

KINETIC ENGINEERING LIMITED

CIN: L35912MH1970PLC014819

Regd. Office: D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019 MH India

Tel.: (Board) +91 20 661402049E-mail: kelinvestors@kineticindia.com

Website: www.kineticindia.com

AMENDMENT TO THE POSTAL BALLOT NOTICE DATED 11 JULY 2023

To
The Members of Kinetic Engineering Limited

The Company had issued Notice dated 11 July 2023 seeking approval of members for certain agenda items through postal ballot process. The Postal Ballot Notice has already been circulated to all the Shareholders of the Company in due compliance with the provisions of the Companies Act, 2013 read with rules made thereunder and applicable provisions of SEBI regulations.

The Company through this communication wishes to bring to the notice of the Shareholders, following changes in the said Postal Ballot Notice in terms of the SEBI Regulations and suggestions/comments received from BSE.

Since the shares of the Company are frequently traded, the issue price for the preferential allotment is determined as per the regulation 164 of SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2018 (ICDR Regulations). Accordingly, the minimum issue price has been calculated on the basis of trading data available on the website of BSE.

The original Postal Ballot Notice has been approved by the Board of Directors at their meeting held on 11 July 2023 and the relevant date happens to be on 13 July 2023, as such the offer price appear Rs. 115/- in the said Notice.

However, this is to place on record that in terms of the applicable provisions of the ICDR Regulations, the minimum offer price/floor price stands at Rs. 118.74/- being higher of the following:

- Volume weighted average price of the equity shares of the Company quoted on BSE, during the 90 trading days preceding the Relevant Date i.e. Rs. 104.66 per equity share or
- Volume weighted average price of the equity shares of the Company quoted on BSE, during the 10 trading days preceding the Relevant Date i.e. Rs. 118.74 per equity share.

Accordingly changes to the Postal Ballot Notice in following points -

SPECIAL BUSINESS 1: RECLASSIFICATION OF AUTHORISED SHARE CAPITAL AND CONSEQUENT ALTERATION OF MEMORANDUM OF ASSOCIATION.

Page 2 and 3:

- 80,000 (Eighty Thousand) 8.00% Optionally Convertible Cumulative Preference Shares of Rs. 120/-each.
- 12,23,46,895 (Twelve Crore Twenty Three Lakh Forty Six Thousand Eight Hundred and Ninety Five) Preference Shares of Rs. 10/- each

SPECIAL BUSINESS 2: ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS TO PROMOTER OF THE COMPANY.

Page 4: 22,85,000 (Twenty Two Lakh Eighty Five Thousand) Equity Shares of the face value of INR 10.00 each (INR Ten Only) fully paid up at an Issue Price of INR 120/- (INR One Hundred Twenty only) including Premium of INR 110/- (INR One Hundred Ten only) per share aggregating to INR 27,42,00,000 (INR Twenty Seven Crore Forty Two Lakh only).

SPECIAL BUSINESS 3: OFFER, ISSUE AND ALLOT ON PREFERENTIAL BASIS OPTIONALLY CONVERTIBLE CUMULATIVE PREFERENCE SHARES OF THE COMPANY.

Page 6: 80,000 (Eighty Thousand) 8.00% Optionally Convertible Cumulative Preference Shares (OCCPS) of face value of INR 120/- (INR One Hundred Twenty only) per share at par for an amount not exceeding INR 96,00,000 (INR Ninety Six Lakh only) to Jayashree Firodia Trust, promoter of the company (the "Proposed Allottee) on a preferential allotment basis, for consideration in cash

Page 6: Point No. (e) One OCCPS of Rs. 120/- each will be converted at the option of the allottee in one equity shares of Rs. 10/-

each within a period of 18 months from the date of allotment by giving in writing 2 days advance notice to the Company in one or more tranches and in one or more financial years. The balance remaining, if any, after exercise of all the options before the expiry of 18 months, shall be redeemed within a period of 20 (Twenty) years from the date of allotment.

Page 6: "**RESOLVED FURTHER THAT** the OCCPS shall be converted into Equity Shares of INR 96,00,000 (INR Ninety Six Lakh only), the price calculated with respect to the Relevant Date being 13 July 2023 as per SEBI (ICDR) Regulations, 2018, 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."

Explanatory Statement: Item No. 2: Page 16: First Para: Issue of Equity Shares On Preferential Basis to Promoter of the Company.

