**	**0.39**	**-**	**-**	**-**	**0.39**	**(23.72)**	**(201.70)**
Net Liability/ (Assets)	**-3.69**	**18.17**	**-0.28**	**17.89**	**-**	**0.39**	**-**	**0.26**	**23.02**	**23.67**	**(23.72)**	**14.17**

31 March 2018: Changes in defined benefit oblligation and plan assets

(INR in lacs)

		Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
	1 April 2017	Current Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31 March 2018
Gratuity												
Defined benefit obligation	200.34	19.35	14.57	33.91	(15.52)	-	-	(6.35)	(2.87)	(9.21)	-	209.51
Fair value of plan assets	(184.15)	-	(13.39)	(13.39)	15.52	(1.75)	-	-	-	(1.75)	(29.42)	(213.20)
Net Liability/ (Assets)	16.19	19.35	1.18	20.52	-	(1.75)	-	(6.35)	(2.87)	(10.96)	(29.42)	(3.69)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended 31 March 2019 INR in lacs	Year ended 31 March 2018 INR in lacs
Insurance Fund	**201.70**	213.20
(%) of total plan assets	**100%**	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate	**7.76%**	7.78%
Future salary increase	**5.00%**	5.00%
Expected rate of return on plan assets	**7.76%**	7.78%
Rate of employee turnover	**2.00%**	2.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	**N.A.**	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	Increase / (decrease) in defined benefit oblligation (Impact)	
		Year ended 31 March 2019	Year ended 31 March 2018
		INR in lacs	INR in lacs
Discount rate	1% increase	**(11.96)**	(11.24)
	1% decrease	**13.69**	12.88
Salary increase	1% increase	**13.94**	13.11
	1% decrease	**(12.37)**	(11.62)
Employee turnover	1% increase	**2.76**	2.57
	1% decrease	**(3.09)**	(2.89)

The following are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended 31 March 2019 INR in lacs	Year ended 31 March 2018 INR in lacs
Within the next 12 months (next annual reporting period)		
Gratuity	**59.33**	63.61
Between 2 and 5 years		
Gratuity	**59.17**	56.19
Beyond 5 years and up to 10 years		
Gratuity	**88.31**	84.20
Total expected payments	**206.81**	204.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended 31 March 2019 Years	Year ended 31 March 2018 Years
Gratuity	**7**	7

The followings are the expected contributions to planned assets for the next year:

Particulars	Year ended 31 March 2019 INR in lacs	Year ended 31 March 2018 INR in lacs
Gratuity	**32.02**	14.51

C. Other employee benefits

The liabilty / (asset) for compensated absences is INR (8.67) lacs (31 March 2018: INR 132.43 lacs)

Note 35: Contingencies and commitments

a. Contingent Liabilities

Particulars	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Contingent liabilities (to the extent not provided for)		
(a) Demand Notice from DGFT for non-fulfilling of export obligations.	**137.00**	137.00
(b) The Company had received an order from Joint Commissioner of Sales Tax, Mumbai for the year 2008-09 against which the Company had filed an appeal with Sale Tax Tribunal after payment of INR 1.50 lacs. In 2016, the demand was revised to INR 15.36 lacs & the Company had made a provision of INR 2.95 lacs in books of account.	**-**	12.41
(c) The Company has received sales tax assessment order from the sales tax department disallowing certain input credits and differential tax liability payable on account of non-production of C forms. The Company has filed an appeal with the Joint Commissioner of Sales Tax (Appeals).	**64.18**	64.42
(d) The Company had received Demand Notice from the Income Tax Authorities disallowing certain expenses for the assessment year 2008-09. The Company had filed an appeal against the said order with Deputy Commissioner of Income Tax (Appeals). In the previous year, order giving effect was received from Deputy Commissioner of Income Tax and accordingly income tax demand of INR 18.51 lacs was raised. The Company has filed an appeal with the Income Tax Appellate Tribunal against the said order.	**18.51**	18.51
(e) The Company had received Demand Notice from the Income Tax Authorities disallowing certain expenses for the assessment year 2014-15. The Company has filed an appeal before The Commissioner of Income Tax (Appeals) - I, Kolkata against the assessment order.	**-**	14.59
(f) The Company had received Service Tax Demand Notice from Additional Commissioner of Central Excise disallowing cenvat credit taken during financial year 2011-12. During current year, the Company has received appeal order from the office of the Commissioner of Central Excise (Appeals), Mumbai - I which is in favour of the Company. However, department has filed an appeal with the Tribunal.	**49.06**	49.06
(g) Other claims not acknowledged as debts.	**-**	0.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b. There are numerous interperative issues relating to the Supreme Court (SC) Judgement on provident fund dated 28 February 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision on receiving further clarity on the subject.

c. Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided:

At 31 March 2019, the Company had commitments of INR 38.03 lacs (31 March 2018: INR 6.97 lacs)

Note 36: Related party transactions

A. Particulars of related party and nature of relationship :

Company having significant influence

Williamson Magor & Co Ltd

Key Management Personnel

Supriya Mukherjee (Managing Director upto 31 March 2018)

Subir Chaki (Wholetime Director till 31 March 2018, Managing Director w.e.f. 01 April 2018)

Suresh Shenoi (VP and Chief Financial Officer)

Arvind Kumar Bajoria (Company Secretary)

Non Executive and Independent Directors

Aditya Khaitan

Amritanshu Khaitan

Subir Ranjan Dasgupta

Manmohan Singh

Padam Kumar Khaitan

Gobind Saraf

Priya Saran Chaudhari

Relatives of Key Management Personnel

Anuradha Chaki

Anita Shenoi

Isha Khaitan

Enterprises in which a Director is a member/ director /promoter/ partner

Williamson Financial Services Ltd

Manor Travels Pvt Ltd

Khaitan & Co LLP

Khaitan & Co

Khaitan & Co (Kolkata)

Enterprises over which Directors or relatives of Directors have significant influence

Babcock Borsig Ltd.

B. Transactions with Related party

Nature of transactions	2018-19 INR in lacs	2017-18 INR in lacs
Williamson Magor & Co Ltd		
Consultancy Charges paid	**24.00**	24.00
Rent and Service Charges paid	**16.80**	16.80
Reimbursement of Expenses	**4.55**	5.77
Inter-Corporate Deposit (ICD) given	**1,200.00**	-
ICD repaid	**800.00**	-
Interest income on ICD	**69.79**	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Nature of transactions	2018-19 INR in lacs	2017-18 INR in lacs
Compensation of Key Management Personnel *		
Short term employee benefits	**179.68**	252.18
Other long term employee benefits	**10.97**	14.99
Sitting fees to Non Exceutive and Independent Directors	**4.00**	4.53
Total	**194.65**	271.70
Other transactions with Key Management Personnel		
Personal guarantee received by the Company for loans given to group companies	**12,000.00**	-
Relatives of Key Management Personnel		
Car Hire Charges Paid	**2.67**	3.57
Professional Fees Paid	**14.40**	14.40
Other Services	**5.41**	26.41
Enterprises in which a Director is a member/director/ partner		
Consultancy services rendered	**0.38**	0.18
Agency fees	**0.13**	10.26
ICD given	**8,000.00**	4,000.00
ICD repaid	**8,115.00**	55.00
Interest income on ICD	**656.88**	325.38
Loan Rollover Charges	**-**	50.00
Enterprises over which KMP or relatives of KMP have significant influence		
ICD given	**-**	4,000.00
ICD repaid	**-**	8,850.00
Interest income on ICD	**885.26**	1,129.87
Loan Rollover Charges	**-**	75.38

