

**KINETIC ENGINEERING LIMITED**

Regd. Office : Kinetic Innovation Park, D-1 Block,
Plot No. 18/2, H. K. Firodia Road, MIDC,
Chinchwad, Pune - 411 019. (India)

Tele. : +91-20-66142049
Fax : +91-20-66142088 / 89

CIN : L35912MH1970PLC014819

Website : www.kineticindia.com

KEL/SEC/2015

September 15, 2015

Bombay Stock Exchange Ltd.,
Corporate Relationship Department,
16th / 17th Floor, P. J. Towers,
Dalal Street, Fort, Mumbai- 400 001

CORRIGENDUM TO ANNUAL REPORT FOR FINANCIAL YEAR 2014-15

Dear Shareholders,

With reference to the Annual Report 2014-15 sent to the Members of the Company, errors which occurred due to inadvertence / typographical / printing mistakes on pages 9, 41, 42, 43 and 44 of the said Annual Report 2014-15, which are clarified as under as matter of abundant clarity:

1. In the Directors' Report on page no. 9, in the table read as:

	2014 (in Cr)	2013 (in Cr)
Revenues	61.16	61.00
EBITDA	23.98	(78.21)
Profit	10.22	(59.00)
Debt	278.60	192.44

Which should be read as:

	2014-15 (in Cr)	2013-14 (in Cr)
Revenues	61.16	61.00
EBITDA	23.98	(78.21)
Profit	10.22	(59.00)
Debt	192.44	278.60

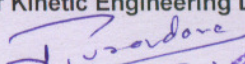
2. In the Balance Sheet on page no. 41, next to the title "**Balance Sheet as at 31st March, 2015**" in the right corner in bracket it is wrongly printed as "**(Rs. In Lacs)**" which should be read as "**(Rupees)**".
3. In the Balance Sheet on page no. 42, next to the title "**Profit and Loss Statement for the period ended March 31, 2015**" in the right corner in bracket it is wrongly printed as "**(Rs. In Lacs)**" which should be read as "**(Rupees)**".
4. In the Cash Flow Statement on page no. 43 and 44, next to the title "**Cash Flow Statement for the year ended March 31, 2015**" in the right corner in bracket it is wrongly printed as "**(Rs. In Lacs)**" which should be read as "**(Rupees)**".

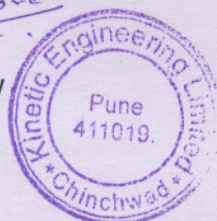
These printing mistakes happened inadvertently at the time of printing the final version. All other information in the Annual Report 2014-15 remains unchanged.

The revised Annual Report 2014-15 is available on the website of the Company.

Inconvenience caused is highly regretted. Members are requested to read the Annual Report 2014-15 with above corrigendum.

For Kinetic Engineering Limited


Rohit Purandare
Company Secretary





KINETIC ENGINEERING LIMITED

Annual Report 2014-15

KINETIC



in Every automobile



KINETIC ENGINEERING LIMITED

CIN: L35912MH1970PLC014819

Registered Office: D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019, India,
Tel.: +91-20-66142049 Fax: +91-20-66142088/89 kelinvestors@kineticindia.com \ www.kineticindia.com

BOARD OF DIRECTORS

MR. ARUN H. FIRODIA CHAIRMAN
MRS. SULAJJA FIRODIA MOTWANI VICE-CHAIRPERSON
MR. AJINKYA A. FIRODIA MANAGING DIRECTOR
MR. JINENDRA H. MUNOT	
DR. K. H. SANCHETI	
MR. S. R. SANGHI	
MR. S. R. KOTECHA	
MR. R. J. KABRA	
MR. ASHISH KUMAR(upto 12.09.2014)	

COMPANY SECRETARY
MR. ROHIT PURANDARE

AUDITORS
M/S. P. G. BHAGWAT
CHARTERED ACCOUNTANTS, PUNE

REGISTERED OFFICE

D-1 BLOCK, PLOT NO. 18/2,MIDC, CHINCHWAD, PUNE - 411019.

REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED
BLOCK NO. 202, AKSHAY COMPLEX, NEAR GANESH TEMPLE, OFF DHOLE
PATIL ROAD, PUNE – 411001, PHONE NO. : 020 – 26160084, 26161629, TELE FAX NO. : 020 – 26163503
E-MAIL ID : pune@linkintime.co.in

WORKS

NAGAR-DAUND ROAD, AHMEDNAGAR, PIN - 414001.

CONTENTS

- NOTICE OF THE ANNUAL GENERAL MEETING
- DIRECTORS' REPORT ALONGWITH ANNEXURES
- AUDITORS' REPORT
- BALANCE SHEET, PROFIT & LOSS ACCOUNT (WITH SCHEDULES AND NOTES)
- CASH FLOW STATEMENT
- ATTENDANCE SLIP & PROXY FORM

N O T I C E

NOTICE is hereby given that the 44th Annual General Meeting of the shareholders of KINETIC ENGINEERING LIMITED will be held on Wednesday, 30th day of September, 2015 at 11: 00 a.m., at the Registered Office of the Company at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the financial year ended on that date, together with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Arun Hastimal Firodia (DIN: 00057324), who retires by rotation and is eligible for re-appointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass the following Resolution, with or without modification, 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”) 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, subject to approval of Reserve Bank of India (RBI) consent of the Company be and is hereby accorded to the Board to create, issue, offer, and allot 2,24,359 (Two lacs Twenty Four thousand three hundred fifty nine) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each at a premium of ₹ 146/- (Rupees One hundred forty six Only), aggregating up to ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lacs Only) considering 30th August, 2015 as the Relevant Date being the date 30 days prior to the date of this meeting 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	Micro Age Instruments Private Limited	AABCM1787E	Promoter	2,24,359

“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 ₹ 10/-(Rupees Ten only) 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 ₹10/- (Rupees Ten only) 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.”

By Order of the Board of Directors
For KINETIC ENGINEERING LIMITED
Rohit Purandare
Company Secretary

Date: 13.08.2015

Place: Pune

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- 2 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
- 3 An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
- 4 Brief details of the directors, who are seeking re-appointment, are annexed hereto as per requirements of clause 49 of the listing agreement.
- 5 Pursuant to the provisions of section 91 of the

Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from 28/09/2015 to 30/09/2015 both days inclusive.

- 6 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime.
- 7 In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
- 8 To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Link Intime India Pvt. Ltd. on pune@linkintime.co.in.
- 9 Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.
- 10 Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
- 11 Corporate members are requested to send in advance, duly certified copy of the Board

Resolution/Power of Attorney authorising their representative to attend the annual general meeting.

- 12 Members/Proxies are requested to bring the copies of annual reports to the meeting.
- 13 Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
- 14 Voting through electronic means

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 23 September 2015 (End of Day) being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, 27th September, 2015 at 9.00 a.m. and ends on Tuesday, 29th September, 2015 at 5.00 p.m. IST. 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 <Record Date>, 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 of "KINETIC ENGINEERING LIMITED".

(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.

**Annexure to Notice
EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT,2013**

Item No. 4

The Board on 13th August, 2015, subject to necessary approval(s), has approved the proposal for raising funds up to ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lacs Only) by way of issue of equity shares on preferential basis.

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 augment the resources of the Company for general corporate and capacity expansion at both the plants, and other such purposes permitted by the applicable law and approved by the Board of the Company.

(b) Proposal of Promoters/Directors/key Managerial Personnel of the Company to subscribe to the offer:

The Preferential Issue is being made to the

promoters 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 2,24,359 (Two lacs Twenty Four thousand three hundred fifty nine) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each at a premium of ₹ 146/- (Rupees One hundred forty six Only), aggregating up to ₹ 3,50,00,000/- (Rupees Three Crores Fifty 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 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	74,97,158	55.26	77,21,517	55.99
(I)	Indian Promoters (A)	74,97,158	55.26	77,21,517	55.99
(B)	Public Shareholding				
(I)	Institutions				
(a)	Mutual Funds / UTI / Banks / FIs	1,43,781	1.06	1,43,781	1.04
(b)	Foreign Institutional Investors	256	0.00	256	0.00
	Sub-Total (B1)	1,44,037	1.06	1,44,037	1.04
(2)	Non-institutions				
(a)	Bodies Corporate	10,31,873	7.61	10,31,873	7.48
(b)	Individuals	29,96,357	22.08	29,96,357	21.73
(c)	Foreign Corporate Bodies / NRIs	18,28,790	13.48	18,28,790	13.26
(d)	Others	67,635	0.50	67,635	0.49
	Sub-Total (B2)	59,24,655	43.67	59,24,655	42.96
	Grand Total (A)+(B1)+(B2)	1,35,65,850	100.00	1,37,90,209	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	Micro Age Instrument Private Limited	1849845	13.64	224359	15.29

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

Proposed Allottee

Micro Age Instrument Private Limited - A promoter group company.

(g) Lock-In Requirements:

The shares to be allotted on preferential basis shall be subject to lock-in for a period of one year 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 be placed before the shareholders at the Extraordinary General Meeting and is 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 31st August, 2015 which is the date 30 days prior to the date of Extra-ordinary General Meeting where 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/- (Rupees 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 ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lacs only) and to offer and allot such Equity Shares on a private placement basis.

