

**KINETIC ENGINEERING LIMITED**

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Date : 09-11-2015

To
Bombay Stock Exchange Ltd.
Corporate Relationship Deptt.
16th / 17th Floor, P. J. Towers
Dalal Street, Fort
Mumbai - 400 001
Fax Nos. 022 22722037 / 3719

Dear Sir / Madam,

Scrip Code : 500240

SUB:- Corporate Announcement.

Company today i.e. Monday, November 9, 2015 announced it's Quarterly Results for Quarter ended September 30, 2015 and steps taken to complete repayment / settlement with its lenders.

In the Board Meeting held on July 22, 2015, the Company had announced that it had entered into a settlement with PineBridge Asia Partners L.P., AIA Singapore Private Limited and AIA International Limited in respect of Foreign Currency Convertible Bonds (FCCBs) of USD 18 Million alongwith redemption premium thereon. As per settlement agreement, Company will settle the total dues by way of cash payment Rs. 70 Crores and by way of issue of 23,40,499 equity shares of the company at a price of Rs. 156/- per share. Company had sought the approval of Reserve Bank of India (RBI) for the above settlement.

In this Board Meeting, the Board was informed that Company has received the approval of Reserve Bank of India (RBI) for the above settlement. Company has taken further steps to complete the process of repayment / repurchase of FCCBs and for this purpose set up Escrow Mechanism with DBS Bank Limited, Singapore.

Further, Company has informed that it has received approval of its Board on the proposal for settlement of its dues to Reliance Capital Limited and its affiliate, Payone Enterprises Private Limited.

Dues to Reliance entities include Redeemable Non Convertible Non Cumulative Preference Shares of Payone Enterprises Private Limited of Rs. 15 Crores alongwith Redemption Premium @ 10% amounting to Rs. 11.95 Crores. Similarly, Company had taken a Loan of Rs. 30.64 Crores was taken from Reliance Capital Limited in the year 2008 out of the said loan, current balance outstanding loan is of Rs. 4.16 Crores and the interest of Rs. 1.11 Crores. Against above dues, Company will make a cash payment of Rs. 14.15 Crores and also issue 6,00,000 equity shares at Rs. 156/- per shares to Payone Enterprises Private Limited.

The above payments to Bondholders and to Reliance are being made out of sale proceeds of shares of Mahindra Two Wheelers Limited (MTWL) shares. This stake was sold in February, 2014, specifically for the purpose of debt repayment, and for investment into new capex programs for the growth of the Company.

Promoters as a part of their commitment to the lenders have also supported the Company by infusing fresh funds into the company, taking a write off of Rs. 3.75 cr against its ICD and by way of conversion of their ICD dues of Rs. 3.5 cr into shares of the Company at Rs. 156 per shares.

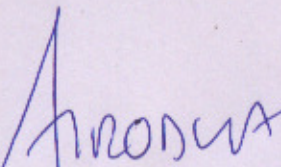
Due to such on going initiatives, the Company has strengthened its Balance Sheet. Company's debt burden will stand reduced by approximately Rs. 182 Crores after these repayments and Company's networth stands at Rs. 43.23 Crores.

Company also announced its results for the quarter and half year ended September 30, 2015. Company posted a growth of 17.92% has also announced that it has begun supplies of transmission gears to Renault of its new small car KWID, and also to Magna Powertrain. With the above actions the Company expects growth in its revenues in the coming quarters.

Thanking you,

Yours truly,

For **Kinetic Engineering Limited**


Ajinkya Firodia
Managing Director

