



# 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 / 20 – 21/ A.G.M.

September 8, 2020

To  
The Corporate Relationship Department  
BSE Limited  
1<sup>st</sup> 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: Notice of 32<sup>nd</sup> AGM through VC, E-Voting and Annual Report (2019 – 20)**

Dear Sir / Madam

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting (AGM) of the Company will be held on 30<sup>th</sup> September, 2020 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means (VC), In compliance with General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEB1/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI).

The Company is offering remote E-voting facility to its members through CDSL from 26<sup>th</sup> September, 2020 ( 10:00 A.M. ) to 29<sup>th</sup> September, 2020 ( 5:00 P.M.) under EVSN : 20090574 and the cut-off date for e-voting will be 23<sup>rd</sup> September, 2020.

Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2020 to 30<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.

Notice of 32<sup>nd</sup> AGM and Annual Report for 2019 - 20 has been mailed to the shareholders at their registered e-mail address on 8<sup>th</sup> September, 2020.

In compliance with regulation 34(1) of SEBI (LODR) Regulations, 2015, Annual Report for 2019-20 ( inclusive of Notice of 32<sup>nd</sup> AGM ) is being submitted herewith and the same has been uploaded on website of the Company at the following link :

<http://www.kilburnengg.com/wp-content/uploads/2014/08/KEL-AR-2019-20.pdf> ( ANNUAL REPORT )

<http://www.kilburnengg.com/wp-content/uploads/2014/08/KEL-AGM-30-09-2020.pdf> ( AGM NOTICE )

Thanking You,

Yours faithfully,  
For Kilburn Engineering Limited

  
**Arvind Bajoria**  
**Company Secretary**

Encl : Annual Report for 2019 – 20, having notice of AGM ( inclusive of instructions for E-voting ).

AN ISO-9001 : 2000 CERTIFIED COMPANY

REGD. OFFICE : FOUR MANGOE LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001, INDIA Page 1 of 1

E-MAIL : kilbncal@cal2.vsnl.net.in

CIN : L24232WB1987PLC042956



**A Williamson Magor Group Enterprise**



# ANNUAL REPORT | 2020



**KILBURN ENGINEERING LTD.**



**Rotary Dryer**



**Paddle Dryer**



**Rotary Dryer**



# KILBURN ENGINEERING LTD.



A Williamson Magor Group Enterprise

Website: [www.kilburnengg.com](http://www.kilburnengg.com),

Email: [cs@kilburnengg.com](mailto:cs@kilburnengg.com)

CIN : L24232WB1987PLC042956

## BOARD OF DIRECTORS

### Chairman (Non-Executive)

Mr. Aditya Khaitan

### Wole Time Director

Mr. Subir Chaki

### Other Directors

Mr. Amritanshu Khaitan

Mr. Gobind Saraf

Mr. Mahesh Shah

Ms. Arundhuti Dhar

Mr. Amitav Roy Choudhury

## CHIEF FINANCIAL OFFICER

Mr. Sachin J. Vijayakar

## COMPANY SECRETARY

Mr. Arvind Bajoria

## BOARD COMMITTEES

### AUDIT COMMITTEE

Mr. Gobind Saraf  
(Chairman)

Mr. Subir Chaki

Mr. Mahesh Shah

Mr. Amitav Roy Choudhury

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Amitav Roy Choudhury  
(Chairman)

Mr. Gobind Saraf

Mr. Mahesh Shah

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Mahesh Shah  
(Chairman)

Mr. Gobind Saraf

Mr. Amitav Roy Choudhury

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

#### COMMITTEE

Mr. Amritanshu Khaitan  
(Chairman)

Mr. Subir Chaki

Mr. Mahesh Shah

Mr. Amitav Roy Choudhury

## STATUTORY AUDITORS

V. Singhi & Associates

Chartered Accountants

## COST AUDITORS

M/s. D. Sabyasachi & Co.

## SECRETARIAL AUDITOR

M/s. Dhruvil 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) 663800

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## KILBURN ENGINEERING LTD.

**Regd. Office:** Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001

**Tel:** 033-2231-3337, 3450 **Fax:** 91-33-2231-4768

**E-Mail:** cs@kilburnengg.com; **Website:** www.kilburnengg.com

**CIN : L24232WB1987PLC042956**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty Second Annual General Meeting of the Company will be held on Wednesday, 30<sup>th</sup> September, 2020 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2020 and Report of Directors and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Aditya Khaitan (holding DIN 00023788), who retires by rotation and being eligible offers himself for reappointment.

#### SPECIAL BUSINESS:

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

#### 3. As an Ordinary Resolution – Appointment of Mr. Mahesh Shah as director of the Company:

"RESOLVED that Mr. Mahesh Shah (DIN: 00405556) who was appointed as an Additional Director of the Company on 13<sup>th</sup> August, 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."

#### 4. As an Ordinary Resolution – Appointment of Mr. Mahesh Shah as an Independent director of the Company, for a tenure of five years:

"RESOLVED that Mr. Mahesh Shah (holding DIN: 00405556), 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 w.e.f. 13<sup>th</sup> August, 2019."

#### 5. As an Ordinary Resolution – Appointment of Ms. Arundhuti Dhar as director of the Company:

"RESOLVED that Ms. Arundhuti Dhar (DIN: 03197285) who was appointed as an Additional Director of the Company on 13<sup>th</sup> August, 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 her 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 Ms. Arundhuti Dhar as an Independent director of the Company, for a tenure of five years:

"RESOLVED that Ms. Arundhuti Dhar (holding DIN: 03197285), 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 w.e.f. 13<sup>th</sup> August, 2019."

#### 7. As a Special Resolution – Ratification of appointment of Mr. Amitav Roy Choudhury as an Independent director of the Company:

"RESOLVED that in partial modification of the earlier resolution passed in the Thirty First Annual General Meeting of the Company held on 13.08.2019, the tenure of appointment of Mr. Amitav Roy Choudhury (holding DIN: 08501895), a Non-Executive Director, 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), be construed as effective for continuous five years w.e.f. 29.05.2019 and upto 28.05.2024 not liable to retire by rotation instead of his earlier appointment commencing from the conclusion of the thirty first annual general meeting of the Company till the conclusion of thirty sixth annual general meeting of the Company as passed earlier.

**8. As a Special Resolution – Appointment of Mr. Subir Chaki as Whole Time Director.**

“RESOLVED that consent of the Members be and is hereby accorded to the appointment of Mr. Subir Chaki (holding DIN: 05174555) as Whole Time Director of the Company, pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (Act) and any other applicable provisions of the Act and the Rules made thereunder read with Schedule V to the Act and / or subject to such approvals as necessary, for a period of One year with effect from April 1, 2020, upon the terms and conditions including remuneration as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee and as set out in the Explanatory Statement in respect of this item of business, attached herewith.”

“RESOLVED FURTHER THAT the Board of Directors shall have the authority to take incidental action and also to modify or amend the terms of appointment and remuneration from time to time within the limits of Schedule V and other applicable provisions of The Companies Act, 2013 (‘The Act’) or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of directors and Mr. Subir Chaki.”

“RESOLVED FURTHER THAT so long Mr. Subir Chaki functions as Whole Time Director of the Company, he will not be subject to retirement by rotation and shall not be paid any fees for attending the meetings of the Board or any Committee thereof.”

**9. 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, 2021, as approved by the Board of Directors on the recommendation of the Audit Committee and as set out in the Explanatory Statement in respect of this item of business, be and is hereby ratified.”

By Order of the Board of Directors

Kolkata  
22<sup>nd</sup> July, 2020

**Arvind Bajoria**  
Company Secretary  
Membership No.:A15390

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

**NOTES:**

1. Explanatory Statement for Special Business in terms of Section 102 of the Companies Act, 2013 is enclosed and constitutes part of this Notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/ 2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 25. The venue of the meeting shall be deemed to be the Regd. Office of the Company i.e. Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata, West Bengal - 700 001.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. M/s. V. Singhi & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 31<sup>st</sup> Annual General Meeting held on 13<sup>th</sup> Aug, 2019, to hold office from the conclusion of that Annual General Meeting ("AGM"), until the conclusion of the fifth consecutive AGM of the Company to be held in year 2024 (subject to ratification of the appointment by the Members at every AGM held after that AGM). Pursuant to Notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
  6. Additional information, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at this AGM, forms part of the Notice.
  7. The attendance through VC/OAVM is restricted and hence will be made available to only 1000 Members on first come first serve basis. However attendance of Members holding 2% or more of the shares of the Company, Institutional Investors as on Friday, 18<sup>th</sup> September, 2020, Promoters, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizer, etc. are allowed to attend the AGM without restriction on first come first serve basis.
  8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretary of the Company by 21<sup>st</sup> September, 2020 at cs@kilburnengg.com.
  9. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@kilburnengg.com from 22<sup>nd</sup> Sept., 2020 (9:00 a.m. IST) to 24<sup>th</sup> Sept., 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. In the interest of time, each speaker is requested to express his / her views in 2 – 3 minutes.
- However, shareholders may post their comments/ queries (not more than 150 characters) in the chat box available on the Video Conferencing interface. Message posted by the shareholders will be dealt with accordingly.
10. 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.
  11. 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.
  12. 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.
  13. **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Kilburn Engineering Limited ("KEL" or "the Company") is offering e-voting facility to its Members in respect of the businesses to be transacted at the Thirty Second Annual General Meeting

The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities.

The Instructions for shareholders voting electronically are as under:

    - (i) The voting period begins on Saturday, 26<sup>th</sup> September, 2020 from 10:00 a.m. (IST) and ends on Tuesday, 29<sup>th</sup> September, 2020 up to 5:00p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, 23<sup>rd</sup> September, 2020 i.e. the cut-off date, may cast their vote electronically. The e- voting module shall be disabled by CDSL for voting thereafter.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iii) Click on Shareholders.
    - (iv) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field.</li> </ul>
	<ul style="list-style-type: none"> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Kilburn Engineering Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.



- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - d) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
14. 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](mailto:arvind_bajoria@kilburnengg.com) or [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in) or [scrutinizeraklabh@gmail.com](mailto:scrutinizeraklabh@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) before 25<sup>th</sup> September, 2020 without which the vote shall not be treated as valid.
  15. 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](mailto:arvind_bajoria@kilburnengg.com) or [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in). You may also send mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in).
  16. 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 23<sup>rd</sup> September, 2020
  17. The member already cast his/her vote through remote e-voting would not be allowed to cast vote again through e-voting at the AGM. However, he/she can attend the AGM.
  18. 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](mailto:aklabhcs@gmail.com).
  19. The Scrutinizer shall within a period not exceeding 48 hrs 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.
  17. 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](http://www.kilburnengg.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company. On receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
  18. Members holding shares in physical form are requested to notify immediately change of address, transfer, 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, 5<sup>th</sup> Floor, Kolkata - 700 001. Tel No.: (033) 2243 5809 / 5029; 2248 2248; Fax No.: (033) 2248 4787; e-mail: [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in) or [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). Members may also note that the Notice of the 32<sup>nd</sup> AGM and the Annual Report 2019-20 will be available on the Company's website, [www.kilburnengg.com](http://www.kilburnengg.com).
  19. 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.
  20. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 23<sup>rd</sup> September, 2020 to Tuesday, 29<sup>th</sup> September, 2020 (both days inclusive).
  21. The members who have not encashed their Dividend warrants or who have not received the Dividend for the FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 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.
- The Member(s) whose dividend / shares as transferred to the IEPF Authority can now claim

their shares from the IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPF/refund.html>.

22. Queries on accounts, if any, should be mailed to [cs@kilburnengg.com](mailto:cs@kilburnengg.com) at least seven days before the meeting.
23. 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.
24. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
25. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:
  - i. Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-voting system. Members may access the same at CDSL website under Members login by using the remote e- voting credentials. The link for VC / OAVM will be available in Members login where the EVSN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of CDSL.

- ii. Members can participate in the AGM through

smart phone/laptop. However, for better experience and smooth participation it is advisable to join the Meeting using Google Chrome, through Laptops connected through broadband. Further Members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Participating Members are requested to keep their device under 'Mute' mode, except for pre-registered speakers, when invited to speak at the Meeting.

- iii. Participants connecting from Mobile Devices or Tablets or through Laptop via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- iv. The Members who are shareholders as on 23<sup>rd</sup> September, 2020 are requested to join the AGM through VC/OAVM mode, 30 minutes before the scheduled time of the commencement of the Meeting and not later than 15 minutes after the commencement of the meeting by following the procedure mentioned in the Notice.
- v. Members who need assistance before or during the AGM, can contact CDSL on [evoting@cdsl.co.in](mailto:evoting@cdsl.co.in) or use Toll Free No.1800-222-990

By Order of the Board of Directors

Kolkata  
22<sup>nd</sup> July, 2020

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

**Arvind Bajoria**  
Company Secretary  
Membership No.:A15390

**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. Aditya Khaitan	Mr. Mahesh Shah	Ms. Arundhuti Dhar
Category	Non Executive Director	Independent Director	Independent Director
Date of Birth	30/01/1968	25/12/1952	21/06/1973
Date of Appointment	31/03/2015	13/08/2019	13/08/2019
Qualification	B. Com (Hons)	Chartered Accountant, Cost Accountant, Company Secretary along with a degree in Law and Business Management	Graduation from St. Xavier's College, Kolkata

Name of Director	Mr. Aditya Khaitan	Mr. Mahesh Shah	Ms. Arundhuti Dhar
No. of Equity Shares held	1,50,000	Nil	Nil
Brief Resume	He hails from a renowned family of industrialists and has industry experience as a successful businessman who has an active interest in the activities of the Company.	He is the Past President of The Institute of Company Secretaries of India, The Institute of Cost & Works Accountants of India, and has been a Past member of Accounting Standard Board of ICAI. He has well represented leading industrial and trade bodies-both on regional and national level such as the Indian Chamber of Commerce, Bharat Chamber of Commerce, Calcutta Chamber of Commerce, CII, FICCI, ASSOCHAM etc.	She had worked with leading Companies like American Express Bank , HDFC Bank, IL&FS Property Management & Services Pvt. Ltd. She was an Independent Director on the board of EMC Limited and presently holding office of Independent director in McNally Bharat Engineering Company Ltd., Mcleod Russel India Ltd., Williamson Magor & Co. Ltd., Eveready Industries India Ltd. and Williamson Financial Services Limited.
Directorships held in other Companies (as on 31-03-2020)	Eveready Industries India Ltd. McNally Bharat Engineering Co. Ltd. Babcock Borsig Ltd. Prana Lifestyle Pvt. Ltd. Williamson Magor & Co. Ltd. Williamson Financial Services Limited Mcleod Russel India Limited McNally Sayaji Engineering Limited D1 Williamson Magor Bio Fuel Limited	Eveready Industries India Ltd. Inter Corporate Financiers & Consultants Limited	Eveready Industries India Ltd. McNally Bharat Engineering Co. Ltd. Williamson Magor & Co. Ltd. Williamson Financial Services Limited Mcleod Russel India Limited
Particulars of Committee Chairmanship / Membership held in other Companies SRC ( Stakeholder's Relationship Committee ) NRC ( Nomination and Remuneration Committee ) CSR ( Corporate Social Responsibility Committee )	<u>Mcleod Russel India Limited</u> Member – Audit Committee <u>McNally Bharat Engineering Co. Limited</u> Member – NRC <u>Babcock Borsig Limited</u> Member – Audit Committee Member – NRC Member – SRC <u>D1 Williamson Magor Bio Fuel Limited</u> Chairman – Audit Committee Chairman – NRC	<u>Eveready Industries India Limited</u> Member – Audit Committee Member – CSR Committee Chairman – NRC Chairman – SRC	<u>Williamson Magor &amp; Co. Limited</u> Member – NRC Chairman – Audit Committee Chairman – SRC <u>McNally Bharat Engineering Co. Limited</u> Member – Audit Committee Member – CSR Committee Member – NRC Member – SRC <u>Mcleod Russel India Limited</u> Chairperson – Audit Committee Member – CSR Committee Chairperson – NRC Chairperson – SRC

Name of Director	Mr. Aditya Khaitan	Mr. Mahesh Shah	Ms. Arundhuti Dhar
			<u>Williamson Financial Services Limited</u> Member – Audit Committee Member – NRC Member – SRC <u>Eveready Industries India Limited</u> Chairperson – Audit Committee Member – CSR Committee Member – NRC Member – SRC
Relationship with other directors / KMPs	NIL	None	None

Name of Director	Mr. Amitav Roy Choudhury	Mr. Subir Chaki
Category	Independent Director	Executive Director ( Professional )
Date of Birth	12/06/1953	24/03/1960
Date of Appointment	29/05/2019	13/11/2017
Qualification	B.Tech Hons from IIT and also M.Tech in Industrial Engineering and Operations Research from IIT Kharagpur	BE (Mech.), AICWA, PGCGM
No. of Equity Shares held	Nil	Nil
Brief Resume	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.	He has over 30 years of rich experience in the Manufacturing Industry and has worked with various Companies of the group at senior positions. He has served as the Vice Chairman of Confederation of Indian Industry, West Bengal Council, and continues to be a member of the Council and the West Bengal Task Force to advise the State Government of West Bengal.
Directorships held in other Companies (as on 31-03-2020)	NIL	NIL
Particulars of Committee Chairmanship / Membership held in other Companies	NIL	NIL
Relationship with other directors / KMPs	NIL	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 3 & 4**

Appointment of Mr. Mahesh Shah was made as an Additional Director by Board in their meeting held on 13<sup>th</sup> August, 2019 and he was designated as Independent Director by the Board for a tenure of five years. His appointment was recommended by the Nomination and Remuneration Committee. His appointment as an Independent Director for a tenure of five years is proposed to be ratified by the members.

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. 3 & 4.

**Item No. 5 & 6**

Appointment of Ms. Arundhuti Dhar was made as an Additional Director by Board in their meeting held on 13<sup>th</sup> August, 2019 and she was designated as Independent Director by the Board. Her appointment was recommended by the Nomination and Remuneration Committee. Her appointment as an Independent Director for a tenure of five years is proposed to be ratified by the members.

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 & 6.

**Item No. 7**

Board of Directors had appointed Mr. Amitav Roy Choudhury as Additional Director in their meeting held on 29<sup>th</sup> May, 2019. His appointment as an Independent Director for a tenure of five years was approved by the members at thirty first Annual General Meeting (AGM), w.e.f. the close of thirty first AGM upto thirty sixth AGM. The approval accorded by the members is sought to be partially modified, by ratifying the appointment of Mr. Amitav Roy Choudhury for a tenure of five years w.e.f. 29<sup>th</sup> May, 2019.

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. 7.