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

By Order of the Board of Directors
For KINETIC ENGINEERING LIMITED

Rohit Purandare
Company Secretary

Pune, 13th August, 2015

"Details of Directors seeking appointment / re-appointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement with Stock Exchanges)"	
Name of Director	Mr. Arun H. Firodia
Age	72
DIN	00057324
Date of Appointment	1st July, 1987
Qualification	B. Tech. M.S. (Elec. Engg.), M.S. (Management)
Expertise	Rich experience in Automobile Industry more than 42 years
Directorships as on 31st March, 2015	Jaya Hind Sciaky Ltd., Kinetic Communications Ltd., Kinetic Engineering Ltd., Kinetic Hundai Elevator & Movement Technologies Ltd., Kinetic Taigene Electrical Co. Pvt. Ltd., Ducati Energia Pvt. Ltd., Kinetic Marketing and Services Ltd., Kinetic Auto Ltd., Kinetic Green Energy and Power Solutions Ltd., Kinetic World Pvt. Ltd, Kinetic Kids Products Pvt. Ltd., Karina Tourism and Adventures Pvt. Ltd., National Agriculture and Food Analysis and Reseach Institute., Kinetic Hankuk Electricals & Electronics Pvt. Ltd.,
Chairmanship / Membership of Committees of other Public Companies as on 31st March, 2014	Nil
Shareholding in the Company	107961



DIRECTOR'S REPORT 2014-15
(Including Management Discussion & Analysis)

Dear Members,

Business Overview

Your Directors present the 44th Annual Report on the business and operations of **Kinetic Engineering Limited** and the Audited Financial Accounts for the financial year ended 31st March, 2015.

Financial Highlights

During the financial year 2014-15, the company has made remarkable progress in building the financial strength of the company. Efforts taken for debt reduction and costs rationalization have yielded into strengthening of key financial ratios for the company ensuring a strong success for the business in the long term. As a result, the financial highlights are as follows:

	2014-15(in Cr)	2013-14 (in Cr)
Revenues	61.16	61.00
EBITDA	23.98	(78.21)
Profit	10.22	(59.00)
Debt	192.44	278.60

Key Take Aways include:

- Decrease in material costs: from 60.82% to 58.40%.
- Profit for the company of ₹ 10.22 Cr during the year as against a loss of ₹ 59.00 Cr in the previous year.
- Decrease in total debt of the company by ₹ 86.16 Cr.

Major factors contributing to net profit were as under: -

- Backward integration into forgings and turning to become a 100% vertically integrated facility for transmission assemblies manufacturing
- Rationalisation of businesses to focus on profitable verticals
- Reduction in overheads through re-layout of plant facilities
- Negotiation and arriving at a settlement of FCCB bonds worth \$ USD 23 MN
- Settlement of Promoter ICDs worth ₹ 7.25 Crores.

Resulting in a net gain to ₹ 26.75 Crores; and resulting in a net profit for the company of ₹ 10.22.



**To be launched Renault KWID
KEL will be making components for this small car**



AXIAM 6B developed

The Company has undertaken the strategic decision to transform its traditional 2 wheeler business to auto-components in the year 2009 in order to tap its immense technical expertise and infrastructure available to become a unique and credible supplier of auto parts & systems, focused on transmission assemblies. Over the period, since the inception, the company has achieved a strong strategic direction to explore the immense potential of this business and has been taking constructive steps to build a robust business ahead. These include:

- A Larger Focus on International Customers and make in India initiative
- Technology partnerships to add to the company's competitiveness and product portfolio
- Focus on transmission assemblies as core business area
- Control on costs through backward integration
- Upgradation of Facilities and Equipments
- Upgradation of Quality systems



Worker with new CNC Machine



Training of our employees at KEDS



New training centre KEDS

In the above guidelines set forth, the company has made exceptional progress as noted below:



• Make in India:

In line with the Honorable Prime Ministers Mantra for “Make in India”, your company has been the winner of the prestigious EEPC’s award for export excellence consecutively for the last 5 years. Taking forward this strength, the company has won various prestigious, high volume business from international customers such as:



American Axle, A US Company with sales worth \$2.93 billion for a major order worth ₹ 30 cr annually



Aixam, France, part of the \$5 BN US Polaris industry, for the supply of complete transmission assembly for their quadricycle for ₹ 12 cr annually



Renault Nissan, for the supply of transmission parts for their upcoming small car KWID and various other global platforms worth ₹ 20 cr annually, marking your company's entry into the passenger car segment of a global OEM



Magna Powertrain, for the supply of broached transmission components in the US worth ₹ 5 crore annually

These businesses are under various stages of development, and are expected to commence in 2014 – 2015 and ramp up in the coming years to the desired volumes. As you can see, your company has been successful in bagging business across the globe amongst diverse market segments and is well poised to grow its business substantially. In addition the company continues to maintain its relationship with existing customers including Mahindra Group, TATA motors, Carraro India and various others. The company has also proudly developed various parts for India's favorite small car Nano's new versions which have recently hit the market.

Technology:



New 6B developed under TAA with Magna Styer



New Renault line

Your company continues to partner with technology suppliers to build horizontal and vertical capabilities and offer to customers end to end solutions as noted below:

- The Company is a proud partner with Magna Styer, India as a partner under its existing "technical alliance agreement", whereby MSIA complements KEL's manufacturing capabilities in terms of design, testing and validation of transmission assemblies for its customers. Magna Styer India is a subsidiary of Magna Styer GMBH, Austria, one of the world's largest design xxx
- The Company also has a technical agreement with CTI (Chief Transmissions Limited, formerly Taiwan Golden Bee), a Taiwanese company focusing on making CVT's from 50 cc to 1000 cc. The company hopes to expand its CVT business in the growing scooter market in India together with this alliance.

- The Company also has developed its strength in forgings through backward integration. The company has recently added 1 hammer and 1 press of 1300 tons and has over 95% of its forgings done in house. These technological partners give the Company a unique position in the market to offer its customer products of international standards at reasonable costs

Upgradation of facilities and Quality Systems:



New Aixam (Polaris) assembly line



Fully automatic assembly line for 6B



In line with the customer profile, the company has taken various initiatives to upgrade its facilities to international standards. These include:

- Set up of a modern & automatic assembly line
- Creation of a conveyerised single piece flow line for high volume customer
- Addition of in-house press forge shop
- Addition of new machines for various critical processes like induction hardening and rack rolling. These shops have been upgraded with a new 5 S initiative to maintain cleanliness and automisation required to deliver the precision quality demanded by the business.

With a quality system set up in tune with the requirements of ISO 9001, and with ISO/TS 16949:2002 certification, the Company plans to leverage its skills in

domestic as well as international market, by further striving for total customer satisfaction through relationship building and providing superior products and technological solutions to its customer. The Company has further strengthened its quality systems by an internal quality assessment system called as "KQAA" (Kinetic Quality Assessment and Awards) which reviews and rewards exceptional practices in Quality at each cell. Various efforts and initiatives have been taken to have a larger focus on Kaizens, Pokayoke, Quality Analysis methodology, APQP documentation and other systems that will ensure a sustainable effort for the business.

The company has launched "KEDS"; a training center called as "Knowledge Enhancement & Development of Skills Center" for its employees in its Ahmednagar facility which focuses on motivational and training of its staff and workers at regular intervals.

**Overview of Settlement with FCCB holders:**

- A. On 13 February 2008, the Company issued USD 18,000,000 (United States Dollars Eighteen Million) 2% Convertible Bonds due 2013 i.e. 180 (one hundred and eighty) bonds of face value USD 100,000 (United States Dollars One Hundred Thousand) each.
- B. The Bonds were issued pursuant to the terms of the Offering Circular, the Subscription Agreement and the trust deed dated 13 February 2008 entered into between the Company and the Trustee as amended by a supplemental deed dated 15 February 2013 (each as may be amended and/ or restated from time to time, collectively, the "Trust Deed"). The Company had also entered into an Agency Agreement in relation to the appointment of the Principal Agent, the Registrar, the Conversion Agent and the Transfer Agent.
- C. The Bonds are listed on the Singapore Exchange Securities Trading Limited, Singapore under ISIN Code: ISIN XS0345165020.
- D. As per the terms of the Trust Deed, the Bonds were scheduled to be redeemed by the Company on 15 February 2014 (the "Maturity Date") but have not been redeemed, repurchased, cancelled or converted.
- E. The Bondholders and the Company have discussed and negotiated in good faith, terms and conditions for a full and final settlement of the Bonds and have entered an Agreement to record their understanding.
- F. Accordingly, the FCCB liability of about Rs. 142 Crores as on 31.03.2015 will be settled as under:
1. Rs. 70 Crores Cash Payment; and
 2. By way of issuing 23,40,499 shares of the Company at a price of Rs. 156 per share.
- The above settlement is subject to approval of RBI and Company will be making an application to RBI. Similarly, Micro Age Instruments Pvt. Ltd. a promoter group Company also agreed to a settlement whereby, its dues of Rs. 7.25 Crores will be settled at Rs. 3.50 Crores by way of issuing 2,24,359 shares of the Company at a price of Rs. 156 per share.
- The above referred negotiations and settlements helped the Company to improve its Net Worth to Rs. 41.91 Crores as on 31.03.2015 and reduction of its liabilities by Rs. 149.25 Crores.
- G. Company is also in discussion with Reliance Capital Limited for the settlement of liability.

