

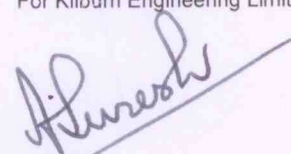
FORM B
(Pursuant to clause 31 (a) of the Equity Listing Agreement)

1.	Name of the Company:	Kilburn Engineering Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit qualification	<p>Qualified</p> <p>Basis for Qualified Opinion</p> <p><i>The Company has made a partial provision for diminution in value of its investment in equity shares of McNally Bharat Engineering Company Limited for reason stated in note 26.4. We are unable to express an opinion on the extent of diminution, if any, in the value of investment in view of significant reduction in market price of the shares.</i></p> <p>Qualified Opinion</p> <p>In our opinion and to the best of our information and according to the explanations given to us, <i>except for the possible effects of matter described in the Basis for Qualified Opinion paragraph</i>, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:</p> <p>(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;</p> <p>(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and</p> <p>(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.</p> <p>Report on Other Legal and Regulatory Requirements</p> <p><i>Except for the effects of the matter described in the Basis for Qualified Opinion paragraph</i>, 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</p> <p><i>Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph</i>, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.</p>
4.	Frequency of observation	From Financial Year 2011-12
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Note 26.4 from the Notes forming part of the financial statements</p> <p>The Company holds investment in equity shares of McNally Bharat Engineering Company Limited (Book Value Rs. 1,993.45 lacs) as strategic investment on a long term basis. The Company is of the view that the diminution in value of Rs.1409.11 lacs (Previous Year Rs.1248.91 lacs) in these investments is temporary. Notwithstanding this, out of abundant caution, a provision of Rs. 200 lacs is made in the books during the year.</p> <p>Management's Response: The Company holds investment in Equity shares of McNally Bharat Engineering Company Limited as a strategic investment on a long term basis. The Company is of the opinion that diminution in market value of these shares is temporary and is a result of the general slowdown in the economy. Notwithstanding that this investment is of a long term nature and in our view the value of the said investment is poised for appreciation in the foreseeable future, the Company has considered it appropriate to make a provision of Rs.200 Lac during the year. Further provision if considered necessary, will be made progressively based on the performance of MBECL and future market value of shares.</p>
6.	Additional comments from the board/audit committee chair:	-

For Kilburn Engineering Limited



Managing Director
Supriya Mukherjee

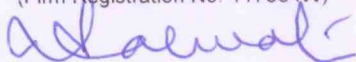


CFO
A. Suresh



Audit Committee Chairman
S. R. Dasgupta

Refer our Audit Report dated 28th May, 2013
on the financial statements of the Company
For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)



R Salivati
Partner
Membership No. 34004

Kolkata
13th August, 2013

AM
Mumbai
13th August, 2013