The Special Resolutions under Item No 2 is proposed for Members approval. The Board has resolved to create, issue, offer and allot up to 22,85,000 (Twenty Two Lakh Eighty Five Thousand) Equity Shares of the face value of INR 10.00 each (INR Ten Only) fully paid up at an Issue Price of INR 120/- (INR One Hundred Twenty only) including Premium of INR 110/- (INR One Hundred Ten only) per share aggregating to INR 27,42,00,000 (INR Twenty Seven Crore Forty Two Lakh only) to the following Proposed Allottees for cash consideration: -

Sr. No.	Name of the proposed allottee	PAN	Category	Number of Equity Shares to be issued / allotted	Amount (INR)
1	Dr. Jayashree Arun Firodia	AAAPF9094M	Promoter	4,50,000	5,40,00,000
2	Mr. Ajinkya A. Firodia	AAGPF0983K	Promoter	2,25,000	2,70,00,000
3	Jayashree Firodia Trust	AADTJ6675K	Promoter	9,20,000	8,28,00,000
4	Micro Age Instruments Pvt. Ltd.	AABCM1787E	Promoter	6,90,000	11,04,00,000
Total				22,85,000	27,42,00,000

Explanatory Statement: Point No. 2: Page 16: Maximum number of specified securities to be issued:

The Board of Directors at its meeting held on 11 July 2023 had, subject to the approval of the Members and such other approvals as may be required, approved the issuance of up to 22,85,000 (Twenty Two Lakh Eighty Five Thousand) Equity Shares of the face value of INR 10.00 each (INR Ten Only) fully paid up at an Issue Price of INR 120/- (INR One Hundred Twenty only) including Premium of INR 110/- (INR One Hundred Ten only) per share aggregating to INR 27,42,00,000 (INR Twenty Seven Crore Forty Two Lakh only).

Explanatory Statement: Point No. 3: Page 16: Pricing of the Issue, Class of Proposed Allottee and Relevant Date:

First Para - The price of equity shares to be issued is fixed at INR 120/- (INR One Hundred Twenty only) per equity share of INR 10.00 (Face Value) each for preferential issue. The shares of the Company are frequently traded on the BSE Limited, hence the price is determined in compliance with Regulation 164 of SEBI (ICDR) Regulations, 2018.

Explanatory Statement: Item No. 3: Page 21: Offer, Issue and Allot On Preferential Basis Optionally Convertible Cumulative Preference Shares of the Company.

Second Para: The Board on 11 July 2023, subject to necessary approval(s), has approved the proposal to issue and allot 80,000 (Eighty Thousand) 8.00% Optionally Convertible Cumulative Preference Shares of face value of INR 120/- (INR One Hundred Twenty only) each ("OCCPS") to Jayashree Firodia Trust on preferential basis.

Explanatory Statement: Item No. 3: Page 21 & 22: A Statement of disclosure as required under Rule 9 (3) of the Companies (Share Capital and Debentures) Rules, 2014:

The size of the issue, number of preference shares to be issued and nominal value of each share	80,000 (Eighty Thousand only) 8.00% Optionally Convertible Cumulative Preference Shares of face value of INR 120/- (INR One Hundred Twenty only) each for cash.
The price at which such shares are proposed to be issued	Issue price of face value of INR 120/- (INR One Hundred Twenty only) each and as determined by the Board in accordance with the pricing guidelines prescribed under SEBI ICDR Regulations.

<p>The expected dilution in equity share capital upon conversion of preference shares</p>	<p>Assuming Resolution no. 2 approved by the shareholders, the Promoter & Promoter Group holds 59.35% of the Equity share capital of the Company, while the balance 40.65% is held by public.</p> <p>Considering that the Promoter & Promoter Group exercise the option of conversion of the entire OCCPS of INR 96,00,000 (INR Ninety Six Lakh only), into Equity shares at a conversion price of INR 120/- (INR One Hundred Twenty only) per shares, the resultant Promoter & Promoter Group shareholding would be 59.50% and the balance 40.50% Shares would be with Public.</p>
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Further, as required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, additional disclosure for issue of preference shares are as follows:

Particulars of the offer including date of passing of Board resolution

The Board of Directors of the Company at its meeting held on 11 July 2023 approved the issue of 80,000 (Eighty Thousand) 8.00% Optionally Convertible Cumulative Preference Shares of face value of INR 120/- (INR One Hundred Twenty only) each ("OCCPS") to Jayashree Firodia Trust on preferential basis.

Kinds of securities offered and the price at which security is being offered

Optionally Convertible Cumulative Preference Shares of face value of INR 120/- (INR One Hundred Twenty only)

Name and address of valuer who performed valuation

Harshad S. Deshpande
 Cost Accountants & Registered Valuer
 Registration No.: IBBI/RV/05/2018/10310
 403, Kumar Millennium, Shivtirtha Nagar Kaman, Paud Road, Kothrud, Pune 411 038

Amount which the Company intends to raise by way of such securities

80,000 (Eighty Thousand) 8.00% Optionally Convertible Cumulative Preference Shares of face value of INR 120/- (INR One Hundred Twenty only) each ("OCCPS") to Jayashree Firodia Trust on a preferential basis, without offering the same to any other person, at a price per OCCPS equal to INR 120/- (INR One Hundred Twenty only) each for an aggregate amount of INR 96,00,000 (INR Ninety Six Lakh only).

Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities.

80,000 (Eighty Thousand) 8.00% Optionally Convertible Cumulative Preference Shares of face value of INR 120/- (INR One Hundred Twenty only) each for cash. The OCCPS are unsecured and do not carry any charge on the assets of the Company. The time within which the Preferential Issue shall be converted to equity shares - At the option of allottee's.

As required under Regulation 163(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ('ICDR') disclosures for preferential issue of OCCPS are as follows:

Maximum number of specified securities to be issued:

80,000 (Eighty Thousand) 8.00% Optionally Convertible Cumulative Preference Shares of face value of INR 120/- (INR One Hundred Twenty only) each for cash.