The above referred negotiations will further help the Company to improve its Net Worth and make it a virtually debt free Company.

While the global recovery was still slow and witnessing divergent trends, Indian Economy grew at 7.3% in the Financial Year (FY) 2014-15, against 6.9% in 2013-14 (Source: Indian Statistical Office (CSO) of India data). The major contributor was the manufacturing sector which registered 7.1% growth for the year.

The Government has initiated a slew of steps to take the economy forward.

INDUSTRY OVERVIEW**Industry structure**

The Auto Component Industry in India has a strong positive multiplier effect as a key driver of economic growth. Indian auto components are exported to more than 160 countries and it is indeed very heartening that component exports have been growing at a CAGR of 29% over the past six years. The major business of your Company comes from exports. Company also benefitted from the strengthening of the rupee. All these factors have helped the Company immensely.

Outlook, Opportunities and Threat

Your company has successfully bagged business across the globe amongst diverse market segments and is well poised to grow its business substantially. Company also benefitted from the strengthening of the rupee.

The Company has got orders however, the same are in development stage and the management is of the view that it will take another 2 to 3 quarters to operationalise the orders.

Deposits

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Share Capital

The paid up equity share capital as on 31 March 2015 was ₹ 13.57 cr.

There was no public issue, rights issue, bonus issue or preferential issue etc. during the year.

Research & Development

Research and development is viewed as crucial for development of the Company. These activities add in expanding and upgrading the product portfolio and improving the offerings to the customers.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure I and is attached to this Report.

Auditors

The auditors M/s P. G. Bhagwat, Chartered Accountants, hold office until the ensuing Annual General Meeting, and have furnished a certificate in terms of Sec. 224(1) of the Companies Act, 1956, about their eligibility.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Devendra V. Deshpande, Practicing Company Secretary (Certificate of Practice Number: 6099) to undertake the Secretarial Audit of the Company.

In terms of provisions of sub-section 1 of section 204 of the Companies Act, 2013, the Company has annexed to this Board Report as Annexure II, a Secretarial Audit Report given by the Secretarial Auditor.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Employees

Key Managerial Personnel (KMP)

The following have been designated as the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Mr. Arun H. Firodia – Chairman
- b) Ms. Sulajja Firodia Motwani – Vice Chairperson
- c) Mr. Ajinkya A. Firodia – Managing Director
- d) Mr. Mukund V. Tasgaonkar – Chief Financial Officer (CFO)
- e) Mr. Rohit Purandare – Company Secretary (CS)

Other than Mr. Pranvesh Tripathi, Company Secretary and Mr. Ravindra Yadav, Company Secretary, none of the KMP has resigned during the year under review.

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits

set out in the said Rules are provided in the Annexure forming part of the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Corporate Governance Report which is attached as Annexure III forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

Board Meetings and Annual General Meeting

During the year, 6 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as Annexure-III to this Report.

During the year 1st April, 2014 to 31st March, 2015, 6 Board Meetings were held on 22nd April, 2014, 24th May, 2014, 28th June, 2014, 14th August, 2014, 13th November, 2014, and 12th February, 2015. The 43rd Annual General Meeting (AGM) of the Company was held on 29th September, 2014.

Meetings of Independent Directors

The Independent Directors of the Company meet before the Board Meetings without the presence of the Chairman & Managing Director or Executive Director or other Non-Independent Directors or Chief Financial Officer or any other Management Personnel.

These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Audit Committee

This Committee comprises of the following Directors viz. Mr. Shirish R. Kotecha (Chairman of the Committee), Mr. Jinendra H. Munot, Mr. Ramesh J. Kabra and Mr. K.



H. Sancheti. All the Members are Independent Directors. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations of the Audit Committee were accepted by the Board.

Directors and Key Managerial Personnel

During the year under review, Mr. Ashish Kumar Agarwal, Nominee Director stepped down from the Board. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by him to the Board and the Company during his tenure as Director.

Mr. A. H. Firodia, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

At the Board Meeting held on May 22, 2014, Mr. Ajinkya A. Firodia, was appointed as Managing Director of the Company for a tenure of 5 years, Mr. Mukund Tasgaonkar, was appointed as Chief Financial Officer w.e.f. 24th May, 2014 and Mr. Pranvesh Tripathi, resigned from the post of Company Secretary as on 24th May, 2014, thereafter Mr. Ravindra Yadav, was appointed as Company Secretary on 24th May, 2014. Mr. Ravindra Yadav resigned from the post of Company Secretary on 5th July, 2014. Mr. Rohit Purandare, was then appointed as Company Secretary on 1st Aug. 2014 and was designated as "Key Managerial Personnel" of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Extract of Annual Return

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2015 in Form No. MGT 9 is attached herewith as Annexure IV and forms part of this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without the participation of the Non-independent Directors and Management,

considered/evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors.

The Board have undergone a formal review which comprised Board effectiveness survey, 360 degree and review of materials. This was delivered by an external specialist and resulted in a full Board effectiveness report and Directors' feedback. This is further supported by the Chairman's Annual Director Performance Review.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

The criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached as Annexure-III to this Report.

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2015 and May 12, 2015 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report (August 13, 2015).

GOVERNANCE

Corporate Governance

Your Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement which is attached as Annexure III to this Annual Report.

Vigil Mechanism

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Agreement is implemented through the Company's Whistle Blower Policy to enable the Directors and employees of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of the Company is available on the Company's website at the web-link: www.kineticindia.com/investors

Further details are available in the Report on Corporate Governance that forms part of this Annual Report.

Contracts or Arrangements with Related Parties

All Related Party Transactions entered into during the year were in the Ordinary Course of Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual financial turnover as per last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at web link:

www.kineticindia.com/investors

Internal Control System

The company has adequate internal control system commensurate with its size and nature of business for ensuring efficiency of operations, adherence to management policies and protection of company's assets. The company's Audit Committee periodically reviews the internal control systems and compliance with Company's policies, procedures and laws.

Cautionary Statement

The report contains estimates and expectations, which could be 'forward looking'. Actual results, however, might differ from estimates and expectations expressed or implied in this report, as the same are affected by many other uncertainties, including raw material availability & prices, changes in Government regulations, tax regimes, economic developments and other incidental factors.

Directors responsibility statement

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts for the Financial Year ended 31st March, 2015, the applicable accounting standards have been followed;
- (b) the Directors had in consultation with Statutory Auditors, selected accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were operating effectively during the Financial Year ended 31st March, 2015;
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2015.

Remuneration Policy of the Company

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached as Annexure-III to this Report.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note A-11 of the Notes to the financial statements.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

Acknowledgement

The directors express their sincere thanks to Central & State Governments, Financial Institutions, banks who have extended their support in form of Credit Facilities, suppliers and stakeholders for the support extended to the Company and also wish to place on record their appreciation of the dedicated services rendered by the employees of the Company.



For and on behalf of the Board of Directors
A. H. Firodia
 Chairman

Pune, August 13, 2015
 Regd. Off. : D1 Block, Plot No.18/2, MIDC, Chinchwad, Pune - 411019.

Annexure I Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is forming part of the Directors' Report for the year ended 31st March, 2015

A) Conservation of energy

Significant Initiatives:

Sr no.	Point Details
1	Maximum demand control upto 1700 KVA
2	Ideal machine cut off by introducing timers
3	Energy efficient tube light to be replacing 250w mercury fittings
4	Maintaining pf throughout year
5	Switch off lights, fan, machines, air valves when not required
6	Oil leakage arrest
7	Air leakage to be stopped and fixing air gun as per requirement
8	Daily shopwise, cellwise energy audit and record
9	Introducing thyristor controller to tempering furnace

B) Technology Absorption

- 1) the efforts made towards technology absorption:
 - a. Process/ equipment developments – New test-rigs for functional-test made operational
 - b. Value engineering and value analysis (VEVA) – Double-barrel power steering gear productionised.
 - c. Up-gradation of existing products to the need of customers PAS for Tractors introduced.
 - d. Filed patent for Auto Setting Limiters and Double-barrel power steering gear.
 - e. Modernization and automation of the plant to produce and test the products to its accuracy.
- 2) Benefits derived as a result of the above efforts
 - a. Product quality and cost reduction
 - b. Improvement in market share
 - c. Indigenization of various components
 - d. Reduction in foreign exchange outgo
 - e. Conveyorise movement of material from assembly, painting and to dispatch eliminates non value adding man power.
- f. Improvements in Manufacturing methods and quality standards.
- g. Aiming towards self sufficiency in engineering skills for manufacturing range of steering gears and connected products.
- h. Development of cost effective, high performance engineering products.
- 3) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL
- 4) the expenditure incurred on Research and Development
 the Company spent Rs. 238.97 lakhs for Research & Development work during the year, which was approximately 4.36 % of the turnover.
- C) Foreign Exchange Earnings and Outgo:-
 The Company continues to strive to improve its export earnings.
 The information on foreign exchange earnings and outgo is contained in Point No. 10 & 11 in Notes to the Accounts.

