



KINETIC ENGINEERING LIMITED

Registered Office : D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019, India,
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kelinvestors@kineticindia.com \ www.kineticindia.com

To,
The Shareholders,
Kinetic Engineering Limited (the “Company”)

Notice is hereby given, pursuant to Section 110 and other applicable provisions if any, of the Companies Act, 2013, (“Act”), read with the Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), including any statutory modification to or reenactment thereof, that the appended resolutions (“Proposed Resolutions”) are proposed to be passed as special resolutions by means of postal ballot/voting through electronic mode (“E-voting”). The Proposed Resolutions and Explanatory Statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto along with a postal ballot form for your consideration.

Please note that that in compliance with the provisions of Section 110 of the Act read with Rule 22 of the Rules and Clause 35B of the Listing Agreement with Stock Exchanges, the Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide the members with the facility of E-voting. A member may opt to cast their vote by electronic mode instead of casting the vote through the postal ballot form (enclosed herewith).

The Board of Directors of the Company have appointed Mr. Devendra Deshpande, Practicing Company Secretary (Membership No. FCS 6099) as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

If you intend to cast your vote through the postal ballot form please read the instructions printed on the postal ballot form for casting of vote and return the form duly completed and signed in the enclosed self-addressed postage pre-paid business reply envelope so as to reach the Scrutinizer at the Link Intime India Private Limited, Unit: Kinetic Engineering Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078 on or before the close of working hours (i.e. 5.00 p.m. IST) on 12th June, 2016. Please note that postal ballot forms received after the said date will not be valid and shall be treated as if the reply from the member had not been received. If you intend to cast your vote by the electronic mode, please do so in accordance with the **procedure / instructions for e-voting** as set out in the notes to this Notice.

Kindly note that members can opt for only one mode of voting i.e. either by way of the postal ballot notice or E-voting. If you are opting for E-voting, then do not vote by way of the postal ballot form also and vice versa. However, in case a member has voted both in physical as well as e-voting, then voting done through E-voting shall prevail and voting done by physical form shall be treated as invalid.

The Scrutinizer will submit his report to the Chairman of the Board of Directors of the Company after completion of the scrutiny of the votes cast through postal ballot forms and the votes cast by E-voting. The Chairman of the Board of Directors of the Company or, in his absence, any Director of the Company or the Company Secretary of the Company will announce the results of the postal ballot on 14th June, 2016 at 11.00 a.m. at the registered office of the Company situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019, Maharashtra.

The results will be displayed at the registered office of the Company besides being communicated to the stock exchanges on which the Company's equity shares are listed. In addition, the results will be displayed on the website of the Company viz. www.kineticindia.com. The declaration/announcement of the results of the postal ballot by the Chairman or any Director or Company Secretary of the Company as stated above shall be treated as declaration of results at a general meeting of the members as per the provisions of the Companies Act, 2013 and applicable rules made thereunder.

By Order of the Board
For Kinetic Engineering Limited

Rohit Purandare
Company Secretary

Date : 29th April, 2016
Place : Pune

PROPOSED RESOLUTIONS

1. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification thereto or reenactment thereof for the time being in force), the Memorandum of Association and Articles of Association of Kinetic Engineering Limited (the “Company”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Securities and Exchange Board of India, as amended, and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, from time to time, to the extent applicable, and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) to exercise its powers including the powers conferred by this resolution, consent of the Company be and is hereby accorded to the Board to create, issue, offer, and allot 6,00,000 (Six lacs) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each at a premium of Rs. 146/- (Rupees One hundred forty six Only), aggregating up to Rs. 9,36,00,000/- (Rupees Nine Crores Thirty Six Lacs Only) considering 11th May, 2016 as the Relevant Date being the date 30 days prior to the date of passing of this postal ballot resolution as per provisions of Regulation 71 of Chapter VII of SEBI Regulations, on a preferential basis through private placement (the “Preferential Issue”) and on such further terms and conditions, including payment of monies as may be approved or finalized by the Board to the following entity being an entity which is not a part of the promoter group (the “Proposed Allottee”) as detailed herein below:

Sr. No.	Proposed Allottee	PAN	Category	No. of Shares
1	Payone Enterprises Private Limited	AAFC4453K	Public	6,00,000

"RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Company to the Proposed Allottee within a period of 15 days from the date of passing of this resolution, provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval for such allotment by Reserve Bank of India (RBI) any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval."

