

KINETIC ENGINEERING LIMITED

Regd. Office : D-1 Block, Plot No. 18/2, Chinchwad, Pune 411 019

AUDITED FINANCIAL RESULTS

FOR THE PERIOD ENDED 31ST DECEMBER 2006

(Rs. in Lakhs)

Sr. No.	Particulars	12 Months	Quarter		15 Months	18 Months
		ended	ended		ended	ended
		30th Sept.	31st December	31st Dec.	30th Sept.	
		2006	2006	2005	2006	2005
					(Audited)	(Audited)
01.	Sales / Income from operations					
	Gross	13008	3694	3470	16702	22309
	Less : Excise Duty	1305	394	334	1699	2500
	Net	11703	3300	3136	15003	19809
02.	Profit on Sale of Assets / Rights	202	-	19	202	1490
03.	Profit on Sale of Investment	251	-	-	251	-
04.	Gain on one time settlement with lenders	-	2116	-	2116	-
05.	Profit on Sale of Supa Undertaking / Business	-	2492	-	2492	-
06.	Other Income	175	11	38	186	490
07.	Total Expenditure					
	a) (Increase)/Decrease in stock in trade	1161	751	(98)	1912	1809
	b) Consumption of raw materials	8027	1782	2596	9809	12322
	c) Staff cost	2339	515	550	2854	3583
	d) Bad debts / Advances written off	-	2242	-	2242	-
	e) Other expenditure	2893	2385	756	5278	4574
08.	Interest	1250	12	263	1262	2014
09.	Depreciation / Amortisation	1147	(287)	280	860	1901
10.	Profit / (Loss) before extraordinary item	(4486)	519	(1154)	(3967)	(4414)
11.	Voluntary Retirement Scheme Expenses (extra ordinary item)	(326)	-	-	(326)	-

12	Diminution in value of Investment (extra ordinary item)	-	-	-	-	(1774)
13	Profit / (Loss) before tax	(4812)	519	(1154)	(4293)	(6188)
14	(Provision) / Credit for taxation	-	-	-	-	709
15	Provision for Fringe Benefit Tax	(31)	(5)	(7)	(36)	(17)
16	Net Profit / (Loss)	(4843)	514	(1161)	(4329)	(5496)
17	Paid-up Equity share capital (Face value of Rs. 10/- per share)	506	506	506	506	406
18	Reserves excluding revaluation reserves					609
19	Basic / Diluted EPS for the period (Rs.) (Weighted average)	(99.27)	10.46	(26.74)	(88.09)	(135.25)
20	Aggregate of Public shareholding					
	Number of shares	2909732	2905922	2820561	2905922	2053010
	Percentage of shareholding in their meeting held on July, 2004.					
	Percentage of shareholding	57.52	57.44	55.75	57.44	50.52

Notes :

1. The above results have been taken on record by the Board of Directors of the Company at their meeting held on 31st March, 2007.
2. Gratuity liability was recognised in the accounts on the basis of premium paid to Life Insurance Corporation of India against Employees Group Gratuity Scheme. In view of revision to Accounting Standard 15 "Employee Benefits" which would be mandatory with effect from 1st January, 2007 to the Company, the transitional liability as at the beginning of the year amounting to Rs. 467.22 lacs determined with reference to actuarial valuation of present value of gratuity liability and transfer value of fund has been adjusted against General Reserve.
3. During the quarter ended 31st December, 2006, the Company has allotted 576923 Optionally Convertible Cumulative Preference Shares of Rs.156/- each amounting to Rs. 9 Crores and 320500 Redeemable Cumulative Preference Shares of Rs. 156/- each amounting to Rs. 5 Crores to Microage Instruments Pvt Ltd.
4. As per the terms of the issue of Optionally Convertible Warrants, the Company has Forfeited 10% amount in respect of 7 lacs warrants issued @ Rs. 178/- each, in respect of which conversion option was

not exercised by the allottees.

5 The Company has transferred its Supa Undertaking / Business to Kinetic Motor Company Limited on slump sale basis during the quarter ended 31st December, 2006 and profit of Rs. 2492.13 Lacs has been credited to Profit & Loss Account. As a result, Depreciation charged during the period upto September 06 in respect of Supa assets has been reversed in this quarter, as per the accounting policy for Depreciation consistently followed by the Company.

6 During the quarter ended 31st December, 2006 the Company has finalised One Time Settlement (OTS) with its lenders and gain of Rs. 2115.49 lacs has been credited to the Profit and Loss Account.

7 During the quarter ended 31st December, 2006 the Company has received 1 investor complaint which have been duly attended to. No investor complaint is lying unresolved as at 31st December, 2006.

For KINETIC ENGINEERING LIMITED

A. H. FIRODIA
Chairman

Pune 31st March, 2007