Pricing of the Issue, Class of Proposed Allottee and Relevant Date:

The price of OCCPS to be issued is fixed at par INR 120/- (INR One Hundred Twenty only) each for preferential issue. The shares of the Company are frequently traded on the BSE Limited, hence the price is determined in compliance with Regulation 164 of SEBI

(ICDR) Regulations, 2018.

A certificate from Independent Valuer confirming the minimum price for preferential issue as per preferential issue guidelines of SEBI (ICDR) Regulations, 2018 along with the calculation thereof is obtained and the same is available for inspection at the Registered Office of the Company.

Accordingly, the number of Equity Shares proposed to be issued is as under:

Sr. No.	Name of the proposed allottee	Number of OCCPS
1	Jayashree Firodia Trust	80,000

The Relevant Date on the basis of which the price of the OCCPS will be calculated is 13 July, 2023, i.e. working day immediately preceding the date 30 days prior to the date of declaration of the results of the Postal Ballot process.

The current and proposed status of the allottee(s) post the preferential issues is the same as promoter and the maximum number of specified securities to be issued is 80,000.

Intention of Promoters, directors or key managerial personnel to subscribe to the offer:

The OCCPS shall be issued to Jayashree Firodia Trust. Only Jayashree Firodia Trust has indicated an intention to subscribe the Preferential Issue for an amount of INR 96,00,000 (INR Ninety Six Lakh only). None of the other Directors or Key Managerial Personnel of the Company intend to subscribe to any of the Equity Shares proposed to be issued under the Preferential Issue.

Identity of the Proposed Allottee(s) and the Percentage of Post Preferential Issue Capital:

The details of the proposed allottee (Promoter Group) and the percentage of post preferential issue shall be: -

Sr. No.	Name of Applicant along with PAN & address	Pre-Preferential Allotment no. of Equity Shares hold	Maximum no. of OCCPS to be allotted	No. of Equity Shares to be allotted after conversion all of OCCPS (1 Equity Share per OCCPS converted)	Post – Preferential Allotment holding of Shares*	Percentage of post preferential issue capital held (%)*
1.	Jayashree Firodia Trust PAN: AADTJ6675K Address: D-1 Block, Plot 18/2, MIDC, Chinchwad, Pune, Maharashtra 411019	1,08,267	80,000	80,000	11,08,267	4.98%

*(Assuming Resolution No. 2 approved by the shareholders & Jayashree Firodia Trust chooses to exercise the option to convert the OCCPS into equity shares). The post shareholding structure may change depending upon any other corporate action in between.

Shareholding Pattern before and after preferential issue of the capital would be as follows:

The pre issue and post issue shareholding pattern of the Company –

Sr. No.	Category	Pre Issue of Equity Shares		*Post Issue of OCCPS (assuming OCCPS will be converted into Equity)	
		No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
A	Promoters Holding –				
	1. Indian				
	Individual	59,26,425	29.82	66,01,425	29.68
	Promoter Trust	1,08,267	0.54	11,08,267	4.98
	Body Corporate	48,32,993	24.32	55,22,993	24.83
	Sub Total	1,08,67,685	54.68	1,32,32,685	59.50
	2. Foreign Promoters	-	-	-	-
	Sub Total (A)	1,08,67,685	54.68	1,32,32,685	59.50
B	Non-Promoters Holding –				
	1. Institutional investors	3525	0.02	3525	0.02
	2. Non-Institution				

Corporate Bodies	30,58,091	15.39	30,58,091	13.75
Directors	5,136	0.03	5,136	0.02
Indian Public	54,82,129	27.58	54,82,129	24.65
Others (Including NRIs)	4,59,934	2.31	4,59,934	2.07
Sub Total (B)	90,08,815	45.32	90,08,815	40.50
Grand Total (A+B)	1,98,76,500	100.00	2,22,41,500	100.00

*(Shareholding Post issue of OCCPS calculated assuming Resolution No. 2 approved by the shareholder & Jayashree Firodia Trust chooses to exercise the option to convert the OCCPS into equity shares). The post shareholding structure may change depending upon any other corporate action in between.

All other particulars and details remain unchanged. The corrigendum shall be read in conjunction with the Notice dated 11 July 2023 together with explanatory statement. This corrigendum is also available on the company's website viz. www.kineticindia.com, and on the website of BSE Limited viz. www.bseindia.com. It shall also be sent electronically to all the registered members as on the cut-off date i.e. Friday, 07 July 2023.

Please note: Shareholders who have not voted are required to vote by logging in on www.evotingindia.com. However, Shareholders who have already voted before the issue of this corrigendum notice, have the option to give their assent or dissent by sending an email to the Scrutinizer on below address: csdineshbirla@gmail.com

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

**Sd/-
Chaitanya Mundra
Company Secretary and Compliance Officer**

Pune, 01 August, 2023

Registered Office:

D-1 Block, Plot No. 18/2, MIDC,
Chinchwad, Pune - 411019 MH India
Tel.: (Board)+91 20 661402049
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