Pune, August 13, 2015
 Regd. Off. : D1 Block, Plot No.18/2, MIDC, Chinchwad, Pune - 411019.

Annexure II
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2015
 [Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the
 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
M/S. KINETIC ENGINEERING LIMITED
 D1 Block, Plot No.18/2,
 Chinchwad, Pune 411019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KINETIC ENGINEERING LIMITED. (Hereinafter called "the Company").

Secretarial Audit was conducted for the year from 1st April 2014 to 31st March 2015, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of the following list of laws and regulations:

(i) The Companies Act, 2013 (the Act) and the rules made there under the Company is in the process of filing of the following documents with the Registrar of Companies / Central Government as per the provisions

of Companies Act, 2013:

Sr. No	Event Date	Section	Form No
1	24/04/2014	196	MR 2
2	24/04/2014	117	MGT 14
3	24/05/2014	203	MR 1
4	14/08/2014	203	MR 1

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

"The company has entered into Settlement Agreement with the Foreign Currency Convertible Bond (FCCB) holders holding 180 Bonds of \$1,00,000/- each. In terms of the settlement agreements, 87 Bonds would be repaid at the face value along with the redemption premium @ 24.50% and restructuring fee @ 2.60%. For the remaining 93 Bonds, 23,40,499 Equity shares of Rs.10/- face value with a premium of Rs.146/- per share would be allotted to the Bond holders in full settlement. The difference between Redemption premium provided for in the books and that payable in terms of Settlement agreement is reversed and credited to Security Premium. The Difference between the carrying amount of the Bonds and the amount payable to Bond holders along with the amount of the Equity Shares to be issued amounting to Rs. 2300.39 Lacs has been credited to Gain on settlement of FCCB and disclosed as an Exceptional Item under Note No.25 of the financial statement. The Company is in the process of obtaining necessary approval from The Reserve Bank of India in this matter."

The Company had made a reference to BIFR under



Section 15(1) of SICA and it was registered by BIFR as on 31.03.2015. The Company's accumulated losses at the end of 31st March, 2015 are not less than 50% of its net worth, owing to the settlement reached as mentioned above the net worth of the Company has turned positive. The Company is in process of withdrawing the reference filed with BIFR. The Company has not incurred cash losses in the current financial year.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the Audit Period]

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable during the Audit Period]

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the Audit Period]

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the Audit Period]

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the Audit Period]

(vi) OTHER APPLICABLE LAWS:

a. Industries (Development & Regulations) Act, 1956

b. Motor Vehicles Act, 1958

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the audit period).

(ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**FOR JDNASSA & ASSOCIATES
COMPANY SECRETARIES**

DEVENDRA DESHPANDE

FCS No. 6099

CP No. 6515

Place : Pune

Date : 01.08.2015

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,

The Members

M/S. KINETIC ENGINEERING LIMITED

D1 Block, Plot No.18/2,

Chinchwad, Pune 411019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR JDNASSA & ASSOCIATES

COMPANY SECRETARIES

DEVENDRA DESHPANDE

FCS No. 6099

CP No. 6515

Place :Pune

Date : 01.08.2015



Annexure III
REPORT ON CORPORATE GOVERNANCE FOR THE 12 MONTHS PERIOD ENDED
31ST MARCH, 2015.

1. Corporate Governance Philosophy

Corporate Governance, in essence, is a set of systems and procedures which aims to ensure that the Company is managed to suit the best interest of all its stakeholders with an objective to maximize their wealth. The stakeholders may be Promoters, Shareholders, Customers, Lenders, Vendors, Government or Employees. The concept of Corporate Governance hinges on total transparency, integrity and accountability of the Management. Kinetic Engineering Limited (KEL) believes in total transparency in sharing all relevant information with all its stakeholders and the Company is quite confident that the information shared

would in turn contribute to improve the overall performance of the Company and further would strengthen relationship of the Company with all above.

2. Board of Directors

2.1 Presently, the Board of the Company comprises eight members, out of which five are Non-Executive Directors and out of five Non-Executive Directors, four are Independent Directors. The Non-Executive Directors of the Company are highly experienced professionals in their fields and in the corporate world.

2.2 The Board is headed by an Executive Chairman.

2.3 The Composition of Directors on the Board of the Company is as under:

Category	No. of Directors	No. of Directors required under clause 49
Executive Directors	03	--
Non-Executive Directors	05	05
Independent Directors	04	4.5 (05)

2.4 The Category of Directors on the Board of the Company is as under:

Name of the Director	Category	No. of other Directorships * in Public Ltd. Companies	Committee Member	Positions+ Chairman
Mr. A. H. Firodia	Promoter/ Executive	6	Nil	Nil
Mr. Ajinkya Firodia	Promoter / Executive	5	Nil	Nil
Mrs. S. F. Motwani	Promoter/Executive	4	Nil	Nil
Mr. H. Bhatia**	Nominee	2	Nil	Nil
Mr. Ashish Kumar***	Nominee	2	2	Nil
Mr. J. H. Munot	Independent	2	Nil	Nil
Dr. K. H. Sancheti	Independent	Nil	Nil	Nil
Mr. S. R. Sanghi	Independent	2	1	2
Mr. S. R. Kotecha	Independent	Nil	Nil	Nil
Mr. R. J. Kabra	Independent	Nil	Nil	Nil

* Excludes Directorship in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013 and Directorship in Kinetic Engineering Limited.

** upto 09.07.2014

*** upto 12.09.2014

+ Committees considered are Audit Committee and Stakeholders Relationship Committee in Public Companies excluding of Kinetic Engineering Limited.

2.5 None of the Directors of the Company holds membership of more than 10 Board Committees or holds Chairmanship of more than 5 Board Committees.

2.6 Attendance of Directors at Board Meetings and at the last Annual General Meeting:

During the 12 months period ended 31st March, 2015 (hereinafter referred to as 'the period under review'), 6 Board Meetings were held on 22nd April, 2014, 24th May, 2014, 28th June, 2014, 14th August, 2014, 13th November, 2014, and 12th February, 2015. The maximum time gap between any two Board Meetings was not more than four months. The details of Attendance of Directors at the Board Meetings and at the last Annual General Meeting are as hereunder:

Name of the Director	Board Meetings held during the tenure of the Director	Board Meeting Attended	Attendance at the last AGM held on 29/09/2014
Mr. A. H. Firodia	6	6	Present
Mr. Jinendra H. Munot	6	4	Absent
Dr. K. H. Sancheti	6	1	Absent
Mr. S. R. Sanghi	6	2	Absent
Mr. S. R. Kotecha	6	5	Present
Mr. Ajinkya Firodia	6	5	Present
Mrs. Sulajja Firodia Motwani	6	5	Present
Mr. Ashish Kumar***	4	3	NA
Mr. Harjit Singh Bhatia**	3	0	NA
Mr. R. J. Kabra^	3	3	Absent

** upto 09.07.2014

*** upto 12.09.2014

^ from 28.06.2014

The Board reviews Compliance Report of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance.

2.7 Pecuniary relationship or transactions of Non-Executive Directors: Nil

2.8 Code of Conduct

The Board of Directors has laid down Code of Conduct, for Board Members and designated Senior Management and Employee of the Company. These Codes have been posted on the Company's website <http://www.kineticindia.com/>. All Board Members and Senior Management personnel have affirmed compliance with these Codes of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

3. Audit Committee

3.1 Brief description of Terms of Reference

To oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance of statutory and internal auditors, reports of the Company's internal auditors, cost auditor and financial

statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial conditions and results of operations, statement of significant related party transactions, management letter(s) of internal control weaknesses, if any, issued by statutory auditors.

3.2 Composition, Name of Members and Chairman:

Name of the Director	Category	Status
Mr. S. R. Kotecha	Independent	Chairman
Mr. J. H. Munot	Independent	Member
Dr. K. H. Sancheti	Independent	Member
Mr. R. J. Kabra^	Independent	Member
Mr. Ashish Kumar***	Independent	Member

*** upto 12.09.2014 ^ from 28.06.2014

3.3 Meetings and attendance during the period under review:

During the 12 months period ended on 31st March, 2015, 4 Meetings of the Audit Committee were held on 24th May, 2014, 14th August, 2014, 13th November, 2014, and 12th February, 2015. Details of attendance of the Members at the meeting were as follows:



Name of Director	No. of Meetings attended
Mr. S. R. Kotecha	4
Mr. J. H. Munot	2
Mr. K. H. Sancheti	1
Mr. Ashish Kumar***	1
Mr. R. J. Kabra^	3

*** upto 12.09.2014 ^ from 28.06.2014

The Head of Finance Department, Internal Auditors, Statutory Auditors, and other Senior Executives members of the Company are also invited to attend the Audit Committee. The Company Secretary acts as Secretary to the Committee.

4. Nomination and Remuneration Committee (formerly termed as Remuneration Committee)

4.1 Brief description of Terms of reference

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on April 22, 2014, have approved the change in nomenclature of the Remuneration Committee to Nomination and Remuneration Committee and have revised their role as under:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity;

4.2 Composition

Name of the Director	Category	Status
Mr. S. R. Kotecha	Independent	Chairman
Dr. K. H. Sancheti	Independent	Member
Mr. J. H. Munot	Independent	Member

4.3 Remuneration Policy

For the purpose of fixing the amount of remuneration of Executive Directors, the Remuneration Committee takes into account various factors viz. remuneration package offered to Senior Directors in the automobile and engineering industry, trends in industry, financial position of the Company, performance of the

Executive Directors, their qualifications, experience and past remuneration, terms of employment, etc. The components of remuneration include Basic Salary, Allowances, Perquisites and Retirement Benefits.