C. Balances as at the year end

Nature of transactions	31 March 2019 INR in lacs	31 March 2018 INR in lacs
Williamson Magor & Co Ltd		
Receivable against ICD	**441.88**	-
Interest income on ICD receivable	**69.79**	41.88
Payable against services	**4.55**	5.70
Williamson Financial Services Limited		
Receivable against ICD	**4,279.00**	4,295.00
Interest income on ICD receivable	**143.57**	49.00
Receivable against Loan rollover fees	**-**	50.00
Babcock Borsig Ltd		
Receivable against ICD	**6,105.38**	6,030.00
Interest income on ICD receivable	**300.77**	-
Receivable against Loan rollover fees	**-**	75.38
Key Management Personnel		
Payable against remuneration	**-**	21.29
Personal guarantee received by the Company for loans given to group companies	**12,000.00**	-
Relatives of Key Management Personnel		
Receivable against advance paid	**-**	1.28

* As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Terms and conditions of transactions with related parties

1. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm 's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
2. ICD's given to related party carries interest rate of 14.5% (31 March 2018: 14.5%)

Commitments with related parties

The company has not provided any commitments to the related party as at 31 March 2019 (31 March 2018 : Nil)

Note 37: Segment information:

A. Primary operating segment

In line with the provision of Ind AS-108 - Operating Segments, Chief Operating Decision Maker (CODM) reviews the operations of the Company as manufacturer of Engineering Products, which is considered to be the only reportable segment by the management. Accordingly, no separate disclosure of primary operating segment information has been made.

B. Geographical information

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Revenue (Sales and services)		
India	**11,762.23**	8,506.59
Outside India	**2,623.37**	2,389.23
Total	**14,385.60**	10,895.82

The revenue information above is based on the locations of the customers.

Revenue from a customer of the Company is INR 1,600.87 (31 March 2018 : INR 2,799.48 lacs from two customers) which is more than 10 percent of the Company's total revenue for the respective years.

Particulars	As at 31 March 2019	As at 31 March 2018
b. Non current assets*		
India	**5,260.35**	5,663.03
Outside India	**-**	-
Total	**5,260.35**	5,663.03

*Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

Note 38: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	31-Mar-19	31-Mar-18	**31-Mar-19**	31-Mar-18
	INR in lacs	INR in lacs	**INR in lacs**	INR in lacs
Financial assets				
Investments measured at fair value through OCI	**637.73**	1,608.52	**637.73**	1,608.52
Loans	**14.83**	22.32	**14.83**	22.32
Other financial assets	**8.80**	30.68	**8.80**	30.68
Total	**661.36**	1,661.52	**661.36**	1,661.52

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Carrying value		Fair value	
	31-Mar-19	31-Mar-18	**31-Mar-19**	31-Mar-18
	INR in lacs	INR in lacs	**INR in lacs**	INR in lacs
Financial liabilities				
Non-current borrowings	**36.86**	77.62	**36.86**	77.62
Total	**36.86**	77.62	**36.86**	77.62

The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, inter-corporate deposits given, other current financial assets, contract assets, trade payables, short term borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 39 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019	**Fair value measurement using**				
Particulars	**Date of valuation**	**Total**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)	**(Level 2)**	**(Level 3)**
Assets measured at fair value:					
Derivatives not designated as hedges:					
- Foreign Exchange Forward Contracts (refer note 5c)	31 March 2019	**2.78**	**-**	**2.78**	**-**
FVTOCI financial investments:					
Quoted equity shares (refer note 5a)	31 March 2019	**637.73**	**637.73**	**-**	**-**

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018	**Fair value measurement using**				
Particulars	**Date of valuation**	**Total**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)	**(Level 2)**	**(Level 3)**
Assets measured at fair value:					
Derivatives not designated as hedges:					
- Foreign Exchange Forward Contracts (refer note 5c)	31 March 2018	8.63	-	8.63	-
FVTOCI financial investments:					
Quoted equity shares (refer note 5a)	31 March 2018	1,608.52	1,608.52	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2019:			Fair value measurement using		
Particulars	**Date of valuation**	**Total**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)	**(Level 2)**	**(Level 3)**
Liabilities measured at fair value:					
Derivative financial liabilities:					
Cash Flow Hedges - Foreign Exchange Forward Contracts (refer note 18)	31 March 2019	**1,241.30**	**-**	**1,241.30**	**-**

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018:			Fair value measurement using		
Particulars	**Date of valuation**	**Total**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)	**(Level 2)**	**(Level 3)**
Liabilities measured at fair value:					
Derivative financial liabilities:					
Cash Flow Hedges - Foreign Exchange Forward Contract (refer note 18)	31 March 2018	588.29	-	588.29	-

There have been no transfers between Level 1 and Level 2 during any of the above periods reported.