**Item No. 8**

Mr. Subir Chaki's tenure as Managing Director of the Company ended on 31<sup>st</sup> March, 2020. Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on February 8, 2020, resolved to appoint Mr. Subir Chaki as Whole Time Director of the Company w.e.f. April 1, 2020 for a tenure of six months upto 30<sup>th</sup> September, 2020 and in the board meeting held on 22<sup>nd</sup> July, 2020, his tenure was further extended for six months upto 31<sup>st</sup> March, 2021, pursuant to the relevant provisions of the Companies Act, 2013 read with Schedule V to the said Act and subject to the approval of the shareholders in a General Meeting and/or the Central Government approval as may be necessary, on the following terms of remuneration:

Salary (Basic): ₹ 4,00,000/- (Rupees Four Lakhs Only) per month with such revision as the Board may approve from time to time in the salary grade of ₹ 3,00,000 – ₹ 50,000 – ₹ 6,00,000.

Fixed Bonus: Equivalent to six months' basic salary in a year.

Other allowances / perquisites will be as per Company's policy, briefed as following:

**Allowances / Perquisites:**

Housing: Free furnished accommodation will be provided by the Company. In case no accommodation is provided to the whole time director, he will be paid House Rent Allowance @ ₹ 2,00,000/- monthly.

Car: Mr. Chaki will be provided with a Company car with driver. Additionally, Mr. Chaki will be provided with a car for his official and personal purposes.

Medical Insurance: Family medical insurance coverage will be provided by the Company as per the scheme applicable to the senior executive staff of the Company.

Leave Travel Allowance: The Whole Time Director will be entitled to Leave Travel Allowance (LTA). The amount of LTA per year is ₹ 4,00,000/-.

Club Fees: The Wholetime Director is entitled to reimbursement of Club Fees, if approved by the Board of Directors.

Other Allowances: A special pay of ₹ 1,19,316/- (Rupees One Lakh Nineteen Thousand Three Hundred Sixteen only) per month.

Retiral Benefits: Contribution to the Company's Provident Fund and Superannuation Fund and/or Annuity Fund in accordance with rules and regulations governing the said funds irrespective of the tenure of his service in the Company. Gratuity will be payable in accordance with rules of the Company and such Gratuity shall be paid

irrespective of his tenure of service and shall not exceed half a month's salary for each completed year of service.

**Minimum Remuneration:** In the event of loss or inadequacy of profits in any year during tenure of his office, the Whole Time Director shall be paid the remuneration as above as minimum remuneration subject to the provisions of Schedule V to the Act read with any circulars, notifications laid down by the Ministry of Corporate Affairs from time to time or any modification thereof.

**Leave:** The Whole Time Director will be entitled to leave on full pay, perquisites and allowances as following

**Casual Leave:** Casual Leave of 7 days per annum out of which 3 days' leave can be taken at a stretch. This leave is non-cumulative.

**Sick Leave:** On actual basis.

**Leave Encashment:** The Whole Time Director will be entitled to 30 days' leave per annum for each completed year of service, which may be accumulated upto a maximum of 360 days and can be encashed as per basic salary received at the end of tenure.

**Sitting Fees:** The Whole Time Director shall not be entitled to any Sitting Fees for attending the meetings of Board of Directors of the Company or Committees thereof.

The aforementioned appointment of Mr. Chaki and the terms as to remuneration requires the approval of the Members in general meeting. The above terms of remuneration have been approved by the Nomination and Remuneration Committee of the Board In the meeting held on 08<sup>th</sup> February, 2020.

The Resolution(s) set out in Item No. 8 is accordingly proposed to be passed by way of Special Resolution and the Board recommends the same for approval of the Members.

Except Mr. Chaki, being the appointee, 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.

## INFORMATION IN TERMS OF SCHEDULE V TO THE COMPANIES ACT, 2013

### I. General Information:

Nature of Industry : Engineering  
Date of commencement of Commercial production : The Company was incorporated in 1987 and had already commenced production

Financial performance based on given indicators:  
(For the year ended March 31, 2020)

Particulars	₹ In Lacs
Sales and other Income	15031
<b>Gross Profit before interest, finance charges and depreciation</b>	<b>2825</b>
Interest & Finance Charges	1722
Depreciation	414
<b>Profit before Tax</b>	<b>689</b>
Tax Expenses	172
<b>Profit after Tax</b>	<b>517</b>

Export Performance and total foreign exchange earnings:

	Export (FOB value) ₹ Crores	Total Foreign Exchange Earnings ₹ Crores
2019-2020	18.33	25.28
2018-2019	26.17	26.23
2017-2018	23.50	23.89

Foreign Investments or collaborators, if any	:	Foreign Collaborators are as following: i. M/s. Nara Machinery Co. Ltd. (Japan) ii. M/s. Carrier Vibrating Equipment Inc (USA)
Investment in subsidiaries during 2019-20	-	Nil
Investment in Share Capital by Foreign Companies	-	Nil

### II. Information about the appointee/director

Name of Director	:	Mr. Subir Chaki
Age	:	60 years
Qualification	:	B.E (Mech.), AICWA, PGCGM

Expertise and Experience in specific functional areas:

Mr. Subir Chaki (60) is a Mechanical Engineer from IIT, Kharagpur, Qualified Cost Accountant and PGCGM from IIM, Calcutta. He has over 30 years of rich experience in the Manufacturing Industry. He joined McNally Sayaji Engineering Limited as President - Operations from October 1, 2011. He also served as the President (Manufacturing), Executive Vice President (Manufacturing), Vice President (Flashlight Business) and other various capacity with Eveready Industries India Limited for



more than 25 years before joining McNally Sayaji Engineering Limited as Whole Time Director, where he continued till September 2017. With effect from October, 2017, he joined Kilburn Engineering Ltd. as Chief Operating Officer and was appointed as Managing Director of Kilburn Engineering w.e.f. 1<sup>st</sup> April, 2018 for a tenure of two years that ended on 31<sup>st</sup> March, 2020. He has served as the Vice Chairman of Confederation of Indian Industry, West Bengal Council, and continues to be a member of the Council and the West Bengal Task Force to advise the State Government. He has also been a member of the Governing Council at Kalyani University, Chairman of Teacher's Training Institute and has been advising several Engineering colleges in West Bengal.

Past remuneration:

In his last employment as Managing Director of Kilburn Engineering Ltd., Mr. Chaki had been receiving basic salary @ ₹ 4,00,000/- per month and other allowances and perquisites as approved by the Members.

Job profile and his suitability:

Mr. Chaki was the Managing Director of Kilburn Engineering Limited, responsible for the overall operational management of the Company. The Board is of the opinion that Mr. Chaki has the requisite qualifications, expertise and experience for the job he is holding.

Remuneration proposed:

Already given in the Explanatory Statement.

Pecuniary and other relationships:

Except for receiving remuneration as a Whole Time Director, Mr. Chaki has no pecuniary relationship with the Company. He is not related to any other managerial personnel of the Company.

Comparative remuneration profile with respect to industry, size of the Company, profile of position and person:

Mr. Chaki's proposed remuneration matches his background, proven capabilities and vast experience in Industries. His remuneration is commensurate with the norms in the industry having regard to the size, complexities of this Company and the job responsibilities.

### III. Other Information

Reasons of loss or inadequate profits:

The company had a net profit of ₹ 5.17 Crores during the year 2019- 20 as compared to net profit of ₹ 5.92 Crores in the previous year. Due to impact of Covid pandemic during the last quarter of year 2019-20, the profitability was impacted.

Presently, the world economy has been drastically impacted due to Covid pandemic, however negative

sentiment towards Chinese imports is expected to create a stable business environment for the Company in the coming years.

### IV. Disclosures

Information on the remuneration package of the managerial personnel:

The shareholders are notified of the remuneration package through explanatory statements annexed to the Notice of Meetings in which proposals for their appointments are placed before the shareholders.

Disclosures on remuneration package and other terms of Directors under 'Corporate Governance' Report:

The Corporate Governance Report forms a part of the Annual Report for the year and the remuneration package and other terms applicable to the Directors have been disclosed therein.

Memorandum of Interest:

Except Mr. Chaki, being an appointee, 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

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 2020-21 at a remuneration of ₹ 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. 9 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. 9.

By Order of the Board of Directors

Kolkata  
22<sup>nd</sup> July, 2020

**Arvind Bajoria**  
Company Secretary  
Membership No.:A15390

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

## REPORT OF THE DIRECTORS

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

The Directors of your Company are pleased to present the 32<sup>nd</sup> Annual Report and Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2020.

#### FINANCIAL RESULTS

(INR in Lac)

	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Revenue from Operations	<b>13114</b>	14386
Other Income	<b>1917</b>	2001
Total Revenue	<b>15031</b>	16,387
Total Expenses (excluding finance cost & depreciation)	<b>12206</b>	13,404
Earnings Before Finance Costs & Depreciation (EBIDTA)	<b>2825</b>	2,983
Finance Costs	<b>1722</b>	1,711
Depreciation & Amortization Expenses	<b>414</b>	422
Profit Before Tax	<b>689</b>	850
Tax Expenses	<b>172</b>	258
Profit for the Year	<b>517</b>	592

#### DIVIDEND

Board of Directors did not recommend dividend for FY: 2019-20, in view of the impact of Covid pandemic on business operations of the Company.

#### 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 industries.

**Process Equipments (PE):** During the year, major orders have been bagged for Rotary Dryers and Calciners for Soda Ash and Carbon Black from reputed customers in that sector.

Kilburn has established itself in manufacturing reliable sludge dryers in collaboration with Nara Machinery of Japan. During the year, it has bagged a record of 19 sludge dryers worth 18 crores.

During the year, Kilburn bagged orders from the process industry worth 76 crores.

#### Food Processing Equipment

Despite very low tea prices and market sentiments being poor, Kilburn maintained its leadership in the tea dryer business reaching the level of the previous year. Bangladesh and Africa markets continue to be focus export markets for tea dryers and withering machine.

During the year, Kilburn installed a fully automated withering machine at one of the gardens of Leading

Tea Company in Kenya. This is the first of its kind of withering machine and received wide appreciation from tea growers in Africa.

#### Order booking

The total order booking during the year 2019-20 was Rs 98 crores, with a closing order book of Rs 69 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

- Statutory Auditors: At the AGM on 13.08.2019 M/S. V. Singhi & Associates, Chartered Accountants (FRN:311017E) were appointed as Statutory Auditors, to fill the causal vacancy caused by resignation of previous auditors M/s. S R B C & CO LLP, Chartered Accountants for a tenure of five years upto AGM to be held in 2024.
- Internal Auditors: M/s. Bhide & Bhide, Chartered Accountants were appointed as Internal Auditors by the Board of Directors for 2019 – 20 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 2019-20 and their appointment is proposed for 2020 – 21 at the remuneration set out in the notice of AGM and explanatory statement thereto.
- d) Secretarial Auditors: M/s. Dhruvil M. Shah, Mumbai were appointed as secretarial auditor of the Company for the Financial Year 2019–20, as required under section 204 of The Companies Act, 2013 read with the applicable rules. The Secretarial Audit Report for 2019 – 20 forms part of the Annual Report as Annexure - VII.

### Statutory Auditors' Report

The audit report for Financial year 2019 – 20 has a qualified opinion, as following:

#### Basis for Qualified Opinion

As detailed in Note 5b to the accompanying Ind AS financial statements, the Company has Inter Corporate Deposits ('ICDs') and interest accrued thereon receivable from group companies amounting to ₹ 10,816 lakhs and ₹ 1,927 lakhs respectively as on 31<sup>st</sup> March, 2020. Considering the financial position of these group companies and in the absence of sufficient and appropriate audit evidence in relation to recoverability of these ICDs and accrued interest thereon, we are unable to determine whether any adjustments are required to the carrying value of these ICDs and interest accrued thereon.

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:

The Company did not have an appropriate internal control system for recoverability of Inter Corporate Deposits (ICDs) given to 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:

Considering the financial position 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. During the year the Group Companies have gradually commenced Interest payments and will continue to do so. 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.

### Management response to auditor's observations in secretarial audit report

Due to frequent changes in statutory and system requirements from time to time, few delays and lapses occurred in the process of filing of prescribed documents and necessary steps were taken to rectify the same and required systems were put in place to avoid such delays in future.

### 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) that 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) that 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**

The tripartite agreement with the trade unions was signed during the year. Employee relations remained cordial.

## **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 quarterly 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 terms of remuneration, which was approved by members of the Company at AGM on 28<sup>th</sup> September, 2018 and his tenure ended on 31.03.2020. Board appointed him as Whole Time Director w.e.f. 1<sup>st</sup> April, 2020 for one year, subject to the approval of members of the Company.

Mr. Manmohan Singh, independent director had 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.

Mrs. Priya Saran Chaudhri, Non Executive Director has resigned with effect from 22<sup>nd</sup> July, 2019 due to her other pre-occupations.

Mr. Amitav Roy Choudhury was appointed as an Independent Director in the Board Meeting held on 29<sup>th</sup> May, 2019. His appointment was approved by the members at 31<sup>st</sup> AGM held on 13.08.2019, for a tenure of five years.

Mr. Subir Ranjan Dasgupta, Independent Director had resigned with effect from 19<sup>th</sup> June, 2019 due to other preoccupations.

There are no material reasons for resignation by Independent Directors, other than the reason mentioned above.

Mr. Gobind P. Saraf was appointed as Independent Director for a second tenure of five years at Annual General Meeting held on 13<sup>th</sup> August, 2019. Members also

approved his continued appointment after completion of 75 years of age.

Mr. Mahesh Shah was appointed as an additional director on 06.08.2019 and his tenure ended on the close of 31<sup>st</sup> Annual General Meeting on 13.08.2019. Board of directors approved his appointment as an additional director and designated him as Independent Director for a tenure of five years in their meeting held on 13.08.2019, subject to the approval of the members.

Ms. Arundhuti Dhar was appointed as an additional director on 06.08.2019 and her tenure ended on the close of 31<sup>st</sup> Annual General Meeting on 13.08.2019. Board of directors approved her appointment as an additional director and designated her as Independent Director for a tenure of five years in their meeting held on 13.08.2019, subject to the approval of the members.

Requisite Notices have been received from Members proposing the appointment of the said Independent Directors

## **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 2019 – 20, following officials continued as Key Managerial Personnel, pursuant to section 203 of The Companies Act, 2013:

- i. Mr. Subir Chaki , Managing Director
- ii. Mr. Sachin J. Vijayakar, 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 5<sup>th</sup> 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. 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. Amritanshu Khaitan (Chairman), Mr. Mr. Subir Chaki (Member), Mr. Mahesh Shah (Member) and Mr. Amitav Roy Choudhury. 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 ₹ 18.00 Lacs (through various implementing agencies) during the FY: 2019-20. 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  
Date : 22<sup>nd</sup> July, 2020

**Aditya Khaitan**  
Chairman

## 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 Rs 98 crores. The cyclic demand for dryers was not offset by orders from the tea industry due to poor sentiments of tea. However, Kilburn did well to bag majority of the orders that came for dryers from the chemical sector. The carbon black industry, which generated good orders in the previous year, focused on commissioning the dryers that were supplied during the current year. This sector is expected to generate fresh orders in the coming year.

There are several active enquiries from the chemical, petrochemical and nuclear power sectors that the Company is aggressively pursuing. Orders are also expected from the carbon black sector.

### INDUSTRY OUTLOOK

The company has faced sustained pressure on margins due to stiff competition from the Chinese engineering equipment manufacturers. In the coming year, this pressure is expected to ease considering the negative sentiment of imports from China.

COVID is expected to take a toll on the demand for dryers as many organisations are delaying expenditure on capital projects. The Company will focus on the export markets as it is expected that the US and European markets will revive faster.

The tea industry is showing signs of revival with tea prices firming up. There are indications of the factories ramping up production. The Company has established itself as a reliable manufacturer for dryers and withering machine enjoying dominant market share in India, Bangladesh and Africa. This will be maintained in the year that follows.

### FINANCIAL PERFORMANCE

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

There were no Significant Changes in Key Financial Ratios (i.e., change of 25% or more as compared to the immediately Previous Financial Year).

### 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.



<p>◀ COVID impact and the risk of delay in capital expenditure by customers.</p>	<p>Your Company expects that the export market will revive faster and will make greater focus on exports. The China factor may limit price competition even in export markets, particularly the US.</p>
<p>◀ Due to changing economic environment Customers delaying</p> <p>i) Payments</p> <p>ii) Taking Delivery of the manufactured product on committed date</p>	<p>The Company insists Letter of Credit (LC) terms with new and overseas customers.</p> <p>However, there remains a risk about the customers asking for postponing delivery when Company's manufacture is completed. Such demands are settled through negotiations.</p>

**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 complied with.

**HUMAN RESOURCE DEVELOPMENT :**

Your company values human resources and has constantly worked on strengthening the technical capabilities of the team while making the entire organisation younger. Structured reorganization has been done in phases to streamline policy deployment and work flow and prepare the organisation for the future.

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.

For and on behalf of the Board

Place : Kolkata  
Date : 22<sup>nd</sup> July, 2020

**Aditya Khaitan**  
Chairman

## REPORT ON CORPORATE GOVERNANCE

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

### I. Company's Philosophy

Corporate Governance is very important for an 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 31<sup>st</sup> March 2020, the Company has Seven 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. There are two Non-Executive Directors and four Independent Directors out of total Seven 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 31<sup>st</sup> March, 2020 is given below :

Sr. No.	Names of the Directors	Category	No. of Board Meetings during the year 2019-20		Attendance at the last AGM held on 13.08.19	Directorship in other public Companies <sup>1</sup>	Committee position held in other public Companies <sup>2</sup>	
			Held	Attended			Chairman	Member
1	Mr. Aditya Khaitan, Chairman	Non-Executive	5	2	No	7	1	2
2	Mr. Subir Chaki Managing Director	Executive	5	5	Yes	-	-	-
3	Mr. Amritanshu Khaitan	Non-Executive	5	5	Yes	5	-	1
4	Mr. Amitav Roy Choudhury	Independent	5	5	Yes	-	-	-
5	Mr. Mahesh Shah	Independent	3	3	No	2	1	3
6	Mr. Gobind Saraf	Independent	5	5	Yes	3	1	2
7	Ms. Arundhuti Dhar	Independent	3	2	No	5	5	3

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

<sup>2</sup> 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, 2020,

Independent Directors comprise one-half of the Board strength.