4.4 Details of Remuneration

Details of Remuneration (fixed) paid to Executive Directors during the 12 months period ended on 31st March, 2015 are as follows:

Particulars	Mrs. S. F. Motwani VC	Mr. Ajinkya Firodia MD
Basic Salary (₹)	2560000	2555520
HRA (₹)	1061328	851840
Conveyance (₹)	384000	--
Perquisites (₹)	37208	162084
Other (₹)	521166	481056
PF Contribution (₹)	307200	306662
Total	4870902	4357162

All the above remuneration was fixed/ varies with respect to time-scale. The above mentioned Vice Chairperson and the Managing Director were appointed for a period of 5 years. Terms of appointment of above Vice Chairperson and Managing Director do not provide for any notice period or severance fee. The Company has filed relevant form with the Central Government, seeking approval for the remuneration fixed for the Vice Chairperson and the Managing Director. The Central Government has approved the remuneration of Vice Chairperson and for the remuneration of Managing Director is awaited from Ministry of Corporate Affairs.

Non-Executive Directors of the Company are paid sitting fees @ ₹ 2,000 per meeting of the Board or Committee thereof attended by them besides re-imbursement of expenses on traveling etc. No commission is being paid to Non-Executive Directors.

Details of Sitting Fees paid to Non-Executive Directors for attending Board/ Committee Meetings and their shareholding in the Company during the period ended on 31st March, 2015, are as follows:

Name of Non-Executive Director	Sitting Fees (₹)	No. of Shares held in the Company
Mr. J. H. Munot	14,000	28712
Dr. K. H. Sancheti	Nil	305
Mr. S. R. Sanghi	Nil	Nil
Mr. S. R. Kotecha	20,500	16,655
Mr. Ashish Kumar***	Nil	Nil
Mr. Harjit Bhatia**	Nil	Nil
Mr. R. J. Kabra^	13,500	Nil
Total	48,000	45672

** upto 09.07.2014 *** upto 12.09.2014 ^ from 28.06.2014

Particulars of Employees and other related disclosures

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Independent directors	Ratio to median remuneration*
Mr. S. R. Kotecha	--
Mr. S R. Sanghi	--
Mr. R. J. Kabra	--
Mr. K. H. Sancheti	--
Mr. J. H. Munot	--

* Sitting fees and commission are paid to the Independent Directors.

Executive directors Ratio to median remuneration

Mr. Ajinkya Firodia, Managing Director 14.74%

Ms. Sulajja Firodia Motwani,
Vice Chairperson 10.00%

b) The percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary in the financial year:

Directors, Chief Financial Officer & Company Secretary % increase in remuneration in the financial year

Mr. Ajinkya Firodia, Managing Director 14.74%

Ms. Sulajja Firodia Motwani, Vice Chairperson 10.00%

* Mr. M. V. Tasgaonkar, CFO 10.00%

** Mr. R. S. Purandare NA

* Resigned on 30th June, 2015

** Appointed on 1st August, 2014

c) The percentage increase in the median remuneration of employees in the financial year: 25.92%

d) The number of employees on the rolls of company: 818

e) The explanation on the relationship between average increase in remuneration and company performance:

The Company based on the annual appraisal of the performance of the individual and the Company decides annual increment for all the employees including Key Managerial Personnel (KMP).

f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company :

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 15 (₹ in Lakhs)	108.08
Revenue (₹ in Cr)	61.16
Remuneration of KMPs (as % of revenue)	1.76%
Profit before Tax (PBT) (₹ in Cr)	10.22
Remuneration of KMP (as % of PBT)	10.58%

g) Market capitalization increased by 102.78% to ₹ 55.01 Cr as of March 31, 2015 from ₹ 53.52 Cr as of March 31, 2014. The Price Earnings Ratio was 2.29 as of March 31, 2015 which was an increase of 47.74% as compared to March 31, 2014. The closing price of the Company's shares on BSE as of March 31, 2015 was ₹ 44.15.

h) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

	*Mr. M. V. Tasgaonkar	** Mr. R. S. Purandare
Remuneration in FY 15 (₹ in Lakhs)	12.46	3.34
Revenue (₹ in Cr)	61.16	
Remuneration as % of revenue	0.20%	0.05%
Profit before Tax (PBT) (₹ in Cr)	10.22	
Remuneration (as % of PBT)	1.22%	0.33%

* Resigned on 30th June, 2015

** Appointed on 1st August, 2014

i) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

j) Affirmation that the remuneration is as per the remuneration policy of the company:

The Company affirms remuneration is as per the remuneration policy of the Company.

5. Stakeholders Relationship Committee (formerly termed as Shareholders' Grievance Committee)

Shareholders' Grievance Committee consists of Mr. S. R. Kotecha as its Chairman and Mr. J. H. Munot, Dr. K. H. Sancheti as Members, to look into redressing of shareholders complaints with respect to transfer of



shares, non-receipt of Annual Report, non-receipt of declared dividend etc. During the period under review, no meeting of Shareholders' Grievance Committee was held.

No. of shareholders complaints received during the period under review: 2

No of complaints not resolved to the satisfaction of the shareholders: 2

No. of pending Complaints as on 31st March, 2015 : Nil

During the 12 months under review the Company has dispatched share certificates within the period of 15 days.

6. Performance evaluation of Directors

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

Role & Accountability

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

Leadership & Initiative

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

Personal Attributes

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

7. Meeting of Independent Directors

During the year, meeting of Independent Directors

was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Mr. Shirish R. Kotecha, Chairman of the Meeting presented the views of the Independent Directors on matters relating to Board processes and the overall affairs of the Company to the full Board.

Whistle Blower Policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s) / employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Whistle Blower Policy has been disclosed on the Company's website under the web link [www.kineticindia.com / investors](http://www.kineticindia.com/investors) and circulated to all the Directors / employees.

8. Code of Conduct for prohibition of insider trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992.

9. Compliance Officer

Mr. Rohit Purandare, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with the Stock Exchange.

10. Annual General Meetings

The details of the last three Annual General Meetings of the Company are as hereunder:

Year	Date	Time	Venue	Whether Special Resolution Passed or not
31st March, 2014	29th September, 2014	11.00 a.m.	D-1 Block, Plot No18/2, Chinchwad MIDC, Pune – 411019	Yes
31st March, 2013	28th September, 2013	11.00 a.m.	D-1 Block, Plot No18/2, Chinchwad MIDC, Pune – 411019	Yes
31st March, 2012	26th September, 2012	11.00 a.m.	D-1 Block, Plot No18/2, Chinchwad MIDC, Pune – 411019	No

During the last Financial Year, no special resolution was passed by postal ballot.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

11. Disclosures

- (i) Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or management, their subsidiaries or relatives etc. that may have potential conflict with interests of Company at large :
Normal trade transactions were entered into by the Company with the related parties. The Executive Directors are paid remuneration. The disclosures on related party transactions as per Accounting Standard 18 notified in the Companies (Accounting Standard) Rules, 2006, are given in Note No. 21 in Notes Forming part of the Accounts for the year ended on 31st March, 2015.
- (ii) There were no penalties, nor any strictures imposed on the Company by SEBI or any Statutory authority, on any matter related to capital markets.
- (iii) Company has in place a Suggestion Box system for free communication between workers, staff and management. No employee has been denied access to the Audit Committee.
- (iv) Company has complied with all mandatory requirements of clause 49 of Listing Agreement in respect of Corporate Governance.
- (v) The status of implementation of non-mandatory requirements on Corporate Governance recommended under clause 49

of the Listing Agreement is as under:

The Board has set up Nomination and Remuneration Committee comprising of 3 non-executive Independent directors.

12. Means of Communication

The Company's Unaudited Quarterly Financial Results were published in 'ASIANAGE' and 'LOKSATTA' newspapers. The results are also displayed on Corporate Website - www.kineticindia.com. No presentation was made to Institutional Investors or Analysts.

Management Discussion and Analysis is forming part of Directors' Report.

13. General Shareholders Information

The 44th Annual General Meeting is proposed to be held on **30. 09. 2015 at 11:00 a.m. at the Registered Office of the Company at D-1 Block, Plot No.18/2, MIDC, Chinchwad, Pune - 411019**, for adopting the Audited Accounts for the period ended **31.3.2015**.

Dates of Book-Closure:

28.09.2015 to 30.09. 2015 (both days inclusive).

Dividend Payment Date:

The Directors have not recommended any Dividend for the 12 months period ended on 31st March, 2015.

Listing of Shares on Stock Exchanges:

The shares of the Company are listed on Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400 001

Payment of Listing Fees:

Annual listing fee for the year 2015-16 (as applicable) has been paid by the Company to the stock exchange.

Stock Code and ISIN:

BSE (Equity Shares) : 500240
ISIN for equity shares : INE266B01017.