Note 40: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade receivables, contract assets, cash and cash equivalents, bank balances other than that included in cash and cash equivalents and other financial assets that arise directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors have adopted risk management policy to identify the risks involved in all activities of the Company. Further, the Company has a policy to hedge all foreign currency loans carrying a floating rate of interest with the help of foreign exchange forward contracts to cover foreign exchange rate and interest rate risk. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, FVTOCI financial investments, trade receivables, trade payables and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement. The Company uses derivative financial instruments such as foreign exchange forward contracts to manage its exposures to foreign exchange fluctuations.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company also enters into cross currency interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon principal amount.

The Company has the following borrowing facilities as at the year end:

Particulars	**31 March 2019**	31 March 2018
Fixed Rate Borrowings	**9,577.02**	8,175.07
Floating Rate Borrowings	**1,686.08**	931.13
Total	**11,263.10**	9,106.20

Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting on profit before tax and equity as follows:

	Increase/ decrease in basis points	**Effect on profit before tax INR in lacs**	**Effect on equity INR in lacs**
31 March 2019			
INR - Borrowings	**+50**	**(8.43)**	**(6.08)**
	-50	**8.43**	**6.08**
31 March 2018			
INR - Borrowings	+50	(4.66)	(3.12)
	-50	4.66	3.12

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by taking foreign exchange forward contracts.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign exchange forward contracts.

Foreign currency sensitivity

The following table demonstrates the sensitivity in the USD and Euro to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Change in currency exchange rate	Effect on profit before tax		Effect on pre-tax equity	
		For the year ended 31 March 2019	For the year ended 31 March 2018	**For the year ended 31 March 2019**	For the year ended 31 March 2018
		INR in lacs	INR in lacs	**INR in lacs**	INR in lacs
US Dollars	+5%	**28.00**	7.19	**20.21**	5.19
	-5%	**(28.00)**	(7.19)	**(20.21)**	(5.19)
Euro	+5%	**1.84**	(0.35)	**(1.33)**	(0.25)
	-5%	**(1.84)**	0.35	**1.33**	0.25

Equity price risk

The Company's investment consists of investments in publicly traded companies held for the purpose other than trading. Such investments represents a low exposure risk for the Company and are not hedged. As at 31 March 2019, the exposure to listed equity securities at fair value was INR 637.73 lacs (31 March 2018: INR 1,608.52 lacs). A decrease / increase of 10% on the BSE market index could have an impact of approximately INR 63.77 lacs (31 March 2018: INR 160.85 lacs) respectively on the OCI and equity. These changes would not have an affect on profit or loss.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), from its investing activities (primarily inter-corporate deposits) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
	INR in lacs	INR in lacs	INR in lacs	INR in lacs
Trade Receivables as on 31 March 2019	**2,134.10**	**592.70**	**1,343.70**	**4,070.50**
Trade Receivables as on 31 March 2018	1,473.29	1,108.24	870.21	3,451.74

The requirement for impairment is analysed at each reporting date. Refer Note 6 for details on the impairment of trade receivables.

Inter-Corporate Deposits

The Company places excess funds not required for immediate use as Inter-Corporate Deposits (ICDs) with group companies on a temporary basis. Considering the financial positions of these group companies, the Company has obtained unconditional and irrevocable personal guarantee from Promoter Director for the said ICDs as collateral security in case the borrowers are unable to repay the ICDs and interest accrued thereon. The management has assessed the recoverability of the said ICDs including interest receivable thereon and has considered the same to be good and recoverable.