- 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 during 2019 - 20, due to resignation of Mr. Manmohan Singh (w.e.f. 30<sup>th</sup> April, 2019), Mr. Padam Kumar Khaitan (w.e.f. 28<sup>th</sup> May, 2019) and Mr. Subir Ranjan Dasgupta (w.e.f. 19<sup>th</sup> June, 2019). The three Independent directors resigning from the Board did not attend any meeting of the Board held during 2019- 20. Ms. Priya Saran Chaudhri, Non Executive Director, resigned w.e.f. 22<sup>nd</sup> July, 2019. Mr. Amitav Roy Choudhury was appointed on 29<sup>th</sup> May, 2019, Mr. Mahesh Shah and Ms. Arundhuti Dhar were appointed on 6<sup>th</sup> August 2019 and on end of their tenure on next AGM on 13.08.2019, they were reappointed by the Board on 13.08.2019.
- 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 2019 - 20. A declaration to this effect signed by Whole Time 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](http://www.kilburnengg.com)

### III. Board Meetings and Committee 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 2019-20, the Board has met four times as on 29/05/2019, 15/07/2019, 13/08/2019, 12/11/2019 and 08/02/2019 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.
- 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 2019-20 are as under:

(Amount in INR)

Names of Directors	Designation	Sitting Fees	Salary & Perquisites**	Commission	Total
Mr. Aditya Khaitan	Non-Executive	20,000	NA	NA	20,000
Mr. Subir Chaki	Executive	NA	121.84 Lacs**	Nil	121.84 Lacs**
Mr. Subir Ranjan Dasgupta	Independent	10,000	NA	NA	10,000
Mr. Amritanshu Khaitan	Non-Executive	50,000	NA	NA	50,000
Mr. Amitav Roy Choudhury	Independent	1,50,000	NA	NA	1,50,000
Mr. Mahesh Shah	Independent	1,00,000	NA	NA	1,00,000
Mr. Gobind Saraf	Independent	1,70,000	NA	NA	1,70,000
Ms. Arundhuti Dhar	Independent	20,000	NA	NA	20,000

\*\* Includes salary, house rent allowance, bonus, contribution to superannuation fund and perquisite.

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 relatives) as on 31<sup>st</sup> March, 2020 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	2,18,501
Mr. Amitav Roy Choudhury	Independent Director	NIL
Mr. Mahesh Shah	Independent Director	NIL
Mr. Gobind Saraf	Independent Director	NIL
Ms. Arundhuti Dhar	Independent Director	NIL

**Core Skills of the Board**

The following is a list of core skills/expertise/competencies mapped with every director of the Company identified by the Board of Directors of the Company as required in the context of the Company's business(es) and sector(s) for the Company to function effectively and those available with the Board :

core skills/expertise/competencies	Mr. Aditya Khaitan	Mr. Amritanshu Khaitan	Mr. S. Chaki	Mr. G. Saraf	Mr. A. Roy Choudhury	Mr. M. Shah	Ms. A. Dhar
Adequate knowledge of the Company's business and the Industry in which the Company operates	Y	Y	Y	Y	Y	Y	Y
Strategy Acumen	Y	Y	Y	Y	Y	Y	Y
Financial Skills	Y	Y	Y	Y	Y	Y	Y
Communication Skills	Y	Y	Y	Y	Y	Y	Y
Leadership & Management Skills	Y	Y	Y	Y	Y	Y	Y

Here 'Y' stands for yes and 'N' for no

**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. Mahesh Shah	Member	Non-Executive Independent Director
Mr. Amitav Roy Choudhury	Member	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

Mr. Manmohan Singh and Mr. Subir Ranjan Dasgupta resigned as members of the Audit Committee during F.Y. 2019 - 20.

**ii) Details of the meetings of the Audit Committee during the year 2019-20 and its objectives:-**

During the year 2019-20, five meetings of the Audit Committee were held and attended by the members as per the details given below;

Sr. No.	Name of Members	Meetings / Attendance				
		29/5/2019	15/07/2019	13/8/2019	12/11/2019	08/02/2020
1	Mr. Gobind Saraf	Present	Present	Present	Present	Present
2	Mr. Subir Chaki	Present	Present	Present	Present	Present
3	Mr. Mahesh Shah	-	-	Present	Present	Present
4	Mr. Amitav Roy Choudhury	Present	Present	Present	Present	Present

Mr. Subir Ranjan Dasgupta was member of the Audit Committee upto 19<sup>th</sup> June, 2019 but he did not attend any of the committee meetings during the year. 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.

### 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.

### Change in constitution of Audit Committee during F.Y. – 2019 – 20 :

Constitution of Audit Committee had changed during 2019-20 due to resignation of Mr. Manmohan Singh on 30<sup>th</sup> April, 2019 due to his medical condition. Board of directors appointed Mr. Amitav Roy Choudhury as Independent Director w.e.f. 29<sup>th</sup> May, 2019. Mr. Amitav was also appointed as a member of the Audit Committee w.e.f. 29<sup>th</sup> May, 2019. On 19<sup>th</sup> June, 2019, Mr. Subir Ranjan Dasgupta resigned as Independent Director, due to other pre-occupations. Board of directors

appointed Mr. Mahesh Shah as Independent Director, and also a member of Audit Committee w.e.f. 6<sup>th</sup> Aug, 2019. Tenure of Mr. Mahesh Shah as Independent Director ended on close of AGM on 13<sup>th</sup> August, 2019 and he was reappointed as Independent Director and member of Audit committee w.e.f. 13<sup>th</sup> August, 2019.

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 29<sup>th</sup> 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 had appointed M/s. V. Singhi & Associates, Chartered Accountants as statutory auditors to fill the casual vacancy in their meeting held on 15<sup>th</sup> July, 2019 which was approved by members at AGM held on 13<sup>th</sup> August, 2019 for a tenure of five years.

## V. Nomination and Remuneration Committee

### i) The Nomination and Remuneration Committee consisted of the following members during the year 2019-20 :

Names of Members	Position Held	Category
Mr. Manmohan Singh (Resigned on 30-04-2019)	Chairman	Non-Executive Independent Director
Mr. Subir Ranjan Dasgupta (Resigned on 19-06-2019)	Member	Non-Executive Independent Director
Mr. Gobind Saraf	Member	Non-Executive Independent Director
Mr. Amitav Roy Choudhury (appointed on 29-05-2019)	Member	Non-Executive Independent Director
Mr. Mahesh Shah (appointed on 13-08-2019)	Member (appointed chairman on 12-11-2019)	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

Two meetings of Nomination and Remuneration Committee were held during the financial year 2019 - 20 on 29<sup>th</sup> April, 2019 and 8<sup>th</sup> February, 2020. In the meeting dated 29<sup>th</sup> April, 2019 the members reviewed the candidates for appointment candidates for appointment as CFO and Non Executive Directors of the Company. In Board Meeting held on 8<sup>th</sup> February, 2020, committee members approved the terms of appointment of Mr. Subir Chaki as Whole Time Director w.e.f. 1<sup>st</sup> April, 2020 which were approved by Board of Directors of the Company.

Mr. Mahesh Shah, Mr. Subir Ranjan Dasgupta and Mr. Amitav Roy Choudhury attended one committee meeting and Mr. Gobind Saraf attended two meetings during the year.

#### Change in constitution of Nomination and Remuneration Committee during F.Y. - 2019 - 20:

Constitution of Nomination and Remuneration Committee had changed during 2019 - 20, due to resignation of Mr. Manmohan Singh on 30<sup>th</sup> 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. 29<sup>th</sup> May, 2019. On 19<sup>th</sup> June, 2019, Mr. Subir Ranjan Dasgupta resigned as Independent Director, due to other pre-occupations and Mr. Mahesh Shah was appointed as member of the Committee w.e.f. 6<sup>th</sup> August, 2019.

### ii) Terms of reference:

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



**iii) Employee Stock Option Scheme:**

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

**iv) Remuneration Policy:**

Mr. Subir Chaki continued as Managing Director during the year 2019 – 20, he was paid ₹ 48.00 Lacs as Salary, ₹ 24.00 Lacs as Bonus and other benefits were paid as per below mentioned details. He does not hold any equity shares in the Company as on 31<sup>st</sup> March, 2020. His tenure as per the agreement is upto 31<sup>st</sup> March, 2020, approved by shareholders upto 31<sup>st</sup> March, 2020. His remuneration during the past two years (inclusive of Bonus paid for previous year) was as following :

Particulars	2019-20 (INR)	2018-19 (INR)
Salary	48,00,000	48,00,000
Commission, bonus and allowances	66,31,792	66,31,792
Contribution to Super Annuation Fund and other Perquisites	7,52,400	7,52,400

Remuneration of Non Executive Directors :

The details of relationship between Directors inter-se, sitting fees paid to Non-Executive Directors during the year 2019 - 20 (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 INR)	Number of Equity Shares held in KEL as on 31 <sup>st</sup> March, 2020 (alongwith dependant relatives)
Mr. Aditya Khaitan	-	20,000	2,20,000
Mr. Amritanshu Khaitan	-	50,000	2,18,501
Mr. Subir Ranjan Dasgupta	-	10,000	NIL
Mr. Manmohan Singh	-	NIL	NIL
Mr. Padam Kumar Khaitan	-	Nil	NIL
Mr. Gobind Saraf	-	1,70,000	NIL
Mrs. Priya Saran Chaudhri	-	10,000	NIL
Mr. Mahesh Shah	-	1,00,000	NIL
Mr. Amitav Roy Choudhury	-	1,50,000	NIL
Ms. Arundhuti Dhar	-	20,000	NIL

The Non-Executive Directors were paid sitting fees of ₹ 10,000/- for each meeting of the Board and of Committee thereof (other than Corporate Social Responsibility Committee) 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 2019- 20, 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 31<sup>st</sup> March, 2020 comprised of following members:

Names of the Members	Position Held	Category
Mr. Amitav Roy Choudhury	Chairman	Non-Executive Independent Director
Mr. Mahesh Shah	Member	Non-Executive Independent Director
Mr. Gobind Saraf	Member	Non-Executive Independent Director
Mr. Arvind Bajoria	Secretary	Company Secretary & Compliance Officer

### Change in constitution of Stakeholders' Relationship Committee during F.Y. – 2019 – 20:

Constitution of Stakeholders' Relationship Committee had changed during 2019 - 20 due to resignation of Mr. Manmohan Singh on 30<sup>th</sup> 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. 29<sup>th</sup> May, 2019. On 28<sup>th</sup> May, 2019, Mr. Padam Kumar Khaitan resigned as Independent Director, due to other pre-occupations. On 6<sup>th</sup> August, 2019, Mr. Mahesh Shah was appointed as Independent Director and member of the Committee.

- iii) Procedure for approval and details of meetings and attendance during the year 2019 - 2020:

During the year 2019 - 2020, four meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Members	Meetings / Attendance			
		29/05/2019	13/08/2019	12/11/2019	08/02/2020
1	Mr. Amitav Roy Choudhury	Present	Present	Present	Present
2	Mr. Gobind Saraf	Present	Present	Present	Present
3	Mr. Mahesh Shah	-	Present	Present	Present

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 663800

E-mail: cs@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 2019 - 20 is as follows:

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

**VII. Subsidiary Companies**

The Company does not have any subsidiary companies.

**VIII. General Body Meetings**

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

<b>Financial year</b>	<b>AGM No.</b>	<b>Day &amp; Date</b>	<b>Venue</b>	<b>Time</b>
2018-19	31 <sup>st</sup>	Tuesday, 13 <sup>th</sup> August, 2019	Williamson Magor Hall, The Bengal Chamber of Commerce and Industry, 6, Netaji Subhash Road, Kolkata – 700 001	11.00 a.m.
2017-2018	30 <sup>th</sup>	Friday, 28 <sup>th</sup> September, 2018	ICC Auditorium, 10 <sup>th</sup> Floor, ICC Towers, Indian Chamber of Commerce (ICC), 4, India Exchange Place, Kolkata – 700 001	11.00 a.m.
2016-2017	29 <sup>th</sup>	Monday, 25 <sup>th</sup> September, 2017	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):**

<b>AGM No.</b>	<b>No. of Special resolutions passed</b>	<b>Particulars of Special resolutions</b>
31 <sup>st</sup>	2 (Two)	1. Approval of appointment of Mr. Gobind Saraf as Independent Director 2. Approval of continuation of Mr. Gobind Saraf as director of the Company, on completion of 75 years of Age.
30 <sup>th</sup>	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.
29 <sup>th</sup>	1 (One)	1. Re-appointment of Mr. Supriya Mukherjee as Managing Director of the Company for a period of One year w.e.f. 01 <sup>st</sup> April, 2017;

**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 31<sup>st</sup> March, 2020 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:**

- Management Discussion & Analysis report is attached as annexure "I" to Directors' Report.
- 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 31<sup>st</sup> March, 2020, there was one instance of levy of penalty of Rs. 2,000/- by BSE for one day delay in submission of corporate Governance report for quarter ended December, 2019. Other non-compliances observed by auditors have been mentioned in Secretarial Audit Report, forming part of the Directors' Report.
- 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 Nomination and 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, Company has maintained a functional website at [www.kilburnengg.com](http://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](http://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](http://www.kilburnengg.com), as and when released.

**x) CEO / CFO Certificate:**

The CEO/CFO Certificate for the year ended 31<sup>st</sup> March, 2020 as required under SEBI Listing Regulations, 2015 was placed and taken on record at the Board Meeting of the Company held on 22<sup>nd</sup> July, 2020.

**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 31<sup>st</sup> March, 2020 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) Credit Ratings for Debt Instruments, Fixed Deposit Programmes or any other scheme involving mobilisation of funds :**

The Credit ratings of the Company's debt facilities is available on the Company's website (<http://www.kilburnengg.com/credit-rating/>).

**xiv) General Shareholders Information:**

## a) Annual General Meeting

Date : 30<sup>th</sup> September, 2020  
 Time : 11:00 A.M.  
 Venue : Through Video conferencing or other  
 Audio Visual means

## b) Financial year 2020-2021 (tentative schedule) Quarter Results

Ending on June 30, 2020 : September, 2020  
 Ending on September 30, 2020 : November, 2020  
 Ending on December 31, 2020 : February, 2021  
 Year ended March 31, 2021 : AGM is proposed to be held in August / September, 2021

c) Date of Book Closure : 23<sup>rd</sup> September, 2020 to 29<sup>th</sup> September, 2020 (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 2020-2021 has been paid.

## e) Stock Code

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

## 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 : 2019 – 20 was as following:

Month & Year	Share Price of KEL on BSE			
	Month's High	Month's Low	Month's Closing Price	Volume of shares traded
	(₹)	(₹)	(₹)	(In no.)
Apr-19	48.55	35.25	37.65	42462
May-19	40	27.45	36.9	66582
Jun-19	42.5	27.15	27.5	51006
Jul-19	32.85	19.95	20.65	67685
Aug-19	25.4	18	21.45	62350
Sep-19	26	20	23.7	92385
Oct-19	24.35	16	19.85	59826
Nov-19	24.4	18.8	19.95	62444
Dec-19	25.75	17.25	23.2	95151
Jan-20	33.65	23	24.7	84093
Feb-20	27.8	20.2	20.4	39683
Mar-20	21.7	10.25	13.3	132662

i) Registrars and Transfer Agents : Maheshwari Datamatics Private Limited  
 5<sup>th</sup> 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

k) Distribution of shareholding as on 31<sup>st</sup> March, 2020:

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.

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
UPTO – 500	6490	84.77	1032060	7.79
501 – 1000	575	7.51	479518	3.62
1001 – 2000	289	3.77	448374	3.38
2001 – 3000	96	1.25	242434	1.83
3001 – 4000	42	0.55	150168	1.13
4001 – 5000	34	0.44	162576	1.23
5001 – 10000	65	0.85	497500	3.75
10001 and above	65	0.85	10243138	77.27
<b>TOTAL</b>	<b>7656</b>	<b>100.00</b>	<b>13255768</b>	<b>100.00</b>

**Shareholding pattern as on 31<sup>st</sup> March, 2020:**

	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	76	232264	1.75
	b. Indian Public	7491	4762840	35.93
	c. NRIs / OCBs	64	38858	0.29
	d. IEPF	1	144381	1.09
	d. Others	12	71587	0.54
	<b>Total (1+2+3)</b>	<b>7656</b>	<b>13255768</b>	<b>100.00</b>

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 31<sup>st</sup> March 2020

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, 2020 the data are as follows.

Particulars	No. of Shares	Percentage of Total Shares
Physical Segment	2,45,159	1.85 %
NSDL	1,08,38,308	81.76 %
CDSL	21,72,301	16.39 %
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
2018-2019	Equity	₹ 1/-	₹ 10/-	10 %
2017-2018	Equity	₹ 1/-	₹ 10/-	10 %
2016-2017	Equity	₹ 2/-	₹ 10/-	20 %
2015-2016	Equity	₹ 2/-	₹ 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 31.03.2020 (in ₹)	Date of Declaration	Dividend Payment Date	Due date for transfer to IEPF
2015-2016 Final	593834.00	22 <sup>nd</sup> September, 2016	10 <sup>th</sup> October, 2016	9 <sup>th</sup> October, 2023
2016-2017 Final	587970.00	25 <sup>th</sup> September, 2017	10 <sup>th</sup> October, 2017	9 <sup>th</sup> October, 2024
2017-2018 Final	222385.00	28 <sup>th</sup> September, 2018	12 <sup>th</sup> October, 2018	11 <sup>th</sup> October, 2025
2018-2019 Final	176646.00	13 <sup>th</sup> August, 2019	30 <sup>th</sup> August, 2019	29 <sup>th</sup> August, 2026

**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, no shares were transferred to IEPF during 2019-20.

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., 5<sup>th</sup> 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 21<sup>st</sup> April, 2011 and 29<sup>th</sup> 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: cs@kilburnengg.com

Corporate Office

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

Phone: 91 2522 663800

Fax: 91 2522 281026

E-mail: cs@kilburnengg.com

Registrars & Transfer Agents

M/s Maheshwari Datamatics Pvt. Ltd., 5<sup>th</sup> 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

For and on behalf of the Board

Place: Kolkata  
Date: 22<sup>nd</sup> July, 2020

**Subir Chaki**  
Whole Time Director

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**KILBURN ENGINEERING LTD**

I have examined all the relevant records of **Kilburn Engineering Ltd** ('the Company') (records were verified in electronic form due to situation of "COVID-19") except few documents which are submitted with the Calcutta Stock Exchange 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 **31<sup>st</sup> March, 2020**.

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 the Company.

**For Dhrumil M Shah & Co.**  
UDIN: F008021B000490635

Place: Mumbai  
Date: 22<sup>nd</sup> July, 2020

**Dhrumil M Shah**  
Practicing Company Secretary  
CP 8978; FCS 8021  
PR No. 400/2016

**DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT**

I, Subir Chaki, Whole Time 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](http://www.kilburnengg.com). All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended 31<sup>st</sup> March, 2020.