**Market Price Data (Source: Official Website of BSE – www.bseindia.com):**

Month & Year	KEL Share Price			BSE Sensex		
	High (₹)	Low (₹)	Close (₹)	High	Low	Close
April, 2014	44.00	37.00	42.45	22,939.31	22,197.51	22,417.80
May, 2014	56.95	41.50	49.50	25,375.63	22,277.04	24,217.34
June, 2014	54.70	46.60	47.60	25,725.12	24,270.20	25,413.78
July, 2014	52.20	41.10	44.60	26,300.17	24,892.00	25,894.97
August, 2014	46.90	40.50	41.10	26,674.38	25,232.82	26,638.11
September, 2014	63.15	40.25	53.50	27,354.99	26,220.49	26,630.51
October, 2014	62.25	45.75	57.95	27,894.32	25,910.77	27,865.83
November, 2014	68.40	49.00	49.20	28,822.37	27,739.56	28,693.99
December, 2014	58.90	41.25	49.75	28,809.64	26,469.42	27,499.42
January, 2015	51.75	44.00	44.80	29,844.16	26,776.12	29,182.95
February, 2015	49.80	40.10	47.05	29,560.32	28,044.49	29,361.50
March, 2015	55.10	43.00	44.15	30,024.74	27,248.45	27,957.49

Registrars and Transfer Agents:

The Company's equity shares are compulsorily traded in Demat mode and hence transferable through the depository system. Link Intime India Pvt Limited, Akshay Complex, Block No.202, 2nd floor, Dhole Patil Road, Pune-411001 have been appointed as Company's Registrars and Transfer Agent as per SEBI's Circular for appointment of Common Agency to carry physical and electronic share registry work.

Share Transfer System:

All the transfers received are processed by the Registrars and Transfer Agent and approved by the Authorised Directors/ Company Secretary of the Company. The share transfers, which are received in physical form, are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution of Shareholding as on 31st March, 2015

Slab of Shareholding (₹)	No. of Shareholders	% to No. of Shareholders	Amount (₹)	% to paid-up capital
Upto 5,000	21816	96.47	12163430	8.97
5,001-10,000	416	1.84	2984090	2.20
10,001-20,000	186	0.82	2705280	1.99
20,001-30,000	55	0.24	1327710	0.98
30,001-40,000	22	0.10	779550	0.57
40,001-50,000	17	0.08	773060	0.57
50,001-1,00,000	50	0.22	3535930	2.61
1,00,001 and above	52	0.23	111389450	82.11
Total	22614	100.00	135658500	100

Shareholding Pattern as on 31st March, 2015

	Category	No. of Shares	%
A.	Shareholding of Promoter & Promoter Group		
1	Indian	7497158	55.26
2	Foreign	-	-
	Sub Total (1)	7497158	55.26
B.	Public Shareholding		
1	Institutions:		
	a) Mutual Funds / UTI	694	0.01
	b) Financial Institutions / Banks	143087	1.05
	c) Insurance Companies	0	0.00
	d) Foreign Institutional Investors	256	0.00
	Sub Total (2)	144037	1.06
2	Non-Institutions		
	a) Bodies Corporate	1047703	7.72
	b) Individuals	2973637	21.92
	c) Clearing Members	75046	0.56
	d) NRI / NRN	69476	0.51
	e) Foreign Companies	1758171	12.96
	f) OCB	342	0.00
	g) Trusts	280	0.00
	Sub Total (3)	5924655	43.68
	GRAND TOTAL [(1)+(2)+(3)]	13565850	100.00

Dematerialisation of Shares

The Company shares are compulsory traded in dematerialised form. As on 31st March, 2015 the details of the shares of the Company held in physical and demat form are given below:

	No. of Shares	% to the Capital
Shares held in Physical Form	568579	4.19
Shares held in Demat Form - NSDL	12128111	89.40
Shares held in Demat Form - CDSL	869160	6.41
TOTAL	13565850	100.00

The Company has not issued any GDRs / ADRs.

Warrants / other convertible securities outstanding at the end of the financial year :

Allotted on 14/02/2008 Foreign Currency Convertible Bonds (FCCBs) of the value of USD 18 million (₹ 7066.80 lakh). The Bond holders have exercised the option of redemption of the FCCB in February 2014. Company has successfully reached a settlement with Bond holders is awaiting RBI approval for execution of the same.

Plant Locations : The Company's plant is located at Ahmednagar (Maharashtra).

Address for correspondence:

Shareholder's correspondence may be addressed to the registrars Link Intime India Pvt. Limited, Block No. 202, Akshay Complex, 2nd floor, Dhole Patil Road, Pune - 411001. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants. Investor grievances, queries, etc. can be additionally marked to kinvestors@kineticindia.com

Declaration by the Managing Director under Clause 49(I)(D)



"Pursuant to Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed Compliance with the relevant provisions of the Code of Conduct of the Company for the 12 months period ended 31st March, 2015."

Certificate by Managing Director and Finance Head under Clause 49(V)

Certificate by the Managing Director and Finance Head, has been furnished to the Board of Directors of the Company, as required under the Clause 49(V) of the Listing Agreement.

For Kinetic Engineering Limited
A.H. Firodia
Chairman

Place: Pune

Date: 13th August, 2015

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE
OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Shareholders of Kinetic Engineering Limited,

We have examined the compliance of conditions of Corporate Governance by Kinetic Engineering Limited for the Financial Year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange/s in India.

The compliance of conditions of Corporate Governance is the responsibility of the management of the said company. Our examination was limited to procedures and implementations thereof adopted by the said company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the said company.

In our opinion and to the best of our information and explanations given to us, we certify that the said company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the said company nor the efficiency nor the effectiveness with which the management of the said company has conducted its affairs.

For M/s. P G BHAGWAT
Chartered Accountants

Sandeep Rao
Partner

M. No. 47235

Firm Reg. No. 101118W

Pune: August 13, 2015

**Annexure IV
Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L35912MH1970PLC014819
ii) Registration Date	08/10/1970
iii) Name of the Company	KINETIC ENGINEERING LIMITED
iv) Category / Sub-Category of the Company	Public Company / Limited by Shares
v) Address of the Registered office and contact details	D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune 411 019 T: 020 6614 2078 F: 020 66142088
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd Block no. 202, Akshay Complex Near Ganesh Temple, off Dhole Patil Road Pune - 411 001 (Phone: +91 20 26160084 26161629)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main	NIC Code of products / services	% to total turnover the of the company
1	Manufacturing of Auto Components	3748	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	AJINKYA AUTO FAB LIMITED D 1 BLOCK, PLOT NO. 18/2, MIDC, PUNE 411019	U35999PN1993 PLC070741	Associate	28.16	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity) (i) Category-wise Share Holding									
Category of Share-holders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4335113	-	4,335,113	31.96%	4,471,063	-	4,471,063	32.96%	3.14%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	2988845	-	2,988,845	22.03%	3,026,095	-	3,026,095	22.31%	1.25%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	7,323,958	-	7,323,958	53.99%	7,497,158	-	7,497,158	55.26%	2.36%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	7,323,958	-	7,323,958	53.99%	7,497,158	-	7,497,158	55.26%	2.36%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	694	694	0.01%	-	694	694	0.01%	0.00%
b) Banks / FI	140,622	2,465	143,087	1.05%	140,622	2,465	143,087	1.05%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	64	192	256	0.00%	64	192	256	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	140,686	3,351	144,037	1.06%	140,686	3,351	144,037	1.06%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	943,088	120,516	1,063,604	7.84%	1039778	7925	1,047,703	7.72%	-1.50%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	697,854	1,453,226	2,151,080	15.86%	1724182	466383	2,190,565	16.15%	1.84%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	807,919	65,667	873,586	6.44%	717405	65667	783,072	5.77%	-10.36%
c) Others (specify)									
Non Resident Indians	92,931	25,174	118,105	0.87%	44583	24893	69,476	0.51%	-41.17%
Overseas									
Corporate Bodies	-	342	342	0.00%	-	342	342	0.00%	0.00%
Foreign Nationals	1,820,682	-	1,820,682	13.42%	1758171	0	1,758,171	12.96%	-3.43%
Clearing Members	70,176	-	70,176	0.52%	75046	0	75,046	0.55%	6.94%
trusts	262	18	280	0.00%	262	18	280	0.00%	0.00%
Foreign Bodies									
- DR	-	-	-	0.00%	0	0	-	0.00%	0.00%
Sub-total (B)(2):-	4,432,912	1,664,943	6,097,855	44.95%	5,359,427	565,228	5,924,655	43.67%	-2.84%
Total Public (B)	4,573,598	1,668,294	6,241,892	46.01%	5,500,113	568,579	6,068,692	44.74%	-2.77%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	11,897,556	1,668,294	13,565,850	100.00%	12,997,271	568,579	13,565,850	100.00%	-0.41%