The requirement for impairment is analysed at each reporting date. Refer Note 5b for details of ICDs placed with group companies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only on the basis of decision taken by the Company's senior management.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as illustrated in Note 16, 17 & 18 except for derivative financial instruments. The Company's maximum exposure relating to financial derivative instruments is noted in note 18 and the liquidity table below.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to make its present and future collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources for financing including debts, cash credits and overdrafts at an optimised cost.

The Company's financing arrangements will expire in near future and the Company's credit credit has also downgraded during the year. The Company believes that its liquidity position, including total cash and cash equivalents along with other bank balances, plans for negotiations with existing lenders for the roll-over of the loans or to consolidate its borrowings with one lender, infusion of funds in the Company by identifying strategic investors and group restructuring measures to monetize assets to meet up the various liability of the group companies (owned by same promoter) including the settlement of outstanding ICDs will enable will enable it to meet its future known obligations in the ordinary course of business. Refer Note 42 for further details.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	<1 year	1 to 5 years	> 5 years	Total
	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs
As at 31 March 2019					
Borrowings	**10,758.81**	**467.43**	**36.86**	**-**	**11,263.10**
Other financial liabilities	**416.81**	**1,285.14**	**-**	**-**	**1,701.95**
Trade and other payables	**-**	**3,107.90**	**-**	**-**	**3,107.90**
	11,175.62	**4,860.47**	**36.86**	**-**	**16,072.95**

	On demand	<1 year	1 to 5 years	> 5 years	Total
	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs
As at 31 March 2018					
Borrowings	8,904.26	124.32	77.62	-	9,106.20
Other financial liabilities	2,718.49	628.79	-	-	3,347.28
Trade and other payables		2,027.18	-	-	2,027.18
	11,622.75	**2,780.29**	**77.62**	**-**	**14,480.66**

Note 41: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents (including other bank balances).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Gearing Ratio:

Particulars	**31 March 2019 INR in lacs**	31 March 2018 INR in lacs
Borrowings (including current maturities of long term borrowings) (Note 16 & 18)	**11,303.86**	11,443.62
Less: Cash and cash equivalents (including other bank balances) (Note 7 & 8)	**(672.91)**	(1,095.73)
Net debt	**10,630.95**	10,347.89
Equity	**1,325.58**	1,325.58
Other equity	**8,573.33**	9,303.36
Total capital	**9,898.91**	10,628.94
Capital and net debt	**20,529.86**	20,976.83
Gearing ratio	**52%**	49%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

Note 42: Going Concern

The Company's financing arrangements amounting to INR 9,500 lacs is expiring and will be due for repayment in September 2019 and October 2019, or on demand, whichever is earlier. As on date the Company has not yet concluded its plan for replacement financing of such loans. Further, the Company had credit rating downgrade during the month of March 2019. These situations are events or conditions which along with recoverability of ICDs placed with group companies (as explained in note 5b) indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The management's plan to mitigate material uncertainty includes negotiations with existing lenders for the roll-over of the loans or to consolidate its borrowings with one lender, which is not yet concluded. The Company is also evaluating the infusion of funds in the Company by identifying strategic investors. Further, a promoter group level restructuring is currently underway to monetize assets to meet up the various liability of the group companies (owned by same promoter) including the settlement of outstanding ICDs. Also, the Company has a positive net worth of INR 9,899 lacs on 31 March 2019. Management of the Company is confident of its aforesaid plan. Accordingly, these financial statements of the Company for the year ended 31 March 2019 have been prepared on going concern basis.

Note 43a: Leases

Operating Leases :

The Company has entered into leasing arrangements for lease of premises with lease terms upto 1 year. The Company has the option to renew the leases upon expiry based on mutually agreed terms to be decided upon at the time of renewal of leases. Lease payments recognized in the Statement of Profit and Loss : 31 March 2019 : INR 19.44 lacs (31 March 2018 : INR 27.46 lacs). The Company does not have any non-cancellable leases.