"RESOLVED FURTHER THAT in case the Equity Shares of the Company are either subdivided or consolidated prior to the Preferential Issue, then the number of Equity Shares to be allotted under the said Preferential Issue shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Ten) per Equity Share to the revised face value of the Equity Shares after such sub-division or consolidation, and the subscription price payable by the Proposed Allottee shall automatically stand reduced or augmented, as the case may be, in the same proportion as the revised face value of the Equity Shares after such sub-division or consolidation bears to the present face value of Rs. 10/- (Ten) per Equity Share, without affecting any other rights or obligations of the said Proposed Allottee."

"RESOLVED FURTHER THAT the Equity Shares to be offered, issued and allotted through the Preferential Issue shall rank *pari passu* with the existing Equity Shares of the Company in all respects, including dividend, and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to lock-in as provided under the SEBI Regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, to finalize, approve and sign the offer documents with authority to amend, vary, modify the same as may be considered desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, undertakings, certificates, consents, authorities as may be necessary and required from time to time, issuing clarifications on the offer, issue and allotment of the Equity Shares, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries and advisors for the Preferential Issue), resolving all questions of doubt that may arise in regard to the offer, issue and allotment of the Equity Shares and utilization of proceeds of the issue of the Equity Shares and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit and to do all such things, deeds and acts and to comply with all the formalities as may be required in connection with and incidental to the aforesaid offering of Equity Shares, including for the post issue formalities, without being required to seek any fresh approval of the shareholders of the Company and the decision of the Board shall be final and conclusive."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) and / or to any official(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary applications and filings with the Stock Exchanges and regulatory authorities."

2. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 42, 55 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification thereto or reenactment thereof for the time being in force), the Memorandum of Association and Articles of Association of Kinetic Engineering Limited (the "Company"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Securities and Exchange Board of India, as amended, and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, from time to time, to the extent applicable including the enabling provisions of the listing agreements entered into with the stock exchanges on which the Company's equity shares are listed (the "Stock Exchanges"), and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") to exercise its powers including the powers conferred by this resolution, consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 9,92,639 (Nine Lakhs Ninety Two Thousand Six Hundred Thirty Nine) 8.50% Optionally Convertible Cumulative Preference Shares of face value of Rs. 22/- (Rupees Twenty Two Only) each at a premium of Rs. 67.66/- (Rupees Sixty Seven and Sixty Six Paise Only) each ("OCCPS") to the following ("Proposed Allottee's"):

Sr. No.	Proposed Allottee's	PAN	Category	No. of Shares
1	Micro Age Instruments Private Limited	AABCM1787E	Promoter	7,13,808
2	Mr. Arun Hastimal Firodia	AAEPF1816B	Promoter	33,460
3	Mrs. Jayashree Arun Firodia	AAAPF9094M	Promoter	2,45,371
	TOTAL			9,92,639

on a preferential basis, without offering the same to any other person, at a price per OCCPS equal to Rs. 22/- (Rupees Twenty Two only) at a premium of Rs. 67.66/- (Rupees Sixty Seven and Sixty Six Paise Only) each for an aggregate amount of Rs. 8,90,00,000/- (Rupees Eight Crore Ninety Lakhs only) on the following terms and conditions:

- Coupon: 8.50% p.a.
- Period of Preference Shares: The OCCPS shall be redeemable at the end of 10 years from the date of allotment of shares, if not converted earlier by the allottee's.
- Terms of conversion: The OCCPS shall be converted into Equity Shares of face value of Rs. 10/- (Rupees Ten Only) per Equity Shares at the option of the Allottee's on the terms and conditions mentioned hereinafter this Resolution.
- The OCCPS and Equity Shares (if issued upon conversion of OCCPS) to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company. The Equity Shares arising on conversion of OCCPS shall rank *pari passu inter se* with the then existing Equity Shares of the Company in all respects, including dividend.