Kolkata,  
22<sup>nd</sup> July, 2020

**Subir Chaki**  
Whole Time Director

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Kilburn Engineering Ltd.,  
4, Mangoe Lane,  
Kolkata, WB - 700001.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kilburn Engineering Ltd having CIN L24232WB1987PLC042956 and having registered office at 4, Mangoe Lane, Kolkata, West Bengal - 700001, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Names of Director</b>	<b>DIN</b>	<b>Date of appointment</b>
1.	Subir Chaki	05174555	13/11/2017
2.	Aditya Khaitan	00023788	31/03/2015
3.	Gobind Prasad Saraf	00206447	30/03/2009
4.	Manmohan Singh <sup>1</sup>	00699314	30/03/2009
5.	Padam Kumar Khaitan <sup>2</sup>	00019700	11/08/2011
6.	Subir Ranjan Dasgupta <sup>3</sup>	01401511	11/02/2004
7.	Priya Saran Chaudhri <sup>4</sup>	00704863	14/11/2014
8.	Amritanshu Khaitan	00213413	27/05/2005
9.	Amitav Roychoudhury	08501895	29/05/2019
10.	Mahesh Shah	00405556	06/08/2019
11.	Arundhuti Dhar	03197285	06/08/2019

1. Ceased to be a Director of the Company upon his resignation w.e.f. April 30, 2019
2. Ceased to be a Director of the Company upon his resignation w.e.f. May 28, 2019.
3. Ceased to be a Director of the Company upon his resignation w.e.f. June 19, 2019
4. Ceased to be a Director of the Company upon his resignation w.e.f. July 22, 2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Dhruvil M Shah & Co.**

UDIN: F008021B000490602

Place: Mumbai  
Date: 22<sup>nd</sup> July, 2020

**Dhruvil M Shah**  
Practising Company Secretary  
CP 8978&FCS 8021  
PR 400/2016

## 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, 2020, the Corporate Social Responsibility (CSR) Committee of the Board comprised of Mr. Amritanshu Khaitan (Chairman), Mr. Subir Chaki, Mr. Mahesh Shah and Mr. Amitav Roy Choudhury.

### 3. Average net profit of the Company for the last three financial years : ₹ 895.02 Lakhs

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 17.90 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 (₹ Lakhs)	Amount spent on the projects Or programs (₹ Lakhs)	Cumulative CSR expenditure upto the reporting period (₹ Lakhs)	Amount spent: Direct or through Implementing Agency
Tree Plantation and Waste Management	Sch. VII Item (iv)	(i) Local Area (ii) Howrah, Hooghly and Kolkata, where the Company has its regd. Office (Diamond Harbour Block under district South 24 Parganas on the outskirts of Kolkata)	18.00	18.00	18.00	Implementing Agency :  SOULACE CONSULTING (P) LIMITED 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  
22<sup>nd</sup> July, 2020

**Amritanshu Khaitan**  
Chairman (CSR Committee)

## 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  
Date: 22<sup>nd</sup> July, 2020

**Aditya Khaitan**  
Chairman

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN : L24232WB1987PLC042956
- ii) Registration Date : 07-09-1987
- iii) Name of the Company : Kilburn Engineering Limited
- iv) Category / Sub-Category of the Company : Public Company / Limited by shares
- v) Address of the Registered office and contact details : 3<sup>rd</sup> Floor, Four Mangoe Lane,  
Surendra Mohan Ghosh Sarani, Kolkata – 700 001  
Tel: +91 -33- 2231 3337  
Fax: +91 -33- 2231 4768
- vi) Whether listed company : Yes (Listed on BSE & CSE)
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Maheshwari Datamatics Private Limited,  
6, Mangoe Lane, 2<sup>nd</sup> 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	96.19%

**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-2019]				No of Shares held at the end of the year [As on 31-March-2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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									
<b>Sub-total (A)(1)</b>	8005038	0	8005038	60.3891	8005038	0	8005038	60.3891	0.0000
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	8005038	0	8005038	60.3891	8005038	0	8005038	60.3891	0.0000
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	800	800	0.0060	0	800	800	0.0060	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									
<b>Sub-total(B)(1):-</b>	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-2019]				No of Shares held at the end of the year [As on 31-March-2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	229810	2600	232410	1.7533	230064	2200	232264	1.7522	-0.0011
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2667586	253110	2920696	22.040	2690167	242159	2932326	22.1211	0.0877
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1812358	0	1812358	13.6722	1830514	0	1830514	13.8092	0.1370
c) Others (Specify)									
Non Resident Indians	32634	0	32634	0.2462	38858	0	38858	0.2931	0.0469
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	37951	0	37951	0.2863	2387	0	2387	0.0180	-0.2683
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	69500	0	69500	0.5243	69200	0	69200	0.5220	-0.0023
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority	144381	0	144381	1.0892	144381	0	144381	1.0892	0.0000
<b>Sub-total(B)(2):-</b>	4994220	255610	5249930	39.6049	5005571	244359	5249930	39.6048	-0.0001
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	4994220	255710	5250730	39.6049	5005571	245159	5250730	39.6108	-0.0001
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	12999258	256510	13255768	100.0000	13010609	245159	13255768	100.0000	0.0000

**ii) Shareholding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/04/2019]			Shareholding at the end of the year [As on 31/03/2020]			% 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
	<b>TOTAL</b>	<b>8005038</b>	<b>60.3891</b>	<b>0.0000</b>	<b>8005038</b>	<b>60.3891</b>	<b>0.0000</b>	<b>0.0000</b>

**iii) Change in Promoters' Shareholding**

Sl. No.	Name	Shareholding at the beginning [01/Apr/19]/ end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MCLEOD RUSSEL INDIA LIMITED				
	01/04/2019	848168	6.3985		
	31/03/2020	848168	6.3985	848168	6.3985
2	UNITED MACHINE CO LTD				
	01/04/2019	929126	7.0092		
	31/03/2020	929126	7.0092	929126	7.0092
3	WILLIAMSON MAGOR & CO LIMITED				
	01/04/2019	4319043	32.5824		
	31/03/2020	4319043	32.5824	4319043	32.5824
4	BISHNAUTH INVESTMENTS LIMITED				
	01/04/2019	1454200	10.9703		
	31/03/2020	1454200	10.9703	1454200	10.9703
5	ADITYA KHAITAN				
	01/04/2019	50000	0.3772		
	31/03/2020	50000	0.3772	50000	0.3772
6	YASHODHARA KHAITAN				
	01/04/2019	57901	0.4368		
	31/03/2020	57901	0.4368	57901	0.4368
7	ADITYA KHAITAN				
	01/04/2019	150000	1.1316		
	31/03/2020	150000	1.1316	150000	1.1316

Sl. No.	Name	Shareholding at the beginning [01/Apr/19]/ end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	KAVITA KHAITAN				
	01/04/2019	20000	0.1509		
	31/03/2020	20000	0.1509	20000	0.1509
9	B M KHAITAN (Deceased)				
	01/04/2019	16000	0.1207		
	31/03/2020	16000	0.1207	16000	0.1207
10	AMRITANSHU KHAITAN				
	01/04/2019	130000	0.9807		
	31/03/2020	130000	0.9807	130000	0.9807
11	ISHA KHAITAN				
	01/04/2019	10000	0.0754		
	31/03/2020	10000	0.0754	10000	0.0754
12	VANYA KHAITAN				
	01/04/2019	20600	0.1554		
	31/03/2020	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/19]/ end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	G. SUNDAR				
	01/04/2019	178101	1.3436		
	31/03/2020	178101	1.3436	178101	1.3436
2	RADHIKA TRADERS & INVESTORS LTD				
	01/04/2019	69200	0.5220		
	31/03/2020	69200	0.5220	69200	0.5220
3	YARLAGADDA SVRPC PRABHAKARA PRASAD				
	01/04/2019	62369	0.4705		
	18/10/2019 - Transfer	-500	0.0038	61869	0.4667
	31/03/2020	61869	0.4667	61869	0.4667
	31/03/2020	61869	0.4667	61869	0.4667
4	SWARAN FINANCIAL PVT LTD #				
	01/04/2019	58374	0.4404		
	31/03/2020	58374	0.4404	58374	0.4404
5	MADHU GUPTA				
	01/04/2019	140000	1.0561		
	31/03/2020	140000	1.0561	140000	1.0561

Sl. No.	Name	Shareholding at the beginning [01/Apr/19]/ end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	RENU KABRA				
	01/04/2019	140000	1.0561		
	31/03/2020	140000	1.0561	140000	1.0561
	31/03/2020	82514	0.6225	82514	0.6225
7	SUBHASH HASTIMAL LODHA				
	01/04/2019	106958	0.8069		
	24/05/2019 - Transfer	3418	0.0258	110376	0.8327
	26/07/2019 - Transfer	2287	0.0173	112663	0.8499
	20/12/2019 - Transfer	4862	0.0367	117525	0.8866
	27/12/2019 - Transfer	8661	0.0653	126186	0.9519
	17/01/2020 - Transfer	246	0.0019	126432	0.9538
	31/01/2020 - Transfer	715	0.0054	127147	0.9592
	07/02/2020 - Transfer	1935	0.0146	129082	0.9738
	14/02/2020 - Transfer	3809	0.0287	132891	1.0025
	31/03/2020	132891	1.0025	132891	1.0025
8	ANAND MISHRILAL JAJU *				
	01-04-2019	50000	0.3772		
	18/10/2019 - Transfer	8000	0.0604	58000	0.4375
	25/10/2019 - Transfer	2000	0.0151	60000	0.4526
	27/03/2020 - Transfer	25000	0.1886	85000	0.6412
	31-03-2020	85000	0.6412	85000	0.6412
9	BHAGIRATH PASARI				
	01-04-2019	194100	1.4643		
	06/03/2020 - Transfer	-1678	0.0127	192422	1.4516
	31-03-2020	192422	1.4516	192422	1.4516
10	SHILPI GUPTA				
	01-04-2019	70000	0.5281		
	07/06/2019 - Transfer	10000	0.0754	80000	0.6035
	26/07/2019 - Transfer	6000	0.0453	86000	0.6488
	31-03-2020	86000	0.6488	86000	0.6488
11	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	01/04/2019	144381	1.0892		
	31/03/2020	144381	1.0892	144381	1.0892

\* Not in the list of Top 10 shareholders as on 01/04/2019 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2019.

**v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	B M KHAITAN (Deceased)				
	01/04/2019	16000	0.1207		
	31/03/2020	16000	0.1207	16000	0.1207
2	ARVIND BAJORIA				
	01/04/2019	5	0.0000		
	31/03/2020	5	0.0000	5	0.0000

**V. INDEBTEDNESS**

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

(₹ Lakhs)

Sl. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of 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
	<b>Total (i+ii+iii)</b>	<b>11702.64</b>	<b>-</b>	<b>-</b>	<b>11702.64</b>
	Change in Indebtedness during the financial year				
	• Addition	107.67	1000.00	-	1107.67
	• Reduction	456.66	193.00	-	649.66
	• Other Adjustment	(427.26)			(427.26)
	<b>Net Change</b>	<b>78.27</b>	<b>807.00</b>	<b>-</b>	<b>885.27</b>
	Indebtedness at the end of the financial year				
i.	Principal Amount	11630.13	807.00	-	11630.13
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	150.78	-	-	150.78
	<b>Total (i + ii + iii)</b>	<b>11780.91</b>	<b>-</b>	<b>-</b>	<b>11780.91</b>



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

(₹ Lakhs)

Sl. No.	Particulars	Remuneration to Managing Director (Mr. Subir Chaki)
<b>1</b>	<b>Gross Salary</b>	
	a. Salary	114.32
	b. Value of perquisites	0.32
	c. Profits in lieu of salary	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify ...	-
5	Others, please specify	-
	<b>Total</b>	<b>114.64</b>

**B. Remuneration to other directors**

Names of Directors	Sitting Fees (INR)	Commission	Others	Total (INR)
Mr. Aditya Khaitan	20,000	0.00	0.00	20,000
Mr. Subir Ranjan Dasgupta	10,000	0.00	0.00	10,000
Mr. Amritanshu Khaitan	50,000	0.00	0.00	50,000
Mr. Gobind Saraf	1,70,000	0.00	0.00	1,70,000
Mrs. Priya Saran Chaudhri	10,000	0.00	0.00	10,000
Mr. Amitav Roy Choudhury	1,50,000	0.00	0.00	1,50,000
Mr. Mahesh Shah	1,00,000	0.00	0.00	1,00,000
Ms. Arundhuti Dhar	20,000	0.00	0.00	20,000

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

(₹ Lakhs)

Sl. No.	Particulars	Remuneration to C.F.O. (A. Suresh) upto 31/05/2019	Remuneration to C.F.O. (Sachin J. Vijayakar)	Remuneration to C.S.
1	Gross Salary			
	a. Salary	* 25.71	19.57	14.27
	b. Value of perquisites	-	-	-
	c. Profits in lieu of salary	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify ...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>* 25.71</b>	<b>19.57</b>	<b>14.27</b>

\* Remuneration includes retiral benefits.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There was levy of penalty of ₹ 2000/- by BSE Ltd. for delay of one day in filing of quarterly Corporate Governance Report for quarter ended Dec. 2019 for the year ended March 31, 2020.

For and on behalf of the Board

Place : Kolkata  
Date : 22<sup>nd</sup> July, 2020

**Aditya Khaitan**  
Chairman

## FORM NO MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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, (records were verified in electronic form due to situation of "COVID-19") (except few documents which are submitted with the Calcutta Stock Exchange) and the same has been not able to provide by the management) the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 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, 2020 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, 2020
- 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, 2020
- 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, 2020
- 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;
- 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, 2020
- 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, 2020; 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, except mentioned hereunder, with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

### Observations:

- i. Few of the instances there were non filing of Form MGT-14 & Form IEPF-7 in respect of board resolutions passed during the financial year 2019-20 & transfer of final dividend declared at the Annual General Meeting held in financial year 2019-20 respectively. However management of the Company is in process of regularising the aforesaid non filing of Form MGT-14 & Form IEPF-7.
- ii. The listed entity has generally complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to the following observations:

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practising Company Secretary
1.	Regulation 23 (9) of SEBI (LODR) Regulation, 2015	Not submitted within the timeline	The Company has submitted the Related Party Transactions Statement for the year ended 31 <sup>st</sup> March, 2019 with the Stock Exchanges as a part of its Annual Report filed on 27 <sup>th</sup> August, 2019 and later on 4 <sup>th</sup> December, 2019.
2.	Regulation 34 (1) of the SEBI (LODR) Regulation, 2015	Not submitted within the timeline	The Company has submitted the annual report for the financial year 2018-19 with the delay of 11 days. However, the BSE vide its email dated 07 <sup>th</sup> January, 2020 has waived off the penalty for the aforesaid delay.

## Report & Accounts 2019 - 2020

- iii. The following are the details of actions taken against the listed entity by the Stock Exchange (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

Sr. No.	Action taken by Stock Exchange	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practising Company Secretary, if any.
1.	Notice of BSE dated 15 <sup>th</sup> October, 2019 for the late Submission of Annual Report for the year ended March, 2019	Late submission of Annual Report for the year ended March, 2019	Imposed a fine of ₹ 80,240/- for non-submission of the Annual Report within the time period prescribed under regulation 34 (1) of SEBI (LODR) Regulation, 2015	The BSE vide its email dated 07th January, 2020 has waived off the penalty for the said delay.
2.	Notice of BSE dated 31 <sup>st</sup> January, 2020 regarding levy of penalty amounting to ₹ 5,45,160/- for non-compliance with the provisions of SEBI (LODR) Regulations, 2015.	1. Late submission of CG Report for the quarter ended December, 2019 2. Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director	Imposed a fine of ₹ 2,000/- for late submission of Corporate Governance Report for the quarter ended December, 2019 by one day.	The listed entity has submitted the revised Corporate Governance Report for the quarter ended December, 2019 with the Stock Exchange.

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

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

**For Dhrumil M Shah & Co.**  
UDIN: F008021B000490580

Place: Mumbai  
Date: 22<sup>nd</sup> July, 2020

**Dhrumil M Shah**  
Practising Company Secretary  
CP 8978; FCS 8021  
PR No. 400/2016

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.**  
UDIN: F008021B000490580

Place: Mumbai  
Date: 22<sup>nd</sup> July, 2020

**Dhrumil M Shah**  
Practising Company Secretary  
CP 8978; FCS 8021  
PR No. 400/2016

**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, 2020.**

**A. CONSERVATION OF ENERGY-**

**a) steps taken or impact on conservation of energy :**

- i. Purchase of 5 nos. inverter based welding machines to reduce the consumption of energy by replacement of conventional welding machines.
- ii. Active monitoring of utilization of energy to reduce wastage.

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

Nil

**c) Capital investment on energy conservation equipments :**

₹ 3.95 Lacs were invested in inverter based welding machines.

**1. TECHNOLOGY ABSORPTION**

- Developed Green Tea Leaf Withering Technology - Basic objective was to develop total automation in withering technology/ process to ensure good quality green withered leaf before processing for next operation without any manual handling. Successfully commissioned the system in Kenya.
- Developed Drying System for Waste Black Tea Conversion to Value Added Tea - In tea industry during drying operation, off grade tea is also produced. Special type of fluid bed dryer was developed to convert this tea into valuable tea by mixing steam or other ingredient in a mixing section and then drying to make valuable tea .
- Developed Drying System for Drying of Larvae Feeding on Human Waste - Developed vibratory drying system to dry larvae without affecting proteins content so that same can be fed to fishes/ chicken as food.
- Developed Conduction Type Drying System to Convert Liquid into Solid - Compact type paddle dryer system where heat can be supplied by indirect mode to evaporate solvent efficiently.
- Developed Vibratory System for Drying of Waste Paper Sludge - system can use chimney flue gases to dry efficiently waste paper sludge's.
- Developed Drying System for Different Types of Bran - Both conductive/convective type drying system were developed for drying of Maize, Corn, Rice and Germ including starch bran.

**2. BENEFITS DERIVED**

- considerable improvement in the quality of withered leaf which resulted in better tea value in the market. Similarly, waste tea conversion into value added tea results considerable saving for the tea factory.
- drying system for waste liquid in a conductive type drying system was very compact and more efficient as compared to other system in terms of space and utility.
- Uniform drying of bran gave better extraction of oil and increased efficiency of the system.

**3. Information regarding imported technology (Three Years)**

- a) Technology related to fluid bed technology with embedded tubes has been fully absorbed and the same is being applied to agro based drying process.
- b) Technology for heavy duty vibratory fluid bed dryer has been fully utilised for handling coal/ coke system.
- c) Whether the technology been fully absorbed - Yes.
- d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - N/A.

**4. Expenditure incurred on Research and Development:**

Expenditure on R&D:

- a) Capital
- b) Recurring ₹ 32.59 Lacs
- c) Total ₹ 32.59 Lacs
- d) Total R&D expenditure as a percentage of total turnover 0.25

**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 - ₹ 639.02 Lacs  
Total foreign exchange earned - ₹ 2528.21 Lacs

For and on behalf of the Board

Place: Kolkata

Date: 22<sup>nd</sup> July, 2020

**Aditya Khaitan**

Chairman

**FORM NO. AOC-2**

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis during the year ended 31<sup>st</sup> March, 2020 – As following**

The agreement was approved by Audit Committee and Board for two years w.e.f. 1<sup>st</sup> April, 2019 in the meeting held on 12<sup>th</sup> February, 2019.