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	JAYASHREE ARUN FIRODIA	2822646	20.81%	0	2889296	21.30%	0	2.36%
2	JAYASHREE ARUN FIRODIA	344135	2.54%	0	344135	2.54%	0	0.00%
3	MICRO AGE INSTRUMENTS P LTD	1849845	13.64%	0	1849845	13.64%	0	0.00%
4	AJINKYA HOLDINGS PVT. LTD.	1139000	8.40%	0	1176250	8.67%	0	3.27%
5	ARUN HASTIMAL FIRODIA	854873	6.30%	0	0	0.00%	0	-100.00%
6	ARUN HASTIMAL FIRODIA	176833	1.30%	0	0	0.00%	0	-100.00%
7	ARUN HASTIMAL FIRODIA	107961	0.80%	0	107961	0.80%	0	0.00%
8	AJINKYA ARUN FIRODIA	28049	0.21%	0	1129055	8.32%	0	3925.30%
9	SULAJJA MANISH FIRODIAMOTWANI	616	0.00%	0	616	0.00%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of Shareholder, Date and Reason of Change		At the beginning of Year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
Purchase-Gift	Ajinkya A Firodia At the beginning of year	28049	0.21		
	14.10.2014	176833	1.30	204882	1.51
	14.10.2014	924173	6.81	1129055	8.32
	At the end of year	1129055	8.32		
Purchase Purchase Purchase Purchase Gift Gift	Arun H. Firodia At the beginning of year	1139667	8.40		
	23.05.2014	16000	0.12	1155667	8.52
	30.05.2014	2500	0.02	1158167	8.54
	06.06.2014	1000	0.01	1159167	8.54
	05.09.2014	49800	0.37	1208967	8.91
	14.10.2014	176833	1.30	1032134	7.61
	14.10.2014	924173	6.81	107961	0.80
At the end of year	107961	0.80			
	Jayashree Arun Firodia At the beginning of year	3166781	23.34		
	At the end of year	3166781	23.34		
	Micro Age Instruments Pvt Ltd At the beginning of year	1849845	13.64		
	At the end of year	1849845	13.64		
	Sulajja Firodia Motwani At the beginning of year	616	0.00		
	At the end of year	616	0.00		
Purchase-Gift	Ajinkya Holdings Pvt Ltd At the beginning of year	1139000	8.40		
	16.05.2014	37250	0.27	1176250	8.67
	At the end of year	1176250	8.67		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of Shareholder, Date and Reason of Change		At the beginning of Year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
Sell Sell Sell Sell Sell Sell Sell Sell Sell Sell At the end of year	PINEBRIDGE ASIA PARTNERS II L.P. At the beginning of year	1195562	8.81		
	11.07.2014	10494	0.08	1185068	8.74
	18.07.2014	12108	0.09	1172960	8.65
	25.07.2014	11429	0.08	1161531	8.56
	01.08.2014	1676	0.01	1159855	8.55
	08.08.2014	6791	0.05	1153064	8.50
	29.08.2014	1850	0.01	1151214	8.49
	05.09.2014	6643	0.05	1144571	8.44
	12.09.2014	36621	0.27	1107950	8.17
	19.09.2014	47003	0.35	1060947	7.82
	At the end of year	1060947	7.82		
	RELIANCE CAPITAL LIMITED At the beginning of year	715000	5.27		
	At the end of year	715000	5.27		



Name of Shareholder, Date and Reason of Change		At the beginning of Year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
	HARSHA HITESH JHAVERI				
	At the beginning of year	290000	2.14		
	At the end of year	290000	2.14		
	AIA INTERNATIONAL LIMITED (PREVIOUSLY KNOWN AS AMERICAN INTERNATIONAL ASSURANCE CO. BERMUDA LIMITED)				
	At the beginning of year	137950	1.02		
Sell	11.07.2014	1210	0.01	136740	1.01
Sell	18.07.2014	1397	0.01	135343	1.00
Sell	25.07.2014	1319	0.01	134024	0.99
Sell	01.08.2014	193	0.00	133831	0.99
Sell	08.08.2014	784	0.01	133047	0.98
Sell	29.08.2014	213	0.00	132834	0.98
Sell	05.09.2014	767	0.01	132067	0.97
Sell	12.09.2014	4226	0.03	127841	0.94
Sell	19.09.2014	5424	0.04	122417	0.90
	At the end of year	122417	0.90		
	AIA SINGAPORE PVT LIMITED				
	At the beginning of year	220719	1.63		
Sell	11.07.2014	1937	0.01	218782	1.61
Sell	18.07.2014	2235	0.02	216547	1.60
Sell	25.07.2014	2110	0.02	214437	1.58
Sell	01.08.2014	309	0.00	214128	1.58
Sell	08.08.2014	1255	0.01	212873	1.57
Sell	29.08.2014	342	0.00	212531	1.57
Sell	05.09.2014	1226	0.01	211305	1.56
Sell	12.09.2014	6761	0.05	204544	1.51
Sell	19.09.2014	8677	0.06	195867	1.44
	At the end of year	195867	1.44		
	BILLION ALLY LIMITED				
	At the beginning of year	378940	2.79		
	At the end of year	378940	2.79		
	General Insurance Corporation of India				
	At the beginning of year	70850	0.52		
	At the end of year	70850	0.52		
	Life Insurance Corporation of India				
	At the beginning of year	69604	0.51		
	At the end of year	69604	0.51		
	JMP Securities Pvt Ltd				
	At the beginning of year	45161	0.33		
	At the end of year	45161	0.33		
	Mangal Keshav Sec. Ltd.				
	At the beginning of year	33990	0.25		
Purchase	16.05.2014	32379		66369	0.49
Sell	23.05.2015	100		66269	0.49
Purchase	30.05.2014	435		66704	0.49
Sell	06.06.2014	435		66269	0.49
Purchase	20.06.2014	1650		67919	0.5
Sell	05.09.2014	1817		66102	0.49
Sell	19.09.2014	500		65602	0.49
Sell	27.03.2015	2000		63602	0.47
	At the end of year	63602	0.47		
	Prashant Kothari				
	At the beginning of the year	48690	0.36		
Sell	16.05.2014	46208	0.34		
Sell	30.05.2014	32601	0.24		
Sell	06.06.2014	15119	0.11		
Sell	20.06.2014	0.00			
	At the end of year	0	0.00		

(v) Shareholding of Directors and Key Managerial Personnel:

Name of Shareholder, Date and Reason of Change		At the beginning of Year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
Sell	J H Munot				
	At the beginning of year	28712	0.21		
	At the end of year	28712	0.21		
	S R Kotecha				
	At the beginning of year	16655	0.12		
	17.10.2014	16066	0.12	589	0.00
	31.10.2014	77	0.00	512	0.00
	28.11.2014	512	0.00	0	0.00
	At the end of year	0	0.00		
	R J Kabra				
	At the beginning of year	525	0.00		
	At the end of year	525	0.00		
	K H Sancheti				
	At the beginning of year	305	0.00		
	At the end of year	305	0.00		
	S R Sanghi				
	At the beginning of year	32	0.00		
	At the end of year	32	0.00		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	101480765	627547129	0	729027894
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	101480765	627547129	0	729027894
Change in Indebtedness during the financial year				
● Addition	1183251	74532546	0	75715797
● Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	100297514	553014583	0	653312097
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	100297514	553014583	0	653312097

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

MANAGERIAL REMUNERATION : APR-14 TO MAR-15			
	Designation	AJINKYA FIRODIA Managing Director	S F MOTWANI Vice Chairperson
A	SALARY-BASIC	2555520	2560000
B	HRA	851840	1061328
C	CONVENCE	0	384000
D	INCENTIVE		
E	PERQUISITES		
	ELECTRICITY		0
	LTA -50000 13-14 & 14-15 100000/-	147084	
	MEDICAL REIMBURSEMENT	15000	37208
F	PERFORMANCE ALL.		
G	OTHER	481056	521166
H	CONTRIBUTION		
	PROVIDENT FUND	306662	307200
	TOTAL	4357162	4870902

B. Remuneration to other directors:

	Particulars of Remuneration	Name of Directors				Total Amount
		---	---	---	---	
3.	Independent Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify					NIL
4.	Total (1) Other Non-Executive Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify					NIL
	Total (2)					NIL
	Total (B)=(1+2)					NIL
	Total Managerial Remuneration					NIL
	Overall Ceiling as per the Act					NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

MANAGERIAL REMUNERATION : APR-14 TO MAR-15			
	Designation	M V TASGAONKAR CFO (resigned on 30.06.2015)	ROHIT PURANDARE Company Secretary (appointed on 01.08.2014)
A	SALARY-BASIC	335970	107314
B	HRA	134388	42926
C	CONVENCE		
D	INCENTIVE	100000	
E	PERQUISITES		
	ELECTRICITY		
	LTA -50000 13-14 & 14-15 100000/-	30000	
	MEDICAL REIMBURSEMENT	15000	10000
F	PERFORMANCE ALL.		
G	OTHER	590237.4	161334
G	CONTRIBUTION		
	PROVIDENT FUND	40316	12878
	TOTAL	1245912	334452

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINETIC ENGINEERING LIMITED.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of KINETIC ENGINEERING LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material

misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

Refer Note No. A-22 relating to Managerial Remuneration, which is subject to approval of Central Govt.

Refer Note No. 19 describing the basis of company's ability to continue as a Going Concern.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2015 issued by the Government of India (Ministry of Corporate Affairs) in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in

Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) 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.
- (c) The Company has no branch offices whose accounts are audited by branch auditors.
- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) There are no observations and comments on financial transactions or other matters which have an adverse effect on the functioning of the Company.