- e) The OCCPS and Equity Shares (upon conversion of OCCPS) allotted will be subject to the applicable lock-in and transfer restrictions stipulated under Regulations 78 and 79 of the SEBI Regulations.”

“RESOLVED FURTHER THAT the OCCPS shall be converted into Equity Shares of Rs. 10/- each, at Rs. 89.66/- each (including securities premium of Rs. 79.66/-), the price calculated with respect to the Relevant Date being 13th May, 2016 as per Regulation 76 of SEBI (ICDR) Regulations, 2009, subject to approval of SEBI under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if required, against such number of OCCPS as may be required for conversion into Equity Shares at above price.”

“RESOLVED FURTHER THAT OCCPS/Equity shares to be issued on conversion of OCCPS, to be issued as above, shall be locked-in for a period as prescribed in the SEBI (ICDR) Regulations. On conversion of any Equity Shares, such shares shall also be locked-in for period of 3 years as prescribed under the SEBI (ICDR) Regulations. However, the lock-in period for such Equity Shares allotted pursuant to the conversion of OCCPS issued on Preferential Basis, shall be reduced to the extent of the period during which such OCCPS have already been locked-in.”

“RESOLVED FURTHER THAT as per SEBI Regulations the “Relevant Date” for the purpose of determining the issue price, being the 30 days prior to the date of the passing of Resolution by Postal Ballot Process, is 13th May, 2016.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to give effect to the above resolutions and to do all such acts, deeds and things necessary or incidental that it may, in its absolute discretion, deem necessary or desirable in regard to the offer, issue and allotment of the OCCPS and Equity Shares (upon conversion of the OCCPS), to resolve and settle any questions, difficulties or doubts that may arise in regard to such offer, issue and allotment of OCCPS and Equity Shares (upon conversion of the OCCPS).”

“RESOLVED FURTHER THAT the Equity Shares proposed to be allotted to the Proposed Allottee upon conversion of the OCCPS, be listed on the BSE Limited, and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for the listing of the Equity Shares proposed to be allotted to the Proposed Allottee(s) upon conversion of the OCCPS and for the admission of such Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of such Equity Shares allotted upon conversion of the OCCPS to the Proposed Allottee's dematerialised securities account.”

“RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed in India on any agreements, undertakings, deeds, share certificates or any other document, the same be affixed in the presence of any two directors of the Company or any one director and secretary or any other person as may be authorised by the Board in accordance with the Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of director(s) or officer(s) of the Company to give effect to the above resolutions.”

By Order of the Board
For **Kinetic Engineering Limited**

Rohit Purandare
Company Secretary
Membership Number – A25701

Date : 29th April, 2016
Place : Pune

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, giving reasons for the proposed Special Resolution stating out material facts in annexed hereto.
2. Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (the “Rules”), the item of the business as set out in the Notice are sought to be passed by E-voting & Postal Ballot.
3. The Company has appointed Mr. Devendra Deshpande, Practicing Company Secretary (Membership No. FCS 6099) as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.
4. In compliance with Clause 35B of the Listing Agreement and provisions of Section 110 of the Companies Act, 2013 read with Rules, the Company is pleased to offer E-voting facility to all its members to enable them to cast their votes electronically. This notice is being sent to all the members, whose names appear in the Register of Members/ list of Beneficial Owners as received from National Securities Depository Services Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on the close of working hours on 29th April, 2016, i.e. “the Cut-off date”. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on 29th April, 2016 being the cut-off Date. E-voting is optional for members. In case a Member has voted through e-voting facility, he / she is not required to send the Physical Form. In case a Member votes through e-voting facility as well as send his/her vote through Physical Form, the vote casted through e-voting shall be considered and the voting through physical form shall be ignored by the Scrutinizer.
5. You are requested to carefully read the instructions printed in the postal ballot form attached hereto, and if you are not voting electronically, fill up the Form, give your assent or dissent on the resolution at the end of the form and return the duly completed and signed form (no other form is permitted) in the enclosed self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the closure of working hours (i.e. 5.00 p.m. IST) on 12th June, 2016. Envelope containing postal ballot forms, if sent by courier or by registered post at the expense of the member will also be accepted. However, the Postal Ballot Forms received after the stipulated day and time will be strictly treated as if no reply has been received from the member.
6. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny. The Chairman will, or in his absence any Director of the Company or the Company Secretary of the Company will announce the results of the Postal Ballot on 14th June, 2016 at 11.00 a.m. at the registered office of the Company situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019, Maharashtra. The date of declaration of postal ballot result will be taken to be the date of passing the Special Resolutions. The said result would be displayed at the notice board of the Registered Office of the Company, intimated to the Stock Exchange where the Company's shares is listed and displayed on the Company's Website viz. 'www.kineticindia.com'.