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, 2019 to March 31, 2020	24.00

**2. Details of contract or arrangements or transactions at arm's length basis during the year ended 31<sup>st</sup> March 2020 :**

The Omnibus approval was given by Audit Committee and Board in the meeting held on 29<sup>th</sup> May 2019.

Approval for Mrs. Yashodhara Khaitan's remuneration was given by Audit Committee and Board in their meeting on 8<sup>th</sup> February, 2020.

Name of Party	Relationship	Nature of transaction and date of approval of audit committee	Date / Duration	Salient terms including value (₹ Lakhs)
Williamson Magor and Company Limited	Company having significant Influence	Interest Income on ICD	April 1, 2019 to March 31, 2020	64.07
Mrs. Isha Khaitan	Spouse of Director (Mr. Amritanshu Khaitan)	Payment of consultancy fees	April 1, 2019 to March 31, 2020	27.00
Williamson Magor and Company Limited	Company having significant Influence	Rent and service charges	April 1, 2019 to March 31, 2020	16.80
Mrs. Yashodhara Khaitan	Mother of Director (Mr. Amritanshu Khaitan)	Payment of consultancy fees	Jan. 1, 2020 to March 31, 2020	6.75

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: 22<sup>nd</sup> July, 2020

**Aditya Khaitan**  
Chairman

**REMUNERATION AND OTHER SPECIFIED PARTICULARS OF EMPLOYEES**

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

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

Sr. no.	Requirements	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	<p>Managing Director</p> <p>Mr. Subir Chaki 46.59 : 1</p> <p>Non Executive Directors</p> <p>Mr. Aditya Khaitan 0.08 : 1</p> <p>Mr. Amritanshu Khaitan 0.16 : 1</p> <p>Mr. Subir Ranjan Dasgupta 0.04 : 1</p> <p>Mr. Amitav Roy Choudhury 0.61 : 1</p> <p>Mr. Gobind Saraf 0.69 : 1</p> <p>Mrs. Priya Saran Chaudhri 0.04 : 1</p> <p>Mr. Mahesh Shah 0.41 : 1</p> <p>Ms. Arundhuti Dhar 0.08 : 1</p>
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	<p>No increment was made in the salary of any director during the year 2019 - 20. There was about 8% increase in the salary of CS and CFO.</p> <p>Salary of Mr. Subir Chaki was restructured during 2018 - 19 and same terms of remuneration were continued during 2019 - 20.</p>
3	The percentage increase in the median remuneration of employees in the financial year	There was approx. 8% increase in the median remuneration of employees during 2019 - 20.
4	The number of permanent employees on the rolls of the Company	284 employees were on the rolls of company as on March 31, 2020.
5	The explanation on the relationship between average increase in remuneration and Company performance	<p>During 2019-20, Profit Before Tax (PBT) of Company decreased by 18.97% (approx.)</p> <p>There was increase in remuneration of managerial personnel and wages of workmen, based on their performance.</p>
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 2019 - 20.
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 ₹ 58.33 crores as on March 31, 2019 to ₹ 17.63 crores as of March 31, 2020. Over the same period, the price to earnings ratio moved from 9.85 to 3.41. The stock price of the Company as at March 31, 2020 has decreased by 47% to ₹ 13.30 over the last offering of equivalent equity shares of ₹ 10/- each on rights basis in March, 2006 at an issue price of ₹ 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 approx. 8% increase in the salary of workmen and average remuneration of managerial personnel increased by 7% during the year 2019 - 20.
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Remuneration of Key Managerial Personnel was 26.58% of the Profit Before Tax (PBT) for the year 2019 - 20. MD (18.34%), CFO (6.17%) and CS (2.07%)
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 / Whole Time 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  
Date: 22<sup>nd</sup> July, 2020

**Aditya Khaitan**  
Chairman



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF KILBURN ENGINEERING LIMITED**

Report on the Audit of the Ind AS Financial Statements

#### **Qualified Opinion**

We have audited the accompanying Ind AS Financial Statements of Kilburn Engineering Limited. ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including 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 (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect 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 true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and its profit (including other comprehensive income), the changes in Equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

##### **Recoverability of Inter-Corporate Deposits and interest accrued thereon**

As detailed in Note 5b to the Ind AS Financial Statements, the Company has Inter Corporate Deposits ('ICDs') and interest accrued thereon receivable from group companies amounting to ₹ 10,816 lakhs and ₹ 1,927 lakhs respectively as on 31<sup>st</sup> March, 2020. Considering the financial position of these group companies and in the absence of sufficient and appropriate audit evidence in relation to recoverability of these ICDs and accrued interest thereon, we are unable to determine whether any adjustments are required to the carrying value of these ICDs and interest accrued thereon.

We conducted our audit of 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 Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS Financial Statements.

#### **Emphasis of Matter**

##### **Management's assessment of impact of COVID-19**

We draw attention to Note 45 to the Ind AS Financial Statements which describes the management's assessment of impact of COVID-19, a global pandemic, on the financial position/matters of the Company.

Our opinion is not modified in respect of the above 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 31<sup>st</sup> March, 2020. 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 matter described in the Basis for Qualified Opinion' section of our Report, we have determined the matter described below to be the key audit matters to be communicated in our report. For the matter below, our description of how our audit addressed the matter 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 relation 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 statements. 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**

Key audit matters	Auditor's Response
<p>Revenue recognition from design, construction and commissioning contracts with customer (as described in Note 45 of the accompanying Ind AS financial statements)</p> <p>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.</p> <p>Due to the nature of the contracts, revenue is accounted over a period of time (using input method) which involves significant judgments and estimates including:</p> <ul style="list-style-type: none"> <li>◀ Identification of contractual obligations and the Company's rights to receive payments for performance completed till date,</li> <li>◀ Changes in scope and consequential revised contract price including provision of liquidated damages and recognition of the liability for loss making contracts/ onerous obligations,</li> <li>◀ Estimation of total contract costs to be incurred.</li> </ul> <p>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.</p>	<p>Our audit procedures included the following, among others:</p> <ul style="list-style-type: none"> <li>◀ We tested the effectiveness of controls relating to (1) recording of costs incurred and estimation of costs required to complete the remaining contract performance obligations and (2) evaluated the design and operative effectiveness of the financial controls;</li> <li>◀ We selected a sample of fixed price contracts with customers accounted using percentage of completion method and performed the following: <ul style="list-style-type: none"> <li>a) Compared costs incurred with Company's estimate of costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs to complete the contract.</li> <li>b) Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs to complete the remaining performance obligations.</li> <li>c) 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.</li> </ul> </li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's information, but does not include the Ind AS Financial Statements and our Auditor's Report thereon. The annual report is 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.

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

In preparing the Ind AS Financial Statements, the management is responsible for assessing the Company's ability 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 realistic alternative but to do so.

The Board of Directors is 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 sufficient 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 override 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 with reference to financial statements 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 ability 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 the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 relationships 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, 2020 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 matter or when, in extremely rare circumstances, we determine that a matter 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.

### Other Matter

The Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 were audited by the predecessor auditor and had expressed a qualified opinion vide their Audit Report dated 29<sup>th</sup> May, 2019 on such Financial Statements.

Our opinion is not modified in respect of this matter.

### 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 to the extent applicable.
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 matter 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 matter 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 matter 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 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 31<sup>st</sup> March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
  - (h) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements for the reasons stated therein;
  - (i) in our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Company to its 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 litigations on its financial position in its 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;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**(Tarun Jain)**  
Partner

Place: Kolkata  
Date: 22<sup>nd</sup> July, 2020

Membership No.: 130109  
UDIN: 20130109AAAABY1440

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF KILBURN ENGINEERING LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2020**

- (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 physical verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company. In respect of immovable properties of land and building that have been taken on lease and disclosed under Right of Use asset under the Note 3 to the Financial Statements, the lease agreements are 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) Except unsecured loans that are re-payable on demand, having outstanding balance of ₹ 4710.66 Lakhs as on 31<sup>st</sup> March, 2020 granted to two Companies, in earlier years, covered in the Register maintained under Section 189 of the Act, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- (a) As described in clause 3(ix) below, the terms and conditions of the grant of such loans are prejudicial to the Company's interest.
- (b) The loans granted are re-payable on demand and schedule of payment of interest of these loans has not been stipulated. The repayment of principal and payment of interest are not regular in respect of the aforesaid loans.
- (c) The Company has a sum of ₹ 596.11 lakhs of interest which is overdue for more than ninety days. As described in the Basis for Qualified Opinion paragraph of our report, in absence of sufficient and appropriate audit evidence in relation to recoverability of these ICDs and accrued interest thereon, we are unable to comment upon the reasonable steps taken by the Company.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of Section 185 and 186 of the Act in respect of loans given and investments made have been complied with, wherever applicable. The Company has not provided any guarantees and securities.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 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 cost records with a view to determine whether the same are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. There are no undisputed statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, 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 sales tax on account of any dispute, is 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	13.86	FY 2008 -09	Jt. Comm. of Sales Tax (Appeals)

\* 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 institution or Government. Further, the Company has not issued any debenture.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year. However, the term loans of ₹ 9,500 lakhs raised in earlier years have not been utilized for the purposes for which they were raised and have been fully deployed as inter-corporate deposits to group companies as described in the Basis for Qualified Opinion paragraph of our report.
- (x) Based upon the audit procedures performed for the purpose of reporting the true 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 officers 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, transactions 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 transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Kolkata  
Date: 22<sup>nd</sup> July, 2020

**(Tarun Jain)**  
Partner  
Membership No.: 130109  
UDIN: 20130109AAAABY1440

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF KILBURN ENGINEERING LIMITED**

Report on the Internal Financial Controls with reference to the accompanying Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Kilburn Engineering Limited ("the Company") as of March 31, 2020, 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls 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 with reference to financial statements. 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 with reference to these Ind AS financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls 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 with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to these Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting 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.

### **Basis for 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 31<sup>st</sup> March, 2020:

The Company did not have an appropriate internal control system for recoverability of Inter Corporate Deposits (ICDs) given to 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.

### **Qualified Opinion**

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 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit test applied in our audit of the Financial Statements of the Company for the year ended 31<sup>st</sup> march, 2020 and the material weakness has affected our opinion on the Financial Statements of the Company and we have expressed a qualified opinion on the Financial Statements of the Company

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

**(Tarun Jain)**  
Partner

Membership No.: 130109  
UDIN: 20130109AAAABY1440

Place: Kolkata  
Date: 22<sup>nd</sup> July, 2020



**BALANCE SHEET****AS AT 31<sup>ST</sup> MARCH, 2020**

Particulars	Notes	As at 31 <sup>st</sup> March, 2020 INR in lacs	As at 31 <sup>st</sup> March, 2019 INR in lacs
<b>A. Assets</b>			
<b>1. Non-current Assets</b>			
Property, Plant and Equipment	3	<b>4,839.26</b>	5,233.90
Intangible Assets	4	<b>18.97</b>	26.45
Financial Assets			
- Investments	5a	<b>158.31</b>	637.73
- Loans	5b	<b>31.01</b>	14.83
- Other Financial Assets	5c	<b>35.08</b>	8.80
Income Tax Assets (net)	9	<b>271.78</b>	319.10
Deferred Tax Assets (net)	22	<b>15.77</b>	320.20
Other Non-Current Assets	10	<b>49.07</b>	49.07
<b>Total Non-current Assets</b>		<b>5,419.25</b>	6,610.08
<b>2. Current Assets</b>			
Inventories	11	<b>998.29</b>	1,513.37
Financial Assets			
- Trade Receivables	6	<b>3,232.79</b>	4,070.50
- Cash and Cash Equivalents	7	<b>398.92</b>	295.63
- Bank Balance other than included in Cash and Cash Equivalents above	8	<b>288.91</b>	377.27
- Loans	5b	<b>10,830.84</b>	10,826.26
- Other Financial Assets	5c	<b>1,963.37</b>	544.13
- Contract Assets	5d	<b>3,714.02</b>	3,607.79
Other Current Assets	12	<b>803.06</b>	1,047.78
<b>Total Current Assets</b>		<b>22,230.20</b>	22,282.73
<b>Total Assets</b>		<b>27,649.45</b>	28,892.81
<b>B. Equity and Liabilities</b>			
<b>1. Equity</b>			
Equity Share Capital	13	<b>1,325.58</b>	1,325.58
Other Equity	14	<b>9,016.16</b>	8,573.33
<b>Total Equity</b>		<b>10,341.74</b>	9,898.91
<b>2. Non-current Liabilities</b>			
Financial Liabilities			
- Borrowings	16	-	36.86
<b>Total Non-Current Liabilities</b>		-	36.86
<b>3. Current Liabilities</b>			
Financial Liabilities			
- Borrowings	16	<b>12,155.75</b>	11,226.24
- Trade Payables	17	<b>89.91</b>	91.90
a) Total Outstanding dues of Micro Enterprises and Small Enterprises		<b>2,210.89</b>	3,016.00
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		<b>208.97</b>	1,701.95
- Other Financial Liabilities	18	<b>2,569.35</b>	2,856.50
Contract Liabilities	20	<b>25.76</b>	50.28
Other Current Liabilities	21	<b>47.08</b>	14.17
Provisions	19	<b>17,307.71</b>	18,957.04
<b>Total Current Liabilities</b>		<b>17,307.71</b>	18,957.04
<b>Total Equity and Liabilities</b>		<b>27,649.45</b>	28,892.81
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration No.: 311017E

**(Tarun Jain)**

Partner

Membership No.: 130109

For and on behalf of the Board of Directors of

**Kilburn Engineering Limited**

**(Aditya Khaitan)**

Chairman

DIN : 00023788

**(Subir Chaki)**

Whole Time Director

DIN : 05174555

**(Sachin Vijayakar)**

GM - Finance & Chief Financial Officer

**(Arvind Kumar Bajoria)**

Company Secretary

Place : Kolkata

Date : 22<sup>nd</sup> July, 2020

# STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Particulars	Notes	Year ended 31 <sup>st</sup> March 2020 INR in lacs	Year ended 31 <sup>st</sup> March 2019 INR in lacs
<b>Income</b>			
Revenue from Operations	23	<b>13,114.16</b>	14,385.60
Other Income	24	<b>1,916.86</b>	2,001.17
<b>Total Income (I)</b>		<b>15,031.02</b>	16,386.77
<b>Expenses</b>			
Cost of Materials Consumed	25	<b>6,640.78</b>	7,676.15
Subcontracting Charges	26	<b>1,559.51</b>	1,821.42
Changes in Inventories of Finished Goods and Work-in-progress	27	<b>294.77</b>	(316.29)
Employee Benefits Expenses	28	<b>1,751.43</b>	1,930.27
Finance Costs	29	<b>1,721.68</b>	1,710.57
Depreciation and Amortisation Expenses	30	<b>414.32</b>	422.23
Other Expenses	31	<b>1,959.84</b>	2,292.52
<b>Total Expenses (II)</b>		<b>14,342.33</b>	15,536.87
<b>Profit before Tax (III=I - II)</b>		<b>688.69</b>	849.90
<b>Tax Expenses</b>	22		
Current Tax		<b>184.13</b>	202.35
Deferred Tax		<b>(12.23)</b>	55.68
<b>Total Tax Expense</b>		<b>171.90</b>	258.03
<b>Profit for the year</b>		<b>516.79</b>	591.87
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement Gains / (Losses) on defined benefits plan		<b>(14.35)</b>	(23.67)
Income Tax charge / (credit) on above	22	<b>(3.99)</b>	(6.59)
Net Gain/(Loss) on equity investments at Fair Value through Other Comprehensive Income		<b>(479.42)</b>	(970.79)
Income Tax charge / (credit) on above	22	<b>-</b>	-
<b>Net Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods</b>		<b>(489.78)</b>	(987.87)
<b>Items that will be reclassified to Profit or Loss</b>			
Net gain/(loss) on cash flow hedges		<b>814.04</b>	(252.62)
Income tax charge / (credit) on above	22	<b>237.04</b>	(73.56)
<b>Net Other Comprehensive Income to be reclassified to Profit or Loss in subsequent periods</b>		<b>577.00</b>	(179.06)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>87.22</b>	(1,166.93)
<b>Total Comprehensive Income for the year, net of tax</b>		<b>604.01</b>	(575.06)
Earnings Per Share	32		
Basic Earnings Per Share (INR)		<b>3.90</b>	4.47
Diluted Earnings Per Share (INR)		<b>3.90</b>	4.47
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date  
**For V. Singhi & Associates**  
Chartered Accountants  
Firm Registration No.: 311017E

**(Tarun Jain)**  
Partner  
Membership No.: 130109

Place : Kolkata  
Date : 22<sup>nd</sup> July, 2020

For and on behalf of the Board of Directors of  
**Kilburn Engineering Limited**

**(Aditya Khaitan)**  
Chairman  
DIN : 00023788

**(Sachin Vijayakar)**  
GM - Finance & Chief Financial Officer

**(Subir Chaki)**  
Whole Time Director  
DIN : 05174555

**(Arvind Kumar Bajoria)**  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## a. Equity Share Capital:

Equity Shares of INR 10 each Issued, Subscribed and Fully Paid	No. of shares	INR in lacs
As at 1 <sup>st</sup> April, 2018	13,255,768	1,325.58
As at 31 <sup>st</sup> March, 2019	13,255,768	1,325.58
As at 31 <sup>st</sup> March, 2020	13,255,768	1,325.58

## b. Other Equity:

For the year ended 31 March 2020

Particulars	Reserves and Surplus						Fair value through Other Comprehensive Income		Total Other Equity	
	Capital Redemption Reserve		Securities Premium		Capital Reserve		General Reserve		Retained Earnings	
	INR in lacs	Note 14	INR in lacs	Note 14	INR in lacs	Note 14	INR in lacs	Note 14	INR in lacs	Note 14
<b>As at 1 April 2019</b>	24.00		1,811.18		0.09		843.10		7,235.10	
Net Profit for the year	-		-		-		-		-	
Other Comprehensive Income	-		-		-		-		(10.36)	
Total comprehensive income	-		-		-		-		577.00	
Dividends including dividend distribution tax	-		-		-		-		577.00	
<b>As at 31 March 2020</b>	<b>24.00</b>		<b>1,811.18</b>		<b>0.09</b>		<b>843.10</b>		<b>7,580.35</b>	
									<b>(1,242.56)</b>	
									<b>0.00</b>	
									<b>(1,242.56)</b>	
									<b>9,016.16</b>	