Note 43b: Research and development costs

The Company has an inhouse research and development department which concentrates on product development and developing new products. Research and development costs that are not eligible for capitalisation have been expensed out in the respective years. The total amount of research and development cost expensed out in the year ended 31 March 2019 was INR 67.81 lacs (31 March 2018: INR 70.23 lacs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 44: IND AS 115

Reconciliation of revenue from operations with revenue from contracts with customers:

Particulars	**2018-19 INR in lacs**	2017-18 INR in lacs
Revenue from operations	**14,385.60**	10,895.82
Less:		
- Government Incentives	**143.27**	168.65
Revenue from contracts with customers	**14,242.33**	10,727.17

Disaggregation of revenue from contracts with customers:

A. By geographical region:

Particulars	**2018-19 INR in lacs**	2017-18 INR in lacs
Revenue from contracts with customers:		
- within India	**11,618.96**	8,337.94
- outside India	**2,623.37**	2,389.23
Total	**14,242.33**	10,727.17

B. By timing of transfer of goods or services:

Particulars	**2018-19 INR in lacs**	2017-18 INR in lacs
Goods transferred at a point in time	**3,176.62**	2,503.75
Goods transferred over the time	**10,788.06**	7,931.07
Services transferred over the time	**277.65**	292.35
Total	**14,242.33**	10,727.17

Contract Balances:

Particulars	**2018-19 INR in lacs**	2017-18 INR in lacs
Contract Assets (Unbilled Revenue) *	**3,607.79**	2,558.11
Contract Liabilities (Advances from customer)	**2,856.50**	2,643.35
Trade Receivables *	**4,070.50**	3,451.74

* Net of impairment allowance. For details of impairment allowance, refer Note 6 for trade receivables and Note 5c and 5d for contract assets.

The contract assets primarily relates to the Company's rights to consideration for work completed on design, construction and commissioning contracts but not billed at the reporting date. Contract assets are transferred to trade receivables when the Company raises invoices on the customers based on the terms as agreed in the contracts.

The contract liabilities primarily relate to the advance consideration received on contracts entered with customers. The advances are adjusted against subsequent billings based on the terms as agreed in the contracts.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Performance Obligations:

The Company enters into different types of contracts with its customers which have different performance obligations as follows:

Design, construction and commissioning contracts with the customers:

These contracts are for design and construction of highly customised drying equipments and range for a period of 3 to 12 months. Since, these equipments are highly customised and do not have any alternative use and as per the terms as agreed in the contracts, in case the contracts get terminated during the design or construction phase, the Company will be entitled to the costs incurred till that date, plus reasonable profit margin. Thus, the Company recognises revenue for these contracts over the time in accordance with the provisions of para 35 (c) of Ind AS 115.

Variable Consideration: These contracts usually have a liquidated damages clause for delay in delivery of these equipments beyond the scheduled dates as agreed in the contracts. The Company estimates the amount to be recognised towards liquidated damages based on an analysis of accumulated historical experience. The Company includes estimated amount in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Supply of other drying equipments and spares:

These contracts are for supply of other drying equipments and spares. These are standard equipments and spares which the manufactured and sold by the Company with a little modification as per the requirements of the customer. Revenue from these contracts are recognised when the significant risks and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods to the customer as per the inco-terms as agreed in the contracts. Revenue is measured at the fair value of consideration received or receivable net of return, trade allowances and rebates.

Service Income:

The Company recognises service income over the time based on the terms as agreed in the contracts entered into with the customers.

The payment terms for all the above contracts depend upon the milestones as agreed in the contracts and are independent of the performance obligations to be satisfied.

The Company has not disclosed information regarding transaction price allocated to the remaining performance obligations as all the contracts of the Company have an original expected duration of one year or less.

Determination of transaction price and allocation of amounts to performance obligations:

In case of design, construction and commissioning contracts, the Company may have different performance obligations as follows:

1. Design, construction and supply of equipments;
2. Supply of commissioning and operational spares; and
3. Supervision services for erection and commissioning of equipments.

For these contracts, the total transaction price is agreed in the contracts entered into with the customers. The Company allocates the transaction price to these performance obligations based on the standalone selling price of these goods or services.