7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the Office Hours on all working days except Sunday between 11:00 a.m. and 2:00 p.m. upto 12th June, 2016.
8. The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on 14th May, 2016 at 9.00 a.m. and ends on 12th June, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th April, 2016, 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.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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"> 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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 <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.

The following Statement sets out all material facts relating to the Proposed Resolutions mentioned in the accompanying Notice:

Item No. 1:

The Board on 9th November, 2015, subject to necessary approval(s), the Board has approved the proposal for raising funds up to Rs. 9,36,00,000/- (Rupees Nine Crores Thirty Six Lacs Only) by way of issue of equity shares on preferential basis from M/s. Payone Enterprises Private Limited.

The Information as required under Regulation 73 of the SEBI Regulations for the proposed Preferential Issue is as under:

(a) Object/s of the issue:

The object of the proposed Preferential Issue is to use the proceeds to redeem the 1,50,00,000 Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 10/-each.

(b) Proposal of Public Shareholder of the Company to subscribe to the offer:

The Preferential Issue is being made to a public shareholder of the Company.

(c) Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to issue to the Proposed Allottee up to 6,00,000 (Six lacs) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each at a premium of Rs. 146/- (Rupees One hundred forty six Only), aggregating up to Rs. 9,36,00,000/- (Rupees Nine Crores Thirty Six Lacs Only), in such manner and on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the SEBI Regulations.

The Preferential Issue shall be made only in dematerialized form as per SEBI Regulations.

(d) Shareholding Pattern before and after the issue of shares involved in the present resolutions is as below:

Category Code	Category of Shareholder	Pre-Issue		Post Issue	
		Pre-Issue Shares held	% of Total Shares	Post-Issue Shares held	% of Total Shares
(A)	Shareholding of Promoter and Promoter Group				
(I)	Indian Promoters (A)	77,21,527	47.87	77,21,527	44.55
	Micro Age Instruments Private Limited	20,74,204	12.86	20,74,204	11.97
	Ajinkya Holdings Private Limited 11,76,260	7.29	11,76,260	6.79	
	Arun Hastimal Firodia	1,07,961	0.67	1,07,961	0.62
	Jayashree Arun Firodia 32,33,431	20.05	32,33,431	18.66	
	Ajinkya Arun Firodia	11,29,055	7.00	11,29,055	6.51
	Sulajja Firodia Motwani 616	0.00	616	0.00	
(B)	Public Shareholding	84,09,181	52.13	90,09,181	51.98
	Payone Enterprises Private Limited	0	0.00	6,00,000	3.46
	Grand Total (A)+(B)	1,61,30,708	100.00	1,73,30,708	100.00

(e) Time within which the Preferential Issue shall be completed:

The Company will complete the issue & allotment of Equity Shares within a period of 15 days from the date of passing of the resolutions by the shareholders or when the allotment on preferential basis requires any approval by any regulatory authority like Reserve Bank of India (RBI), Stock Exchanges or Central Government or any statutory body, the allotment of shares will be completed within 15 days from the date of such approvals.

(f) Identity of the natural person who are ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately controls the proposed allottee, percentage of the post preferential issue to be held by them:

Sr. No.	Proposed Allottee	Present Holding	% to Pre-Issue Capital	Present Issue	% to Post Issue Capital
1.	Payone Enterprises Private Limited	0	0.00	6,00,000	3.46

There will not be any change in the management control of the Company on account of this proposed preferential allotments except minor change in the shareholding pattern as well as voting rights.