**For the year ended 31 March 2019**

Particulars	Reserves and 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 <sup>st</sup> 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 year	-	-	-	-	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

As per our Report of even date  
**For V. Singhi & Associates**  
Chartered Accountants  
Firm Registration No.: 311017E

**(Tarun Jain)**  
Partner  
Membership No.: 130109

For and on behalf of the Board of Directors of  
**Kilburn Engineering Limited**

**(Aditya Khaitan)**  
Chairman  
DIN : 00023788

**(Subir Chaki)**  
Whole Time Director  
DIN : 05174555

**(Sachin Vijayakar)**  
GM - Finance & Chief Financial Officer

**(Arvind Kumar Bajoria)**  
Company Secretary

Place : Kolkata  
Date : 22<sup>nd</sup> July, 2020

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
INR in lacs		
<b>Cash Flows from Operating Activities :</b>		
<b>Profit before tax</b>	<b>688.69</b>	849.90
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and Amortisation Expenses	<b>414.32</b>	422.23
Net foreign exchange differences	<b>(22.84)</b>	(4.88)
Loss /(profit) on disposal of property, plant and equipment	<b>(20.34)</b>	0.17
Finance Costs	<b>1,721.68</b>	1,710.57
Bad debts / advances written off	<b>90.23</b>	196.13
Provision for sales tax payable	-	43.86
Liabilities / provisions no longer required written back	<b>(217.20)</b>	(290.40)
Dividend Income	-	(4.40)
Interest Income	<b>(1,624.69)</b>	(1,642.51)
<b>Operating profit before working capital changes</b>	<b>1,029.85</b>	1,280.67
<b>Working capital adjustments:</b>		
(Increase)/decrease in contract assets and other financial assets	<b>(113.94)</b>	(1,050.23)
(Increase)/decrease in trade receivables	<b>843.97</b>	(769.64)
(Increase)/decrease in inventories	<b>515.08</b>	(251.23)
(Increase)/decrease in other assets	<b>174.31</b>	88.56
(Increase)/decrease in loans	<b>(30.98)</b>	7.49
Increase /(decrease) in trade payables	<b>(827.31)</b>	1,130.27
Increase /(decrease) in provisions	<b>264.47</b>	(141.94)
Increase /(decrease) in other financial liabilities	<b>(427.55)</b>	(1.73)
Increase /(decrease) in contract liabilities and other liabilities	<b>(311.68)</b>	221.00
<b>Cash generated from / (used in) operations</b>	<b>1,116.22</b>	513.23
Income tax paid (net of refunds)	<b>(136.81)</b>	(176.56)
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>979.41</b>	336.67
<b>Cash Flows from Investing Activities :</b>		
Proceeds from sale of property, plant and equipment	<b>122.28</b>	0.04
Purchase of property, plant and equipment (including capital work in progress and intangible assets)	<b>(17.50)</b>	(19.77)
Net bank balances not considered as cash and cash equivalents	<b>88.36</b>	257.10
Inter-corporate deposit given	-	(9,200.00)
Inter-corporate deposit received back	<b>10.22</b>	8,915.00
Dividend received	-	4.40
Interest received	<b>210.39</b>	1,127.43
<b>Net cash flows from / (used in) investing activities (B)</b>	<b>413.75</b>	1,084.20

	Year ended 31 <sup>st</sup> March 2020	INR in lacs Year ended 31 <sup>st</sup> March 2019
<b>Cash Flows from Financing Activities :</b>		
Interest paid	(1,970.85)	(1,710.52)
Repayment of long term borrowings	(40.76)	(2,337.41)
Proceeds from short term borrowings	662.29	11,397.11
Repayment of short term borrowings	(193.00)	(9,500.00)
Increase / (decrease) in working capital borrowings (net)	427.26	754.95
Payment of dividend	(130.88)	(132.56)
Payment of dividend distribution tax	(28.62)	(26.04)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>(1,274.56)</b>	<b>(1,554.47)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>118.60</b>	<b>(133.61)</b>
Cash & Cash Equivalent at the beginning of the year	225.31	358.92
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>343.91</b>	<b>225.31</b>
<b>Components of Cash and Cash Equivalents :</b>		
Balances with banks		
- On current accounts	398.53	294.83
- Cash on hand	0.39	0.80
Less : Bank overdraft	55.01	70.32
<b>Total Cash and Cash Equivalents at the end of the year</b>	<b>343.91</b>	<b>225.31</b>

**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.
3. Figures for Previous year have been regrouped / rearranged wherever necessary.

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date  
**For V. Singhi & Associates**  
 Chartered Accountants  
 Firm Registration No.: 311017E

**(Tarun Jain)**  
 Partner  
 Membership No.: 130109

Place : Kolkata  
 Date : 22<sup>nd</sup> July, 2020

For and on behalf of the Board of Directors of  
**Kilburn Engineering Limited**

**(Aditya Khaitan)**  
 Chairman  
 DIN : 00023788

**(Sachin Vijayakar)**  
 GM - Finance & Chief Financial Officer

**(Subir Chaki)**  
 Whole Time Director  
 DIN : 05174555

**(Arvind Kumar Bajoria)**  
 Company Secretary

## 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 22<sup>nd</sup> July, 2020.

### 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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company classifies all other liabilities as non-current.

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

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 its functional currency.

Transactions in foreign currencies are initially recorded by the Company at its 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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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 recognised when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled to exchange for those goods and 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 equipment and range for a period of 3 to 12 months. Since, these equipment's 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 cost 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 equipment 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 equipment and spares**

These contracts are for supply of other drying equipment and spares. These are standard equipment and spares which the manufactured and sold by the Company with a little modification as per the requirements of the customer. Revenue from these Customers are recognised when the significant risk and rewards of the 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 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.

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 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. Leases**

Leases as Lessee (Assets taken on lease)

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

### Transition

Effected April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.

The leasehold land of the Company has been shown as Right of Use asset under note 3 'Property, plant and equipment' and depreciated over the lease term of the asset.

The other lease arrangements of the Company are for a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### j. 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.

### 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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

### **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.

## NOTES FORMING PART OF 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.

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.

#### a) 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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').

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:



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 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.

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:

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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
- 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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 3: Property, Plant and Equipment**

	Leasehold Land		Right-of-Use Assets		Buildings		Plant & Equipments		Vehicles		Furniture & Fixtures		Office Equipments		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	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs	
<b>As at 1<sup>st</sup> April, 2018</b>	1,000.19	-	-	3,669.56	1,185.67	205.37	273.84	101.30	6,435.93						
Additions	-	-	-	-	2.03	-	1.25	16.49	19.77						
Disposals	-	-	-	-	-	-	(3.43)	(37.25)	(40.68)						
<b>As at 31<sup>st</sup> March, 2019</b>	<b>1,000.19</b>	-	-	<b>3,669.56</b>	<b>1,187.70</b>	<b>205.37</b>	<b>271.66</b>	<b>80.54</b>	<b>6,415.02</b>						
Additions/ Adjustments	-	1,000.19	-	-	6.75	-	1.18	6.31	1,014.43						
Disposals/ Adjustments	(1,000.19)	-	-	-	-	(36.35)	-	-	(1,036.54)						
<b>As at 31<sup>st</sup> March, 2020</b>	-	<b>1,000.19</b>	-	<b>3,669.56</b>	<b>1,194.45</b>	<b>169.02</b>	<b>272.83</b>	<b>86.85</b>	<b>6,392.91</b>						
<b>Accumulated depreciation and impairment losses</b>															
<b>As at 1<sup>st</sup> April, 2018</b>	43.72	-	-	327.37	247.50	45.73	113.40	35.18	812.90						
Depreciation charge for the year	21.86	-	-	159.45	135.89	20.84	49.13	21.51	408.68						
Disposals	-	-	-	-	-	-	(3.38)	(37.08)	(40.46)						
<b>As at 31<sup>st</sup> March, 2019</b>	65.58	-	-	486.82	383.39	66.57	159.15	19.61	1,181.12						
Depreciation charge for the year	-	21.86	-	159.46	133.02	20.19	48.39	20.86	403.78						
Disposals / Adjustments	(65.58)	65.58	-	-	-	(31.26)	-	-	(31.26)						
<b>As at 31<sup>st</sup> March, 2020</b>	-	<b>87.44</b>	-	<b>646.28</b>	<b>516.41</b>	<b>55.50</b>	<b>207.54</b>	<b>40.47</b>	<b>1,553.64</b>						
<b>Net Book Value</b>															
<b>As at 31<sup>st</sup> March, 2020</b>	-	<b>912.75</b>	-	<b>3,023.28</b>	<b>678.04</b>	<b>113.52</b>	<b>65.29</b>	<b>46.38</b>	<b>4,839.26</b>						
<b>As at 31<sup>st</sup> March, 2019</b>	<b>934.61</b>	-	-	<b>3,182.74</b>	<b>804.31</b>	<b>138.80</b>	<b>112.51</b>	<b>60.93</b>	<b>5,233.90</b>						

**Notes:**

1. Right of Use Asset (ROU) includes amount transferred from leasehold land of ₹ 1000.19 lakhs recognised as per IND AS 116 for lease agreements. Cumulative depreciation of Right of Use Asset includes depreciation of ₹ 65.58 lakhs upto 31<sup>st</sup> March, 2019 charged on leasehold land and now classified as Right of Use Asset. Current year depreciation on Right of Use Assets is ₹ 21.86 lakhs.
2. Land and Buildings  
Right of use Asset related to leasehold Land and buildings with a carrying amount of INR 3,936.03 lacs (31<sup>st</sup> March, 2019: INR 4,117.35 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<sup>th</sup> 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.
3. Plant and equipment, Vehicles, Furniture and Fixtures and Office Equipments with a carrying amount of INR 903.23 lacs (31<sup>st</sup> March, 2019: INR 1,116.55 lacs) have been hypothecated for Company's cash credit facilities & working capital term loans.
4. In accordance with the Ind AS 36 on 'Impairment of Assets', the Company has reassessed the carrying amounts of its Property, plant and 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

	<b>Computer - Software</b> <b>INR in lacs</b>
<b>As at 1<sup>st</sup> April, 2018</b>	61.20
Additions	-
Disposals	-
<b>As at 31<sup>st</sup> March, 2019</b>	61.20
Additions	3.07
Disposals	-
<b>As at 31<sup>st</sup> March, 2020</b>	64.27
<b>Accumulated Amortization and Impairment losses</b>	
<b>As at 1<sup>st</sup> April, 2018</b>	21.20
Amortisation	13.55
Disposals	-
<b>As at 31<sup>st</sup> March, 2019</b>	34.75
Amortisation	10.54
Disposals	-
<b>As at 31<sup>st</sup> March, 2020</b>	45.29
<b>Net Book Value</b>	
<b>As at 31<sup>st</sup> March, 2020</b>	18.97
<b>As at 31<sup>st</sup> March, 2019</b>	26.45

#### Notes:

- 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

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020</b> <b>INR in lacs</b>	31 <sup>st</sup> March, 2019 INR in lacs
<b>Non-Current Investments- Quoted</b>		
<b>Investments at fair value through OCI (fully paid)</b>		
Investments in Equity Instruments		
a) 2,71,337 (31 <sup>st</sup> March, 2019: 2,71,337)Equity Shares of INR 5 each in Eveready Industries India Limited	<b>135.39</b>	522.72
b) 66,666 (31 <sup>st</sup> March, 2019: 66,666)Equity Shares of INR 5 each in Mcleod Russel India Limited	<b>1.39</b>	57.17
c) 8,54,300 (31 <sup>st</sup> March, 2019: 8,54,300)Equity Shares of INR 10 each in Mcnally Bharat Engineering Company Limited	<b>21.53</b>	57.84
<b>Total</b>	<b>158.31</b>	637.73
Aggregate book value of quoted investments	<b>158.31</b>	637.73
Aggregate market value of quoted investments (refer Note 38 & 39)	<b>158.31</b>	637.73

Investments at fair value through OCI (fully paid) reflect investments 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 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
	INR in lacs	INR in lacs
Security Deposits (unsecured, considered good)	45.81	14.83
Inter-corporate Deposits given to Group Companies*	10,816.04	10,826.26
<b>Total</b>	<b>10,861.85</b>	<b>10,841.09</b>
Current	10,830.84	10,826.26
Non Current	31.01	14.83
	<b>10,861.85</b>	<b>10,841.09</b>

\* Considering the financial positions of the 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 considered the same to be good and recoverable.

Inter-corporate Deposits are repayable on demand.

Inter-corporate Deposits given to Group Companies include :

Name of the Company	Amount Outstanding as at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Williamson Magor & Co. Limited	431.66	441.88
Maximum amount outstanding during the year was INR 441.88 lacs (31 <sup>st</sup> March, 2019 : INR 1,200 lacs)		
Williamson Financial Services Limited	4,279.00	4,279.00
Maximum amount outstanding during the year was INR 4279 lacs (31 <sup>st</sup> March, 2019 : INR 4,595 lacs)		
Babcock Borsig Limited	6,105.38	6,105.38
Maximum amount outstanding during the year was INR 6,105.38 lacs (31 <sup>st</sup> March, 2019 : INR 6,105.38 lacs)		

### Note 5c. Other Financial Assets

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
	INR in lacs	INR in lacs
Unsecured, considered good, unless otherwise stated		
Non-current		
Bank deposits with maturity more than 12 months***	35.08	8.80
Current		
Interest accrued on Fixed Deposits and Inter-corporate deposits	1,932.68	518.38
Derivatives not designated as hedges		
- Foreign exchange forward contracts	-	2.78
Export Incentives Receivable	66.98	59.26
Less : Impairment allowance	(36.29)	(36.29)
Net Export Incentives Receivable	30.69	22.97
<b>Total</b>	<b>1,998.45</b>	<b>552.93</b>
Current	1,963.37	544.13
Non-current	35.08	8.80
	<b>1,998.45</b>	<b>552.93</b>

\*\*\*Bank deposits with maturity more than 12 months represents balances with banks held as margin money as lien against bank guarantees 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 5d. Contract Assets

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
<b>Unbilled Revenue:</b>		
Project Revenue	3,816.19	3,692.71
Less : Impairment allowance	(102.17)	(84.92)
<b>Total</b>	<b>3,714.02</b>	<b>3,607.79</b>
Current	3,714.02	3,607.79
Non-current	-	-
	<b>3,714.02</b>	<b>3,607.79</b>

### Note 6: Trade Receivables

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
<b>Unsecured and current</b>		
Considered good	3,232.79	4,070.50
Considered doubtful, Credit Impaired	341.35	337.20
Less: Impairment allowance	(341.35)	(337.20)
<b>Total</b>	<b>3,232.79</b>	<b>4,070.50</b>

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 approach 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 year is recognized in the Statement of Profit and Loss.

### Note 7: Cash and Cash Equivalents

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
Cash on hand	0.39	0.80
Balances with Banks		
In Current Accounts	398.53	294.83
<b>Total</b>	<b>398.92</b>	<b>295.63</b>

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following:

	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
<b>Balances with Banks:</b>		
– In Current Accounts	398.53	294.83
Cash on hand	0.39	0.80
	398.92	295.63
Less – Bank overdraft (note 16)	55.01	70.32
	<b>343.91</b>	<b>225.31</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Changes in liabilities arising from financing activities:

Particulars	As at 01 <sup>st</sup> April, 2018	Cash Flows	Reclassification	Effect of changes in foreign exchange rates	As at 31 <sup>st</sup> March, 2019
	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs
<b>Non-Current Liabilities</b>					
<b>Financial Liabilities</b>					
- Borrowings	77.62	-	(40.76)	-	36.86
<b>Current Liabilities</b>					
<b>Financial Liabilities</b>					
- 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
<b>Total liabilities from financing activities</b>	<u>11,443.63</u>	<u>260.64</u>	<u>-</u>	<u>(400.40)</u>	<u>11,303.86</u>

Particulars	As at 01 <sup>st</sup> April, 2019	Cash Flows	Reclassification	Effect of changes in foreign exchange rates	As at 31 <sup>st</sup> March, 2020
	INR in lacs	INR in lacs	INR in lacs	INR in lacs	INR in lacs
Non-Current Liabilities					
Financial Liabilities					
- Borrowings	36.86	(36.86)	-	-	(0.00)
<b>Current Liabilities</b>					
Financial Liabilities					
- Borrowings	11,226.24	929.51	-	-	12,155.75
Other Financial Liabilities					
- Current maturities of long term debt	40.76	(40.76)	36.86	-	36.86
<b>Total liabilities from financing activities</b>	<u>11,303.86</u>	<u>851.89</u>	<u>36.86</u>	<u>-</u>	<u>12,192.61</u>

### Note 8: Bank Balances other than Cash and Cash Equivalents

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
	INR in lacs	INR in lacs
Margin money with banks **	273.10	363.06
Earmarked bank balance towards unclaimed dividend	15.81	14.21
<b>Total</b>	<u>288.91</u>	<u>377.27</u>

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Categorisation of Financial Assets**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020 INR in lacs</b>	<b>31<sup>st</sup> March, 2019 INR in lacs</b>
<b>Financial Assets carried at FVTOCI</b>		
Investments (Note 5a)	<b>158.31</b>	637.73
<b>Financial Assets carried at FVTPL</b>		
Foreign Exchange Forward Contracts (Note 5c)	-	2.78
<b>Financial Assets carried at Amortised Cost</b>		
Loans (Note 5b)	<b>10,861.85</b>	10,841.09
Trade Receivables (Note 6)	<b>3,232.79</b>	4,070.50
Cash and Cash Equivalents (Note 7)	<b>398.92</b>	295.63
Bank Balance other than Cash and Cash Equivalents (Note 8)	<b>288.91</b>	377.27
Other Financial Assets (Note 5c)	<b>1,998.45</b>	550.15
Contract Assets (Note 5d)	<b>3,714.02</b>	3,607.79
<b>Total</b>	<b>20,653.25</b>	20,382.94

**Note 9: Income Tax Assets (net)**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020 INR in lacs</b>	<b>31<sup>st</sup> March, 2019 INR in lacs</b>
Income Tax Assets (net of provision of ₹ 3196.03 lakh and Previous Year ₹ 3015.89 Lakhs )	<b>271.78</b>	319.10
<b>Total</b>	<b>271.78</b>	319.10

**Note 10: Other Non-current Assets**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020 INR in lacs</b>	<b>31<sup>st</sup> March, 2019 INR in lacs</b>
Unsecured, Considered good Balances with Government Authorities	<b>49.07</b>	49.07
<b>Total</b>	<b>49.07</b>	49.07

**Note 11: Inventories****(As taken, valued and certified by the management)**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020 INR in lacs</b>	<b>31<sup>st</sup> March, 2019 INR in lacs</b>
Raw Materials (at lower of cost or net realisable value)	<b>535.97</b>	714.61
Stores and Spares (at lower of cost or net realisable value)	<b>54.42</b>	96.09
Work in Progress (at lower of weighted average cost or net realisable value)	<b>373.00</b>	514.99
Finished Goods (at lower weighted average cost or net realisable value)	<b>34.90</b>	187.68
<b>Total</b>	<b>998.29</b>	1,513.37

During the year, the Company has provided for non-moving inventory of INR Nil [31<sup>st</sup> March, 2019: INR 13.59 lacs (net of reversals)].