The amount of variable consideration is determined based on the terms of the contract.

The Company recognises revenue for the above performance obligations and variable consideration based on the revenue recognition criteria as specified above.

The Company does not have any incremental costs of obtaining a contract and costs incurred in fulfilling a contract which are expected to be recovered from the customer and hence, the Company has not recognised any asset towards the same.

The Company's contracts have a maximum duration of 1 year and hence, the Company has not adjusted the amount of consideration received or receivable as per the contracts for the effects of a significant financing component.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Transition to Ind AS 115:

The Company has adopted modfied retrospective approach under Ind 115. In respect of the contracts not complete as at 1 April 2018 (being the transition date), the Company has made adjustments to retained earnings, recognizing revenue of INR 85.50 lacs, only to the extent of costs incurred, as the relevant contracts were in early stages of development, which does not have any impact on retained earnings. Further, on account of other adjustments, the Company has credited retained earnings by INR 3.62 lacs, net of tax, as on the transition date.

Consequently on account of Ind AS 115, the amount by which each financial statement line item is affected in the current reporting period by the application of this standard as compared to Ind AS 11 and Ind AS 18 is as follows:

Statement of Profit and Loss

Particulars	2018-19			Notes
	Amount as reported in the financials	Amount before adoption of Ind AS 115	Difference	
	INR in lacs	INR in lacs	INR in lacs	
Income				
Revenue from operations	**14,385.60**	**14,740.37**	**-354.77**	1, 2, 4
Other income	**2,001.17**	**2,001.17**	**-**	
Total Income (I)	**16,386.77**	**16,741.55**	**(354.77)**	
Expenses				
Cost of materials consumed	**7,676.15**	**7,739.22**	**-63.07**	2
Subcontracting charges	**1,821.42**	**1,821.42**	**-**	
Changes in inventories of finished goods and work-in-progress	**(316.29)**	**(229.29)**	**-87.00**	3
Employee benefits expenses	**1,930.27**	**1,930.27**	**-**	
Finance costs	**1,710.57**	**1,710.57**	**-**	
Depreciation and amortisation expenses	**422.23**	**422.23**	**-**	
Other expenses	**2,292.52**	**2,429.53**	**-137.00**	4
Total Expenses (II)	**15,536.87**	**15,823.95**	**(287.07)**	
Profit before tax (III=I - II)	**849.90**	**917.60**	**(67.69)**	
Tax expenses				
Current tax	**202.35**	**218.45**	**-16.11**	
Deferred tax charge	**55.68**	**62.12**	**-6.43**	
Total tax expense	**258.03**	**280.57**	**(22.54)**	
Profit for the year	**591.87**	**637.03**	**(45.15)**	
Earnings per share				
Basic earnings per share (INR)	**4.47**	**4.78**	**-0.32**	
Diluted earnings per share (INR)	**4.47**	**4.78**	**-0.32**	

There is no impact of Ind AS 115 on Other Comprehensive Income.

Notes:

1. Decrease in revenue by INR 154.70 lacs on account of allocation of total transaction price towards supply of commissioning and operational spares and supervision services for erection and commissioning equipments to be recognised separately on completion of the said performance obligation rather than recognising revenue on total transaction price over a period of time under Ind AS 11.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Under Ind AS 11, the Company used to not recognise revenue for contracts which were in early stages of development, as a result the proportionate costs incurred were recognised as work in progress. However, under Ind AS 115, the Company has recognised revenue for contracts since inception to the extent of cost incurred on the contracts which were in early stages of development.
3. The Company has purchased spares, i.e., incurred the related cost, on which revenue would have been recognised under Ind AS 11 based on percentage of completion method. Under Ind AS 115, the Company has deferred recognition of revenue on spares to be supplied which is to be recognised at a point of time on supply of spares and as the Company has not yet supplied spares, the related cost has been recognised as inventory as at 31 March 2019.
4. The Company used to provide for liquidated damages (variable consideration) in case the Company had delayed the delivery of equipments as agreed in the contracts. However, under Ind AS 115, the Company estimates the amount to be recognised towards liquidated damages based on an analysis of accumulated historical experience. The Company includes estimated amount in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. As a result of this, the Company has not recognised provision for liquidated damages of INR 137.00 lacs in Other Expenses and consequently there is a reduction in Revenue from Operations to that extent.