Proposed Allottee:

Proposed Allottee	Particulars
Payone Enterprises Private Limited	A Body Corporate

(g) Lock-In Requirements:

The shares to be allotted on preferential basis shall be subject to lock-in for a period of one year for issue of shares to a Body Corporate from the date of trading approval as per applicable SEBI Regulations in this regard.

(h) Transferability period:

The Equity Shares allotted on a preferential basis shall not be transferred by the Investor until trading approval is granted by the Stock Exchanges.

(i) Auditors' Certificate:

M/s. P. G. Bhagwat, Chartered Accountants, the Statutory Auditors of the Company have certified that the preferential issue is being made in accordance with the requirements contained in SEBI Regulations. A copy of the certificate shall kept for inspection at the Registered Office of the Company during the business hours.

(j) Relevant Date:

Relevant Date for the purpose of Preferential Issue is 13th May, 2016 which is the date 30 days prior to the date of Postal Ballot when this resolution is being considered for approval.

(k) Pricing & Undertaking to re-compute the price:

The Equity Shares proposed to be issued pursuant to the Preferential Issue will be issued and allotted at a price not less than the higher of the following in terms of Regulation 76 of the SEBI Regulations:

- the average of the weekly high and low of the closing price of the equity shares of the Company quoted on the recognized Stock Exchange during the 26 (twenty-six) weeks preceding the Relevant Date (as defined above); or
- the average of the weekly high and low of the closing price of the Equity Shares of the Company quoted on the recognized Stock Exchanges during the 2 (two) weeks preceding the Relevant Date (as defined above).

Accordingly, the issue price of Rs. 156/- (One hundred Fifty Six Only) per Equity Share at which the Equity Shares are proposed to be issued and allotted is in compliance with the minimum issue price determined in accordance with Regulation 76 of the SEBI Regulations.

(l) Recomputation:

Given that the company has been listed for a period of more than 26 (Twenty Six) weeks as on the Relevant Date, no requirement to recompute the price is applicable. Section 62 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such shares may be offered to any persons, whether or not those persons are holders of the equity shares of the company or employees of the company, if authorized by way of a Special Resolution.

Furthermore, as per Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to securities on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, for each of the offers and invitations.

The approval of the Members is accordingly being sought by way of a Special Resolution under Sections 42 and 62 of the Companies Act, 2013 read with the rules made there under, for the issue of Equity Shares aggregating an amount not exceeding Rs. 9,36,00,000/- (Rupees Nine Crores Thirty Six Lacs Only) and to offer and allot such Equity Shares on a private placement basis.

None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

Item No. 2:

The object of the proposed Preferential Issue is to use the proceeds to redeem the 1,50,00,000 Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 10/-each.

In addition to above the object of the proposed Preferential Issue is also to augment resources of the Company, to raise funds in the form of equity capital so as to reduce the borrowing cost and also to enhance the debt/ capital raising capacity in order to respond to various opportunities for the further growth of the business of the Company in terms of introduction of new products, business acquisitions so as to leverage such structure to achieve higher growth in terms of revenue and profit and for general corporate purposes.

The Board on 9th November, 2015, subject to necessary approval(s), has approved the proposal for raising funds up to 9,92,639 (Nine Lakhs Ninety Two Thousand Six Hundred Thirty Nine) 8.50% Optionally Convertible Cumulative Preference Shares of face value of Rs. 22/- (Rupees Twenty Two Only) each at a premium of Rs. 67.66/- (Rupees Sixty Seven and Sixty Six Paise Only) each aggregating to Rs. 8,90,00,000/- (Rupees Eight Crores Ninety Lakhs Only) on preferential basis.

Section 55 of the Companies Act, 2013 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 ("Rules") framed there under, inter alia, requires the Company to obtain prior approval of Shareholders, by way of Special Resolution for issuance of preference shares. Hence this motion.

Accordingly, the approval of the members is being sought, by way of Special Resolution, to offer and issue Optionally Convertible Cumulative Preference Shares (OCCPS) at the nominal value to three promoters of the Company i.e. M/s. Micro Age Instruments Private Limited, Mr. Arun Hastimal Firodia and Mrs. Jayashree Arun Firodia.