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 12: Other Current Assets**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
	<b>INR in lacs</b>	<b>INR in lacs</b>
<b>Unsecured, Considered good, unless otherwise stated</b>		
Balance with Government Authorities	<b>315.96</b>	638.68
Prepaid Expenses	<b>55.30</b>	48.23
Gratuity contribution paid in advance	-	-
Advance to Employees	<b>4.96</b>	3.41
Advance to Vendors :		
Considered Good	<b>426.84</b>	357.34
Considered Doubtful	-	4.27
Less : Impairment Allowance	-	(4.27)
	<b>426.84</b>	357.34
Others	-	0.12
<b>Total</b>	<b>803.06</b>	<b>1,047.78</b>

**Note 13: Share Capital****Authorised**

	<b>Equity Shares of INR 10 each</b>		<b>Redeemable Preference Shares of INR 10 each</b>	
	<b>No. of shares</b>	<b>INR in lacs</b>	<b>No. of shares</b>	<b>INR in lacs</b>
<b>As at 1<sup>st</sup> April, 2018</b>	21,747,900	2,174.79	8,252,100	825.21
Increase / (decrease) during the year	-	-	-	-
<b>At at 31<sup>st</sup> March, 2019</b>	21,747,900	2,174.79	8,252,100	825.21
Increase / (decrease) during the year	-	-	-	-
<b>At at 31<sup>st</sup> March, 2020</b>	<b>21,747,900</b>	<b>2,174.79</b>	<b>8,252,100</b>	<b>825.21</b>

**Issued, Subscribed and Fully Paid Up**

<b>Equity Shares of INR 10 each</b>	<b>No. of Shares</b>	<b>INR in lacs</b>
<b>As at 1<sup>st</sup> April, 2018</b>	13,255,768	1,325.58
Changes during the year	-	-
<b>At at 31<sup>st</sup> March, 2019</b>	13,255,768	1,325.58
Changes during the year	-	-
<b>At at 31<sup>st</sup> March, 2020</b>	<b>13,255,768</b>	<b>1,325.58</b>

**Terms/ Rights attached to Equity Shares**

The Company has only one class of Equity Shares having par value of INR 10 each. 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 shares held by the shareholders.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Name of the shareholder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of shares	% holding	No. of shares	% holding
Williamson Magor & Co. Limited	<b>4,319,043</b>	<b>32.58</b>	4,319,043	32.58
Bishnauth Investments Limited	<b>1,454,200</b>	<b>10.97</b>	1,454,200	10.97
United Machine Co. Limited	<b>929,126</b>	<b>7.01</b>	929,126	7.01
McLeod Russel India Limited	<b>848,168</b>	<b>6.40</b>	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 the Board of Directors at their meeting held on 29<sup>th</sup> January, 2009. The Company bought back 2,40,032 Equity Shares for an aggregate amount of INR 63.54 lacs by utilising Securities 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.

**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, Investments in Equity Shares are to be initially measured at fair value and subsequently at fair value through profit or 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.

**(Also Refer Statement of Changes in Equity)**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 15 : Distribution made and proposed**

	<b>31<sup>st</sup> March, 2020</b>	31 <sup>st</sup> March, 2019
	<b>INR in lacs</b>	INR in lacs
<b>Cash Dividends on Equity Shares declared and paid :</b>		
Final Dividend for the year ended on 31 <sup>st</sup> March, 2019: INR 1 per share (31 <sup>st</sup> March, 2018: INR 1 per share)	<b>132.56</b>	132.56
Dividend distribution tax on final dividend	<b>28.62</b>	26.04
	<b>161.18</b>	158.60
<b>Proposed Dividend on Equity Shares :</b>		
Final Cash Dividend for the year ended on 31 <sup>st</sup> March, 2020: Nil (31 <sup>st</sup> March, 2019: INR 1 per share)	-	132.56
Dividend distribution tax on proposed dividend	-	26.04
	-	158.60

**Note 16: Borrowings**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020</b>	31 <sup>st</sup> March, 2019
	<b>INR in lacs</b>	INR in lacs
<b>Non-current Borrowings:</b>		
<b>Secured</b>		
Vehicle loans from banks (Refer Note a)	-	36.86
<b>Total</b>	-	36.86
<b>Current Borrowings:</b>		
<b>Secured</b>		
Cash Credit from banks (Refer Note b)	<b>1,793.75</b>	1,686.08
Export Bills Discounted	-	397.11
Working Capital Term Loans (Refer Note d)	<b>9,499.99</b>	9,072.73
<b>Unsecured</b>		
Overdraft under Channel Finance Scheme (Refer Note c)	<b>55.01</b>	70.32
Inter Corporate Loans repayable on demand	<b>807.00</b>	-
Current Maturity of Long Term Loans (Refer Note a)	<b>36.86</b>	40.76
<b>Total</b>	<b>12,192.61</b>	11,267.00
<b>Less: Amount clubbed under "Other Financial Liabilities"</b>	<b>(36.86)</b>	(40.76)
<b>Net</b>	<b>12,155.75</b>	11,226.24
<b>Total</b>	<b>12,155.75</b>	11,263.10
Aggregate Secured Loans	<b>11,293.74</b>	11,192.78
Aggregate Unsecured Loans	<b>862.01</b>	70.32

**Notes**

- a. Secured by hypothecation of cars purchased against loan. Two loans - One loan having effective interest rate of 8.25% and payable on EMI basis up to 5<sup>th</sup> March, 2021 and other loan having effective interest rate of 9.70% and payable on EMI basis up to 7<sup>th</sup> July, 2020.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****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<sup>st</sup> March, 2019 : 11.60% to 14.50% p.a.)

- c. Backed by Letter of Comfort from Steel Authority of India Limited. This loan carries an interest rate of 9.40% p.a. (31<sup>st</sup> March, 2019 : 10.25%)

- d. i) Payable on demand on 10<sup>th</sup> October, 2020\* - INR 5,500 lacs, Rate of interest - 9.65% p.a. on Actual/360 basis. The effective rate of interest on this loan is 10.09%. Pending utilization of these loans, the Company has placed it with group companies as inter-corporate deposits ('ICDs').

At the request of the Company, the bank has rolled over the date of repayment of loan to 10<sup>th</sup> October, 2020 from 11<sup>th</sup> October, 2019.

**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.
- ii) Payable on demand on 20<sup>th</sup> September, 2020\* - INR 4000 lacs, Rate of interest - 9.70% p.a. on Actual/360 basis. The effective rate of interest on this loan is 10.14%. Pending utilization of these loans, the Company has placed it with group companies as ICDs.

At the request of the Company, the bank has rolled over the date of repayment of loan to 20<sup>th</sup> September, 2020 from 20<sup>th</sup> September, 2019.

**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**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020 INR in lacs</b>	<b>31<sup>st</sup> March, 2019 INR in lacs</b>
Trade Payables**		
a) Total outstanding dues of micro enterprises and small enterprises	<b>89.91</b>	91.90
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>2,210.89</b>	3,016.00
<b>Total</b>	<b>2,300.80</b>	3,107.90

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

1. Trade Payables are non-interest bearing and are normally settled in 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"):

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
(a) (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	<b>89.91</b>	91.90
(ii) Interest due on above	<b>1.85</b>	0.80
(b) Amount of interest paid by the buyer in terms of section 16 of the Act	-	-
(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)	-	-
(d) Amount of interest accrued and remaining unpaid at the end of each accounting year	<b>1.85</b>	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.	<b>1.85</b>	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 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
<b>Financial Liabilities at fair value through other comprehensive income(FVTOCI)</b>		
Cash flow hedges :		
Foreign exchange forward contracts	-	1,241.30
<b>Total Financial Liabilities at fair value through other comprehensive income</b>	-	1,241.30
<b>Other financial liabilities at amortised cost</b>		
Current maturities of long term debt	<b>36.86</b>	40.76
Interest accrued and due on borrowings	<b>153.51</b>	402.68
Security Deposits	<b>2.79</b>	3.08
<b>Total Other Financial Liabilities at amortised cost</b>	<b>193.16</b>	446.52
Unpaid Dividend (Investor Education and Protection Fund will be credited by the amount as and when due)	<b>15.81</b>	14.13
<b>Total</b>	<b>208.97</b>	<b>1,701.95</b>

**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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Categorisation of Financial Liabilities

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
<b>Financial Liabilities carried at FVTOCI</b>		
Foreign exchange forward contracts (Note 18)	-	1,241.30
<b>Financial Liabilities carried at Amortised cost</b>		
Borrowings (Note 16)	12,155.75	11,263.10
Trade Payable (Note 17)	2,300.80	3,107.90
Other Financial Liabilities (Note 18)	193.16	446.52
<b>Total</b>	<b>14,649.71</b>	<b>16,058.82</b>

### Note 19: Provisions

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
Provision for Employee Benefits		
- Provision for Gratuity	18.18	14.17
- Provision for Compensated Absences	28.90	-
<b>Total</b>	<b>47.08</b>	<b>14.17</b>

### Note 20: Contract Liabilities

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
Advances from customers	2,569.35	2,856.50
<b>Total</b>	<b>2,569.35</b>	<b>2,856.50</b>

### Note 21: Other Current Liabilities

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
Dues to Statutory Authorities	25.76	50.28
<b>Total</b>	<b>25.76</b>	<b>50.28</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 22: Income Tax

The major components of Income Tax Expense for the years ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 are:

	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
<b>Profit or loss</b>		
Current Income Tax	184.13	202.35
<b>Deferred tax :</b>		
Deferred Tax Expense recognised in the Statement of Profit and Loss	(12.23)	55.68
<b>Total Income Tax before OCI</b>	<b>171.90</b>	<b>258.03</b>
<b>OCI</b>		
Income tax related to items recognised in OCI during the year	(3.99)	(6.59)
Deferred tax related to items recognised in OCI during the year	237.04	(73.56)
<b>Income tax charged to OCI</b>	<b>233.05</b>	<b>(80.15)</b>
<b>Total Tax Expense (including tax impact on OCI)</b>	<b>404.95</b>	<b>177.88</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 :

	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
Profit before tax	688.69	849.90
Other Comprehensive Income before tax (only remeasurement of defined benefit plan)	(14.35)	(23.67)
<b>Total</b>	<b>674.34</b>	<b>826.23</b>
<b>At India's statutory income tax rate of 27.82% (31 March 2019: 27.82%)</b>	<b>187.60</b>	<b>229.86</b>
Expenses not allowed for tax purpose	(19.40)	20.01
Impact due to change in deferred tax rate	(0.29)	1.57
Deferred Tax pertaining to cash flow hedge reserve	237.04	(73.56)
<b>Total Tax Expense (including tax impact on OCI)</b>	<b>404.95</b>	<b>177.88</b>

### Deferred tax:

Deferred tax relates to the following

Balance Sheet		
	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
Provision for loss allowance	84.91	146.31
Provisions made disallowed and allowed only on payment basis	67.27	40.25
Accelerated Depreciation for tax purposes	(368.84)	(415.44)
Cash Flow Hedge Reserve	-	237.04
MAT Credit Entitlement	232.43	312.04
<b>Total</b>	<b>15.77</b>	<b>320.20</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Reflected in the Balance Sheet as follows:

	<b>31<sup>st</sup> March, 2020</b>	31 <sup>st</sup> March, 2019
	<b>INR in lacs</b>	INR in lacs
Deferred tax assets	<b>384.61</b>	735.64
Deferred tax liabilities	<b>(368.84)</b>	(415.44)
<b>Deferred tax assets, net</b>	<b>15.77</b>	320.20

**Reconciliation of deferred tax assets (net):**

	<b>31<sup>st</sup> March, 2020</b>	31 <sup>st</sup> March, 2019
	<b>INR in lacs</b>	INR in lacs
Opening balance as of 1 April	<b>320.20</b>	311.84
Tax income/(expense) during the year recognised in Profit or Loss	<b>12.23</b>	(55.68)
Tax income/(expense) during the year recognised in OCI	<b>(237.04)</b>	73.56
MAT Credit Entitlement	-	46.22
Utilisation of MAT Credit Entitlement	<b>(79.61)</b>	(55.74)
<b>Closing balance as at 31 March</b>	<b>15.77</b>	320.20

**Note 23: Revenue from Operations**

<b>Particulars</b>	<b>Year ended</b>	Year ended
	<b>31<sup>st</sup> March, 2020</b>	31 <sup>st</sup> March, 2019
	<b>INR in lacs</b>	INR in lacs
Sale of Manufactured Products	<b>2,682.97</b>	3,003.31
Revenue from Construction Contracts	<b>9,930.89</b>	10,788.06
Sale of Service	<b>323.16</b>	277.65
Other Operating Revenue		
Government Incentives	<b>68.38</b>	143.27
Scrap Sales	<b>108.76</b>	173.31
<b>Total</b>	<b>13,114.16</b>	14,385.60

For further details of revenue from contracts with customers, refer Note 43.

**Note 24: Other Income**

<b>Particulars</b>	<b>Year ended</b>	Year ended
	<b>31<sup>st</sup> March, 2020</b>	31 <sup>st</sup> March, 2019
	<b>INR in lacs</b>	INR in lacs
Interest Income on:		
- Inter-Corporate Deposits	<b>1,601.79</b>	1,611.93
- Bank Deposits	<b>22.90</b>	30.58
Dividend Income from investments in shares	-	4.40
Foreign Exchange differences (net) (including fair value impact on foreign exchange forward contracts at fair value through profit or loss)	<b>22.84</b>	22.13
Profit on Sale of Fixed Assets	<b>20.34</b>	-
Provision no longer required written back	<b>217.20</b>	290.40
Other Non-operating Income	<b>31.79</b>	41.73
<b>Total</b>	<b>1,916.86</b>	2,001.17

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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 25: Cost of Materials Consumed**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
Opening Stock	<b>714.61</b>	800.87
Add: Purchases during the year	<b>6,462.14</b>	7,589.89
	<b>7,176.75</b>	8,390.76
Less: Closing Stock	<b>535.97</b>	714.61
<b>Cost of Materials Consumed</b>	<b>6,640.78</b>	7,676.15

**Note 26: Subcontracting Charges**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
Subcontracting Charges	<b>1,559.51</b>	1,821.42
<b>Total</b>	<b>1,559.51</b>	1,821.42

**Note 27: Changes in Inventories of Finished Goods and Work-in-progress**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
Opening Stock		
Work-in-Progress	<b>514.99</b>	316.01
Finished Goods	<b>187.68</b>	70.37
	<b>702.67</b>	386.38
Less: Closing Stock		
Work-in-Progress	<b>373.00</b>	514.99
Finished Goods	<b>34.90</b>	187.68
	<b>407.90</b>	702.67
<b>Net (Increase) / Decrease</b>	<b>294.77</b>	(316.29)

**Note 28: Employee Benefits Expenses**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
Salaries, Wages and Bonus	<b>1,529.60</b>	1,733.58
Contribution to provident and other funds (Refer note 34)	<b>168.81</b>	143.41
Gratuity Expense (Refer note 34)	<b>19.28</b>	17.89
Staff Welfare Expense	<b>33.74</b>	35.39
<b>Total</b>	<b>1,751.43</b>	1,930.27

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 29: Finance Costs**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
<b>Interest Expense on :</b>		
- Borrowings	<b>1,618.95</b>	1,609.49
- Trade Payables	<b>13.80</b>	13.63
<b>Others :</b>		
- Bank Commission Charges	<b>61.76</b>	66.90
- Bank Processing Charges	<b>27.17</b>	20.55
<b>Total</b>	<b>1,721.68</b>	1,710.57

**Note 30: Depreciation and Amortisation Expense**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
Depreciation on Tangible Assets (Refer note 3)	<b>403.78</b>	408.68
Amortisation on Intangible Assets (Refer note 4)	<b>10.54</b>	13.55
<b>Total</b>	<b>414.32</b>	422.23

**Note 31: Other Expenses**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
Consumption of Stores, Spares and Loose Tools	<b>187.69</b>	203.00
Contract Labour	<b>193.62</b>	227.99
Power and Fuel	<b>85.56</b>	101.75
Repairs and Maintenance :		
Plant and Equipment	<b>58.25</b>	73.35
Building	<b>2.78</b>	1.63
Others	<b>46.53</b>	82.91
Insurance	<b>55.46</b>	50.38
Rent including lease rentals (Refer note 42)	<b>21.85</b>	19.44
Rates and Taxes	<b>22.14</b>	43.86
Royalty Charges	<b>58.21</b>	66.32
Sales Commission	<b>54.38</b>	108.35
Freight and Forwarding (net)	<b>226.44</b>	196.77
Travelling and Conveyance	<b>334.57</b>	391.40
Bad Debts / Advances written off	<b>90.23</b>	196.13
Bank Charges	<b>19.39</b>	7.49
Directors' Sitting Fees	<b>4.73</b>	4.00

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
Legal and Professional charges	<b>162.17</b>	204.98
Auditors Remuneration(refer details below)	<b>21.59</b>	23.18
CSR Expenditure (refer details below)	<b>18.00</b>	18.45
Miscellaneous Expenses	<b>296.25</b>	271.14
	<b>1,959.84</b>	2,292.52
<b>Auditors Remuneration:</b>		
Statutory Audit Fees	<b>10.00</b>	20.00
Taxation Matters	<b>9.75</b>	-
Other Services	<b>1.36</b>	0.50
Reimbursement of Expenses	<b>0.48</b>	2.68
	<b>21.59</b>	23.18

**Details of CSR Expenditure:**

- a. Gross amount required to be spent by the Company during the year was INR 18.00 lacs (31 March 2019: INR 18.43 Lacs)
- b. Amount spent during the year

<b>Purpose</b>	<b>Year ended 31<sup>st</sup> March, 2020 INR in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2019 INR in lacs</b>
(i) Construction/ acquisition of any assets	-	-
(ii) On purposes other than (i) above	<b>18.00</b>	18.45
<b>Total</b>	<b>18.00</b>	18.45

**Note 32: Earnings per Share (EPS)**

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

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020 INR in lacs</b>	<b>31<sup>st</sup> March, 2019 INR in lacs</b>
Profit attributable to equity holders	<b>516.79</b>	591.87
Weighted average number of Equity Shares		
For Basic EPS	<b>13,255,768</b>	13,255,768
For Diluted EPS	<b>13,255,768</b>	13,255,768
Nominal value of Equity Shares	<b>INR 10</b>	INR 10
Basic EPS	<b>3.90</b>	4.47
Diluted EPS	<b>3.90</b>	4.47

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **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.