Note 45: Foreign currency exposure

A. Hedged by currency & interest rate swap

1. Borrowings

Year	Purpose	FC	Amount in FCY (in lacs)	Amount (INR in lacs)
31 March 2019	Foreign Currency Term Loan	**USD**	**130.21**	**9,072.74**
31 March 2018		USD	157.92	10,315.55

2. Outstanding forward exchange contracts entered into by the Company in USD

Year		No. of contracts	Amount in FCY (in lacs)	Amount (INR in lacs)
31 March 2019	Firm Commitment	**4**	**13.68**	**933.73**
31 March 2018		5	12.62	812.73

B. Unhedged		FC	Amount in FCY (in lacs)	Amount (INR in lacs)
31 March 2019	Trade Receivables	**USD**	**8.20**	**559.90**
31 March 2018		USD	2.70	173.88
		EURO	0.08	6.71
31 March 2019	Advance from Customer	**EURO**	**0.47**	**36.81**
31 March 2018		USD	0.46	30.16
		EURO	0.17	13.69

Note 46: Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 – Leases

"Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (1 April 2019). The Company has established a team for evaluation of impact on implementation of Ind AS 116. Reliable estimates of the quantitative impact of Ind AS 116 on the financial statements will be possible after a detailed evaluation.

Ind AS 12 - Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company does not expect any significant impact of the amendment on its financial statements.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. The Company does not expect this amendment to have any impact on its financial statements.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. These amendments are currently not applicable to the company but may apply in future.

Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. These amendments are currently not applicable to the company but may apply in future.

Note 47: The figures for the corresponding previous year have been regrouped/rearranged wherever necessary, to correspond with those of the current period classification.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors of Kilburn Engineering Ltd.

per Anil Jobanputra
Partner
Membership Number : 110759

Aditya Khaitan
Chairman
(DIN - 00023788)

Subir Chaki
Managing Director
(DIN : 05174555)

Suresh Shenoi
VP-Finance & Chief Financial Officer

Arvind Kumar Bajoria
Company Secretary

Place : Kolkata
Date : 29 May 2019

Place : Kolkata
Date : 29 May 2019

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 ld:

31st Annual General Meeting on Tuesday, 13th August, 2019 at 11.00 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 31st 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: ....

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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty First Annual General Meeting of the Company on Tuesday, 13th August, 2019 at 11:00 A.M. at Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas 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 Financial Statement for the Financial Year ended 31st March, 2019
2.	To declare a dividend for the financial year ended 31st March, 2019.
3.	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.
4.	To approve the appointment of M/s. V. Singhi & Associates, Chartered Accountants (FRN : 311017E) as Statutory Auditors for the period from 15th July, 2019 till this AGM due to casual vacancy caused by resignation by M/s S R B C & Co., Chartered Accountants (FRN : 324982E), previous auditors, and also to hold office as Statutory Auditors for Five years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting for the year ended March 31, 2024, and authorize the Board to fix their remuneration.
5.	Appointment of Mr. Amitav Roy Choudhury as director of the Company.
6.	Appointment of Mr. Amitav Roy Choudhury as an Independent director of the Company, for a tenure of five years.
7.	Appointment of Mr. Gobind P. Saraf as an Independent director of the Company, for a tenure of five years.
8.	Ratification of remuneration of Cost Auditor.
9.	Approval of continuation of appointment of Mr. Gobind P. Saraf as director, post completion of 75 years of age.

Signed this.............. day .... of 2019

Signature of Shareholder(s) ....

Affix Revenue stamp

Signature of Proxy holder(s) ....

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 31st Annual General Meeting.

ROTARY DRYER

ROTARY DRYER

PADDLE DRYER - CHAIN DRIVE

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