No Directors other than Mr. Arun Hastimal Firodia Mr. Ajinkya Arun Firodia Ms. Sulajja Arun Firodia or any other Key Managerial Personnel of the Company are directly or indirectly concerned or interested, financial or otherwise, in the resolution.

A Statement of disclosure as required under Rule 9 (3) of the Companies (Share Capital and Debentures) Rules, 2014:

Objectives of the Issue	<p>The object of the proposed Preferential Issue is to use the proceeds to redeem the 1,50,00,000 Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 10/-each.</p> <p>In addition to above the object of the proposed Preferential Issue is also to augment resources of the Company, to raise funds in the form of equity capital so as to reduce the borrowing cost and also to enhance the debt/ capital raising capacity in order to respond to various opportunities for the further growth of the business of the Company in terms of introduction of new products, business acquisitions so as to leverage such structure to achieve higher growth in terms of revenue and profit and for general corporate purposes.</p>
Issue size, number of preference shares to be issued and nominal value of each share	9,92,639 Preference Shares of Rs. 89.66/- each for cash.
Nature of Shares	Optionally Convertible Cumulative Preference Shares
The proposal of the Promoters, Directors or Key Management Personnel of the issuer to subscriber to the offer	The issue is intended as a preferential allotment to three promoters of the Company i.e. M/s. Micro Age Instruments Private Limited, Mr. Arun Hastimal Firodia and Mrs. Jayashree Arun Firodia.
Manner of Issue of Shares	Single allotment within 15 days of approval by shareholders by Postal Ballot process or from the date of receipt of approval or permission by any regulatory authority or the Central Government for allotment whichever is later.
Issue Par	OCCPS at par
Basis on which price has been arrived at	Higher of the average of weekly high and low of the volume weighted average price of the equity shares during the twenty six weeks preceding / two weeks preceding the relevant date which is 13/05/2016 being a date, 30 days prior to the date on which the shareholders will consider this preferential issue thorough Postal Ballot process i.e. on 12.06.2016.
Terms of issue and rate of dividend on each share	<p>Preferential Allotment of preference shares to promoters as per Section 55 of Companies Act, styled as Optionally Convertible Cumulative Preference Shares. A Rate of Dividend is Rs. 8.50 per share.</p> <p>In the event of conversion of OCCPS, promoters will have to adhere to SEBI(Takeover Regulations), in case the percentage increase of shareholding – exceeds the threshold limit of 5 % of the paid-up equity capital.</p>
The time within which the Preferential Issue shall be completed	Within 15 days of approval by shareholders by Postal Ballot process or from the date of receipt of approval or permission by any regulatory authority or the Central Government for allotment whichever is later, proceeds shall be received from the promoters and the preference shares shall be allotted.
The time within which the Preferential Issue shall be converted to equity shares	At the option of allottee's.
Lock-in	The equity shares issued on conversion shall be subject to lock-in for a period of three years from the date of trading approval as per applicable SEBI Regulations in this regard.
Terms, manner and modes or redemption of OCCPS not converted within 10 years from the date of allotment	Redeemable at par at the expiry of 10 years from date of allotment.

Time within which the Preferential Issue shall be completed:

The Company will complete the issue & allotment of OCCPS within a period of 15 days from the date of passing of the resolutions by the shareholders or when the allotment on preferential basis requires any approval by any regulatory authority like Reserve Bank of India (RBI), Stock Exchanges or Central Government or any statutory body, the allotment of shares will be completed within 15 days from the date of such approvals.

Lock-In Requirements:

The equity shares issued on conversion of preference shares shall be subject to lock-in for a period of three years from the date of trading approval as per applicable SEBI Regulations in this regard.

Transferability period:

The Equity Shares to be issued on conversion of preference shares shall not be transferred by the Investor until trading approval is granted by the Stock Exchanges.

Auditors' Certificate:

M/s. P. G. Bhagwat, Chartered Accountants, the Statutory Auditors of the Company have certified that the preferential issue is being made in accordance with the requirements contained in SEBI Regulations. A copy of the certificate is kept for inspection at the Registered Office of the Company during the business hours.