#### **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 Benefits 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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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.

### Note 34: Employee Benefit Disclosure

#### A. Defined Contribution Plans:

Amount of INR 168.81 lacs (31<sup>st</sup> March, 2019: INR 143.41 lacs) is recognised as expenses and included in Note No. 28 "Employee Benefits Expenses" in the Statement of Profit and Loss.

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
	INR in lacs	INR in lacs
Employee State Insurance Corporation	15.68	22.88
Provident Fund	118.56	86.31
Superannuation Fund	34.57	34.22
<b>Total</b>	<b>168.81</b>	<b>143.41</b>

#### B. Defined Benefit Plans:

The Company has following post employment benefits which are in the nature of defined benefits 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 the 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.



## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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****Note 34: Employee Benefit Disclosure(Contd.)****B. Defined Benefit Plans (Contd.)****31 March 2020 : Changes in defined benefit obligation and plan assets**

Remeasurement gains/(losses) in other comprehensive income												(INR in lacs)
Gratuity cost charged to Statement of Profit and Loss												
	1 <sup>st</sup> April, 2019	Current Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 28)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31 <sup>st</sup> March, 2020
Gratuity												
Defined benefit obligation	215.87	18.21	16.71	34.92	(54.00)	-	5.54	11.97	(2.21)	15.30	-	212.09
Fair value of plan assets	(201.70)	-	(15.64)	(15.64)	54.00	(0.95)	-	-	-	(0.95)	(29.63)	(193.92)
Net Liability/(Assets)	14.17	18.21	1.07	19.28	-	(0.95)	5.54	11.97	(2.21)	14.35	(29.63)	18.17

**31 March 2019: Changes in defined benefit obligation and plan assets**

(INR in lacs)												
Gratuity cost charged to Statement of Profit and Loss												
	1 <sup>st</sup> April, 2019	Current Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 28)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31 <sup>st</sup> 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	0.00	0.39	-	0.26	23.02	23.66	(23.72)	14.17

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 34: Employee Benefit Disclosure(Contd.)

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

Particulars	Year ended 31 <sup>st</sup> March, 2020 INR in lacs	Year ended 31 <sup>st</sup> March, 2019 INR in lacs
Insurance Fund	193.92	201.70
(%) of total plan assets	100%	100%

### B. Defined Benefit Plans (Contd.)

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

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Discount rate	6.82%	7.76%
Future salary increase	5.00%	5.00%
Expected rate of return on plan assets	6.82%	7.76%
Rate of employee turnover	4.00%	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 obligation (Impact)	
		Year ended 31 <sup>st</sup> March, 2020 INR in lacs	Year ended 31 <sup>st</sup> March, 2019 INR in lacs
Discount rate	1% increase	(12.69)	(11.96)
	1% decrease	14.39	13.69
Salary increase	1% increase	14.51	13.94
	1% decrease	(13.01)	(12.37)
Employee turnover	1% increase	1.67	2.76
	1% decrease	(1.86)	(3.09)

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

Particulars	Year ended 31 <sup>st</sup> March, 2020 INR in lacs	Year ended 31 <sup>st</sup> March, 2019 INR in lacs
Within the next 12 months (next annual reporting period)		
Gratuity	32.24	59.33
Between 2 and 5 years		
Gratuity	70.72	59.17
Beyond 5 years and up to 10 years		
Gratuity	95.54	88.31
<b>Total expected payments</b>	<b>198.48</b>	<b>206.82</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Weighted average duration of defined plan obligation (based on discounted cash flows)**

Particulars	Year ended 31 <sup>st</sup> March, 2020 Years	Year ended 31 <sup>st</sup> March, 2019 Years
Gratuity	8	7

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

Particulars	Year ended 31 <sup>st</sup> March, 2020 INR in lacs	Year ended 31 <sup>st</sup> March, 2019 INR in lacs
Gratuity	36.84	32.02

**C. Other employee benefits**

The liability / (asset) for compensated absences is INR 28.90 lacs (31 March 2019: INR (8.67) lacs)

**Note 35: Contingencies and Commitments****a. Contingent Liabilities**

Particulars	31 <sup>st</sup> March, 2020 INR in lacs	31 <sup>st</sup> March, 2019 INR in lacs
<b>Contingent Liabilities (to the extent not provided for)</b>		
(a) Demand Notice from DGFT for non-fulfilling of export obligations.	137.00	137.00
(b) 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).	13.86	64.18
(c) 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
(d) 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

**b. Commitments**

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

At 31<sup>st</sup> March, 2020, the Company had commitments of INR 5.16 lacs (31<sup>st</sup> March, 2019: INR 38.03 lacs)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 36: Related Party Transactions

#### A. Particulars of Related Party and Nature of Relationship \*:

##### Company having Significant Influence

Williamson Magor & Co. Limited

##### Key Managerial Personnel

Sri Subir Chaki ( Managing Director till 31<sup>st</sup> March, 2020, Whole Time Director w.e.f. 01<sup>st</sup> April, 2020)

Sri Suresh Shenoi (VP and Chief Financial Officer till 31.05.2019)

Sri Sachin Vijayakar (GM and Chief Financial Officer w.e.f. 01.06.2019)

Sri Arvind Kumar Bajoria (Company Secretary)

##### Non Executive and Independent Directors

Sri Aditya Khaitan

Sri Amritanshu Khaitan

Sri Gobind Saraf

Sri Mahesh Shah

Sri Amitav Roy Choudhury

Ms Arundhuti Dhar

Sri Subir Ranjan Dasgupta (Till 19.06.2019 )

Sri Manmohan Singh (Till 30.04.2019 )

Sri Padam Kumar Khaitan (Till 28.05.2019)

Ms Priya Saran Chaudhari (Till 22.07.2019)

##### Relatives of Key Managerial Personnel

Ms Anuradha Chaki

Ms Anita Shenoi (Till 31.05.2019)

Ms Isha Khaitan

Ms Yashodhara Khaitan

Ms Ronica Vijayakar

##### Enterprises in which a Director is a Member/ Director /Promoter/ Partner

Manor Travels Pvt Ltd

Khaitan & Co LLP

Khaitan & Co

Khaitan & Co (Kolkata)

\* During the year, the Company has reassessed the related parties as per IND AS 24 "Related Party Disclosures" and on the basis of an opinion given by a practicing Company Secretary, have concluded that Babcock Borsig Limited and Williamson Financial Services Limited are not related parties as per definition given under IND AS 24 and The Companies Act, 2013. Accordingly, transactions entered into with the aforesaid parties in the previous year have also been excluded from the previous year's figures.

#### B. Transactions with Related parties

Nature of transactions	2019-20 INR in lacs	2018-19 INR in lacs
<b>Williamson Magor &amp; Co. Limited</b>		
Consultancy Charges paid	<b>24.00</b>	24.00
Rent and Service Charges paid	<b>16.80</b>	16.80
Reimbursement of Expenses	<b>5.04</b>	4.55
Inter-Corporate Deposit (ICD) given	-	1,200.00
ICD repaid	-	800.00
Interest income on ICD	<b>64.07</b>	69.79

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Nature of transactions</b>	<b>2019-20 INR in lacs</b>	2018-19 INR in lacs
<b>Compensation of Key Managerial Personnel **</b>		
Short term employee benefits	<b>183.06</b>	179.68
Other long term employee benefits	<b>7.20</b>	10.97
Sitting Fees to Non Executive and Independent Directors	<b>4.73</b>	4.00
<b>Total</b>	<b>194.99</b>	194.65
<b>Other transactions with Key Managerial Personnel</b>		
Personal guarantee received by the Company for loans given to group companies	<b>12,000.00</b>	12,000.00
<b>Relatives of Key Managerial Personnel</b>		
Car Hire Charges Paid	<b>2.21</b>	2.67
Professional Fees Paid	<b>33.75</b>	14.40
Other Services	<b>24.63</b>	5.41
<b>Enterprises in which a Director is a Member/Director/ Partner</b>		
Consultancy services rendered	-	0.38
Agency fees	-	0.13

**C. Balances as at the year end**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2020 INR in lacs</b>	31 <sup>st</sup> March, 2019 INR in lacs
<b>Williamson Magor &amp; Co Limited</b>		
Receivable against ICD	<b>431.66</b>	441.88
Interest income on ICD receivable	-	69.79
Payable against services	-	4.55
<b>Key Managerial Personnel</b>		
Personal guarantee received by the Company for loans given to group companies	<b>12,000.00</b>	12,000.00

\*\* 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.

**Terms and conditions of transactions with related parties**

1. Related Party Transactions 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 parties carries interest rate of 14.5% (31<sup>st</sup> March, 2019: 14.5%)

**Commitments with related parties**

The Company has not provided any commitments to the related party as at 31<sup>st</sup> March, 2020 (31<sup>st</sup> March, 2019: Nil)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 37: Segment information

#### A. Primary Operating Segment

In line with the provisions 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

(INR in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>a. Revenue (Sales and services)</b>		
India	<b>10,585.95</b>	11,762.23
Outside India	<b>2,528.21</b>	2,623.37
<b>Total</b>	<b>13,114.16</b>	14,385.60

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

Revenue from two customers of the Company is INR 3394.96 lacs (31<sup>st</sup> March, 2019 : INR 1600.87 lacs from one customer) which is more than 10 percent of the Company's total revenue for the respective years.

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>b. Non current Assets*</b>		
India	<b>4,858.24</b>	5,260.35
Outside India	-	-
<b>Total</b>	<b>4,858.24</b>	5,260.35

\*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-20 INR in lacs	31-Mar-19 INR in lacs	31-Mar-20 INR in lacs	31-Mar-19 INR in lacs
<b>Financial Assets</b>				
Investments measured at fair value through OCI	<b>158.31</b>	637.73	<b>158.31</b>	637.73
Loans	<b>31.01</b>	14.83	<b>31.01</b>	14.83
Other Financial Assets	<b>35.08</b>	8.80	<b>35.08</b>	8.80
<b>Total</b>	<b>224.40</b>	661.36	<b>224.40</b>	661.36
<b>Financial Liabilities</b>				
Non-current Borrowings	-	36.86	-	36.86
<b>Total</b>	-	36.86	-	36.86

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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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 2020

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value:</b>					
Derivatives not designated as hedges:					
- Foreign Exchange Forward Contracts (refer note 5c)	31 March 2020	-	-	-	-
FVTOCI financial investments:					
Quoted equity shares (refer note 5a)	31 March 2020	158.31	158.31	-	-

#### Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value:</b>					
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	-	-



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2020:**

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Liabilities measured at fair value:</b>					
Derivative financial liabilities:					
Cash Flow Hedges - Foreign Exchange Forward Contracts (refer note 18)	31 March 2020	-	-	-	-

**Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2019:**

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Liabilities measured at fair value:</b>					
Derivative financial liabilities:					
Cash Flow Hedges - Foreign Exchange Forward Contract (refer note 18)	31 March 2019	1,241.30	-	1,241.30	-

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

### 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 2020	31 March 2019
Fixed Rate Borrowings	<b>10,398.86</b>	9,617.78
Floating Rate Borrowings	<b>1,793.75</b>	1,686.08
<b>Total</b>	<b>12,192.61</b>	11,303.86

### 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
<b>31 March 2020</b>			
INR - Borrowings	+50	(8.97)	(6.47)
	-50	8.97	6.47
<b>31 March 2019</b>			
INR - Borrowings	+50	(8.43)	(6.08)
	-50	8.43	6.08

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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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.

	Change in currency exchange rate	Effect on profit before tax		Effect on pre-tax equity	
		For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
		INR in lacs	INR in lacs	INR in lacs	INR in lacs
US Dollars	+5%	17.97	28.00	12.97	20.21
	-5%	(17.97)	(28.00)	(12.97)	(20.21)
Euro	+5%	-	1.84	-	(1.33)
	-5%	-	(1.84)	-	1.33

### 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 2020, the exposure to listed equity securities at fair value was INR 158.31 lacs (31 March 2019: INR 637.73 lacs). A decrease / increase of 10% on the BSE market index could have an impact of approximately INR 15.83 lacs (31 March 2019: INR 63.77 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
Trade Receivables as on 31 March 2020	962.95	1,027.21	1,242.63	3,232.79
Trade Receivables as on 31 March 2019	2,134.10	592.70	1,343.70	4,070.50

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 has placed 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 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 2020 and 31 March 2019 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 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 it to meet its future known obligations in the ordinary course of business.

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
<b>As at 31 March 2020</b>					
Borrowings	12,100.74	91.87	-	-	12,192.61
Other Financial Liabilities	169.32	2.79	-	-	172.11
Trade and Other Payables	-	2,300.80	-	-	2,300.80
	12,270.06	2,395.46	-	-	14,665.52

	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
<b>As at 31 March 2019</b>					
Borrowings	10,758.81	508.19	36.86	-	11,303.86
Other Financial Liabilities	416.81	1,244.38	-	-	1,661.19
Trade and Other Payables	-	3,107.90	-	-	3,107.90
	11,175.61	4,860.47	36.86	-	16,072.95

### 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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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).

### Gearing Ratio:

Particulars	31 March 2020 INR in lacs	31 March 2019 INR in lacs
Borrowings (including current maturities of long term borrowings) (Note 16 & 18)	12,192.61	11,303.86
Less: Cash and Cash Equivalents (including other bank balances) (Note 7 & 8)	(687.83)	(672.90)
<b>Net debt</b>	<b>11,504.78</b>	10,630.97
Equity	1,325.58	1,325.58
Other equity	9,016.16	8,573.33
<b>Total capital</b>	<b>10,341.74</b>	9,898.92
<b>Capital and net debt</b>	<b>21,846.52</b>	20,529.87
<b>Gearing ratio</b>	<b>53%</b>	52%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

### Note 42: Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.

The leasehold land of the Company has been shown as Right of Use asset under Note 3 'Property, plant and equipment' and depreciated over the lease term of the asset.

The other lease arrangements of the Company are for a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### Note 42a: 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 2020 was INR 32.59 lacs (31 March 2019: INR 67.81 lacs).

### Note 43: IND AS 115

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

Particulars	2019-20 INR in lacs	2018-19 INR in lacs
Revenue from operations	13,114.16	14,385.60
<b>Less:</b>		
- Government Incentives	68.38	143.27
<b>Revenue from contracts with customers</b>	<b>13,045.78</b>	14,242.33

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Disaggregation of revenue from contracts with customers:

#### A. By geographical region:

Particulars	2019-20 INR in lacs	2018-19 INR in lacs
<b>Revenue from contracts with customers:</b>		
- within India	10,517.57	11,618.96
- outside India	2,528.21	2,623.37
<b>Total</b>	<b>13,045.78</b>	<b>14,242.33</b>

#### B. By timing of transfer of goods or services:

Particulars	2019-20 INR in lacs	2018-19 INR in lacs
Goods transferred at a point in time	2,791.73	3,176.62
Goods transferred over the time	9,930.89	10,788.06
Services transferred over the time	323.16	277.65
<b>Total</b>	<b>13,045.78</b>	<b>14,242.33</b>

### Contract Balances:

Particulars	31 March 2020 INR in lacs	31 March 2019 INR in lacs
Contract Assets (Unbilled Revenue) *	3,714.02	3,607.79
Contract Liabilities (Advances from customer)	2,569.35	2,856.50
Trade Receivables *	3,232.79	4,070.50

\* 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.

### 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

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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 were 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****Note 44: 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 2020	Foreign Currency Term Loan	USD	-	-
31 March 2019		USD	130.21	9,072.74

**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)
<b>B. Unhedged</b>		<b>FC</b>	<b>Amount in FCY (in lacs)</b>	<b>Amount (INR in lacs)</b>
31 March 2020	Trade Receivables	USD	5.96	449.01
31 March 2019		USD	8.20	559.90
31 March 2020	Trade Payables	USD	1.19	89.60
31 March 2019		USD	0.47	30.16

**Note 45: Management's assessment of impact of COVID-19**

The World Health Organization (WHO) declared outbreak of COVID-19 a global pandemic on 11<sup>th</sup> March, 2020. Consequent to this, Government of India (GOI) has declared a national lockdown on 24<sup>th</sup> March, 2020 which got extended from time to time. The COVID- 19 is significantly impacting business operations of the Company, by way of interruption in the project activities, supply chain disruption, limited availability of human resource etc. The Company is closely monitoring the situation and the operations being resumed in a phased manner considering directives from the GOI. The Company has evaluated its liquidity position, recoverability and carrying value of its Non-current and Current assets and has concluded that no material adjustments are required currently at this stage.

**Note 46:** 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 V. Singhi & Associates**  
 Chartered Accountants  
 Firm Registration No.: 311017E

**(Tarun Jain)**  
 Partner  
 Membership No.: 130109

Place : Kolkata  
 Date : 22<sup>nd</sup> July, 2020

For and on behalf of the Board of Directors of  
**Kilburn Engineering Limited**

**(Aditya Khaitan)**  
 Chairman  
 DIN : 00023788

**(Sachin Vijayakar)**  
 GM - Finance & Chief Financial Officer

**(Subir Chaki)**  
 Whole Time Director  
 DIN : 05174555

**(Arvind Kumar Bajoria)**  
 Company Secretary



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**KILBURN ENGINEERING LTD.**

CIN : L24232WB1987PLC042956

Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001

Phone: 033-2231 3337; Fax: 033-2231-4768; Email: cs@kilburnengg.com;

Website: www.kilburnengg.com

**Investors can also update their email details online at <http://mdpl.in/form/email-update>**

**FORM FOR UPDATION / REGISTRATION OF E-MAIL ADDRESS**

M/s. Maheshwari Datamatics Pvt. Ltd.  
23, R.N. Mukherjee Road, 5<sup>th</sup> Floor  
Kolkata-700 001  
mdpldc@yahoo.com

**Sending of Notices, Report and Accounts & other documents through Electronic Mode**

Dear Sir

I hereby update / register my e-mail address provided below for receiving the Notices, Report and Accounts and other documents from the Company through electronic mode:-

E-mail Address:

Name of the Sole / First Holde : \_\_\_\_\_

DP ID / Client ID / Registered Folio No. : \_\_\_\_\_

#Contact Nos. : \_\_\_\_\_

Mobile : \_\_\_\_\_

Landline (with STD Code) : \_\_\_\_\_

# Optional

Date:

\_\_\_\_\_  
Signature of the Sole / First Holder

**Notes:**

- (1) The Notices, Report and Accounts and other documents are sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the remaining Shareholders.
- (2) This Form can also be downloaded from the Company's corporate website [www.kilburnengg.com](http://www.kilburnengg.com) under the section 'Investor'.

[illegible]



**Air Pre-Heater**



**Purge Gas Fan**



**Twin Lobe Feeder**

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