Relevant Date:

Relevant Date for the purpose of Preferential Issue is 13th May, 2016 which is the date 30 days prior to the date of Postal Ballot when this resolution is being considered for approval.

Pricing & Undertaking to re-compute the price:

The Equity Shares proposed to be issued pursuant conversion of preference shares will be issued and allotted at a price not less than the higher of the following in terms of Regulation 76 of the SEBI Regulations:

- the average of the weekly high and low of the closing price of the equity shares of the Company quoted on the recognized Stock Exchange during the 26 (twenty-six) weeks preceding the Relevant Date (as defined above); or
- the average of the weekly high and low of the closing price of the Equity Shares of the Company quoted on the recognized Stock Exchanges during the 2 (two) weeks preceding the Relevant Date (as defined above).

The resolution set out in the accompanying notice authorizes the Board to issue to the Proposed Allottee up to 9,92,639 (Nine Lakhs Ninety Two Thousand Six Hundred Thirty Nine) 8.50% Optionally Convertible Cumulative Preference Shares of face value of Rs. 22/- (Rupees Twenty Two Only) each at a premium of Rs. 67.66/- (Rupees Sixty Seven and Sixty Six Paise Only) each aggregating to Rs. 8,90,00,000/- (Rupees Eight Crores Ninety Lakhs Only), in such manner and on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the SEBI Regulations and with each OCCPS being convertible into 9,92,639 Equity Shares of Rs. 10/- (Rupees Ten Only) each at a premium of Rs. 79.66/- (Rupees Seventy Nine and Sixty Six Paise Only) each determined by the Board as per ICDR Regulations.

(Premium of Rs. 79.66/- is calculated at highest price of average of the weekly high and low of the closing prices of the equity shares upto 29th April, 2016, however, the relevant date shall be 30 days prior to the date of meeting, which in this case shall be 13th May, 2016. The Company will recalculate the price and appropriate adjustment shall be made in the conversion price of OCCPS by taking premium as Rs. 79.66/- or price as per relevant date i.e. 13th May, 2016, whichever is higher.)

Shareholding Pattern before and after the issue of shares involved in the present resolution is as below:

Category Code	Category of Shareholder	Pre-Issue		Post Issue	
		Pre-Issue Shares held	% of Total Shares	Post-Issue Shares held	% of Total Shares
(A)	Shareholding of Promoter and Promoter Group				
(I)	Indian Promoters (A)	77,21,527	44.55	87,14,166	47.56
	Micro Age Instruments Private Limited	20,74,204	11.97	27,88,012	15.22
	Ajinkya Holdings Private Limited 11,76,260	6.79	11,76,260	6.42	
	Arun Hastimal Firodia	1,07,961	0.62	1,41,421	0.77
	Jayashree Arun Firodia 32,33,431	18.66	34,78,802	18.99	
	Ajinkya Arun Firodia	11,29,055	6.51	11,29,055	6.16
	Sulajja Firodia Motwani 616	0.00	616	0.00	
(B)	Public Shareholding	90,09,181	51.98	90,09,181	49.17
	Payone Enterprises Private Limited	6,00,000	3.46	6,00,000	3.27
	Grand Total (A)+(B)	1,73,30,708	100.00	1,83,23,347	100.00

Note:

- the above shareholding is based on the shareholding pattern as on 31/12/2015 and new issue of equity shares on conversion of OCCPS into equity shares of the face value of the Rs. 10/- each.
- the above post issue shareholding pattern assumes where the entire OCCPS shall be converted into equity shares.

The voting rights will change in tandem with the change in shareholding pattern. The above conversion of OCCPS will be made in one or more tranches in compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Further, the Company would comply with the minimum public shareholding requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors except Mr. Arun Hastimal Firodia, Mr. Ajinkya Arun Firodia and Ms. Sulajja Firodia Motwani, any other Key Managerial Person(s) of the Company, other than the Promoters, and their relatives are, in any way, concerned or interested in the said resolution.

By Order of the Board
For Kinetic Engineering Limited

Rohit Purandare
Company Secretary
Membership Number – A25701

Date : 29th April, 2016
Place : Pune