- (g) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) There are no qualifications, reservations or adverse remarks relating to maintenance of accounts and other matters connected therewith.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Refer Note No.3 on Contingent Liabilities disclosing the impact of pending litigation on the financial position of the company in its financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts, having any material foreseeable losses, for which provision was required.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For M/s P G Bhagwat
Chartered Accountants
Firm's Registration No.: 101118W
Sandeep Rao
Partner
Membership No. 47235**

Pune: 22nd July, 2015

**Annexure
Re: KINETIC ENGINEERING LIMITED**

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As informed to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (ii) (a) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory, followed by the management, are reasonable and adequate in relation to the size of the company and the nature of its business.

- (b) In our opinion the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stock and the book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to information and explanation given to us there is an adequate



internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weaknesses or continuing failure to correct major weaknesses in internal control system.

- (v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to it. According to information and explanation given to us, no order has been passed against the company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) As informed to us, the cost records, pursuant to

the rules made by the Central Government for the maintenance of cost records under sub-section (l) of section 148 of the Companies Act, 2013, are under preparation.

- (vii)(a) According to the records of the company, there are delays in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance and Income Tax deducted at source and as such the company is not regular in depositing the same. According to the information and explanations given to us, undisputed Income Tax deducted at source amounting to Rs. 10.09 Lacs and Provident Fund amounting to Rs. 6.98 Lacs were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, following are the details of disputed dues of, income tax, sales tax, custom duty and excise duty, which have not been deposited and the forum where such dispute is pending.

Statement of disputed dues:

(Rs. In Lacs)

Nature of dues	Amount	Forum where dispute is pending.
Income Tax, AY 2000-01	1.29	Income Tax Appellate Tribunal, Pune
Income Tax AY 2007-08	1455.65	CIT Appeals, Pune
Income Tax AY 2009-10	186.12	CIT Appeals, Pune
Income Tax AY 2011-12	62.11	CIT Appeals, Pune
West Bengal Sales Tax, Central Sales Tax AY 2001-02, 2002-03.	6.92	Deputy Commissioner of Sales Tax, Kolkata.
CST(Pune) 2005-06	65.35	Commissioner Sales Tax, Pune
CST 2006-07	9.50	Commissioner sales Tax, Pune
CST 1994-95, 99-2000, 2000-01, 2002-03, 2003-04, 2008-09, 2007-08, 2009-10	105.76	Appellate Dy. Comm. Commercial Tax, Indore
CST 1998-99, 2001-02	27.27	Appellate Dy. Comm. Commercial Tax, Indore
Sales Tax Kolkatta 2001-02	0.60	Sales Tax Tribunal, Kolcutta
Entry Tax 1994-95, 95-96, 2007-08	8.41	Dy. Comm. Commercial Tax, Indore
MP Commercial Tax 1998-99	1.88	Appellate Dy. Comm. Commercial Tax, Indore
MP Commercial Tax 1999-00, 2007-08, 08-09	14.12	Appellate Dy. Comm. Commercial Tax, Indore
CST 2000-01, 2001-02	41.44	Appellate Dy. Comm. Commercial Tax, Indore
Excise Duty	121.11	CESTAT Mumbai
Excise Duty	166.19	Appellate Tribunal

- (c) According to the information and explanation given to us, there are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Company's accumulated losses at the end of 31st March, 2015 are not less than 50% of its net worth. The Company has not incurred cash losses in the current financial year. The Company has incurred cash losses in the immediately preceding financial year.

- (ix) According to the information and explanation given to us the company has not defaulted in repayment of dues to a financial institution or bank. The Company does not have any debenture holders.
- (x) According to the information and explanation given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company has applied the term loans for the purpose for which the same was raised.
- (xii) Based upon the audit procedures performed by us and according to the

For M/s P G Bhagwat
Chartered Accountants
Firm's Registration No.: 101118W
Sandeep Rao
Partner
Membership No. 47235

Pune: 22nd July, 2015



BALANCE SHEET AS AT 31 ST MARCH, 2015

Rupees

Particulars		Note No.	Figures as at the end of current reporting period ending on March 31, 2015	Figures as at the end of current reporting period ending on March 31, 2014
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	A-1	882,128,608	482,010,760
	(b) Reserves and surplus	A-2	(463,003,941)	(647,833,277)
	(c) Money received against share warrants		-	-
			419,124,667	(165,822,517)
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	A-3	452,477,700	525,325,168
	(b) Deferred tax liabilities (Net)	A-4	-	-
	(c) Other long term liabilities	A-5	-	-
	(d) Long-term provisions	A-6	54,979,196	46,480,089
			507,456,896	571,805,257
4	Current liabilities			
	(a) Short-term borrowings	A-7	200,834,397	203,702,726
	(b) Trade payables		234,772,019	228,497,172
	(c) Other current liabilities	A-8	958,330,462	1,759,734,712
	(d) Short-term provisions	A-9	23,080,874	22,222,216
			1,417,017,752	2,214,156,826
	TOTAL		2,343,599,315	2,620,139,566
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	A-10	1,019,922,548	1,016,447,087
	(ii) Intangible assets	A-10	-	-
	(iii) Capital work-in-progress		(0)	0
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	A-11	4,816,910	4,816,910
	(c) Deferred tax assets (net)	A-4	-	-
	(d) Long-term loans and advances	A-12	98,568,298	97,705,958
	(e) Other non-current assets	A-13	-	-
			1,123,307,756	1,118,969,954
3	Current assets			
	(a) Current investments	A-11	762,754,125	1,131,247,516
	(b) Inventories	A-14	172,955,148	163,413,654
	(c) Trade receivables	A-15	173,983,567	177,222,607
	(d) Cash and bank balances	A-16	81,669,776	6,453,239
	(e) Short-term loans and advances	A-17	28,398,482	22,367,203
	(f) Other current assets	A-18	530,461	465,394
			1,220,291,559	1,501,169,612
	TOTAL		2,343,599,315	2,620,139,566

The notes referred to above and other notes form an integral part of the Balance Sheet and Profit and Loss Account Statement

As per our report of even date attached
For M/s. P.G. Bhagwat
Chartered Accountants

For and on behalf of the Board of Directors

SANDEEP RAO
Partner
PUNE

ROHIT PURANDARE
Company Secretary

A. A. FIRODIA
Managing Director
PUNE July 22, 2015

A. H. FIRODIA
Chairman
July 22, 2015

PROFIT AND LOSS STATEMENT FOR THE YEAR PERIOD ENDED MARCH 31, 2015

Particulars		Note No.	Rupees	
			Figures for the current reporting period ending March 31, 2015	Figures for the current reporting period ending March 31, 2014
I.	Revenue from operations	A-19	533,242,893	573,209,708
II.	Other income	A-20	78,332,468	36,763,626
III.	Total Revenue (I + II)		611,575,361	609,973,335
IV.	Expenses:			
	Cost of materials consumed	A-21	311,428,734	348,602,960
	Purchases of Stock-in-Trade			
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	A-21	(6,455,476)	(7,262,986)
	Employee benefits expense	A-22	182,504,853	170,732,312
	Finance costs	A-23	51,424,365	92,080,868
	Depreciation and amortization expense	A-10	86,086,260	99,971,961
	Less: Transfer from General Reserve			7,371,555
			86,086,260	92,600,406
	Other expenses	A-24	212,789,619	219,436,155
			837,778,355	916,189,715
	Less: Expenses Capitalised		13,165,020	15,237,457
	Total expenses		824,613,335	900,952,258
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(213,037,974)	(290,978,924)
VI.	Exceptional items Income (Net)	A-25	315,285,430	(299,040,352)
VII.	Profit before extraordinary items and tax (V + VI)		102,247,455	(590,019,276)
VIII.	Extraordinary Items			
IX.	Profit before tax (VII- VIII)		102,247,455	(590,019,276)
X.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	(3) Income tax provision for earlier years		-	-
			-	-
XI.	Profit (Loss) for the period from continuing operations (IX-X)		102,247,455	(590,019,276)
XII.	Profit/(loss) from discontinuing operations			
XIII.	Tax expense of discontinuing operations			
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit (Loss) for the period (XI + XIV)		102,247,455	(590,019,276)
XVI.	Earnings per equity share having nominal value of Rs. 10/- per share			
	(1) Basic		6.30	(44.72)
	(2) Diluted		6.30	(44.72)

The notes referred to above and other notes form an integral part of the Balance Sheet and Profit and Loss Account Statement

As per our report of even date attached
For M/s. P.G. Bhagwat
 Chartered Accountants

For and on behalf of the Board of Directors

SANDEEP RAO
 Partner
 PUNE

ROHIT PURANDARE
 Company Secretary

A. A. FIRODIA
 Managing Director
 PUNE July 22, 2015

A. H. FIRODIA
 Chairman
 July 22, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

Rupees

Particulars		Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before Tax and extraordinary items	102,247,455.48	(590,019,276.11)
	Adjustment for :		
	Depreciation / Amortisation	86,086,259.52	92,600,406.00
	Provision for Doubtful Debts / advances	1,797,689.39	687,171.60
	Bad debts / advances / claims written off	8,899,066.94	21,596,106.23
	(Profit) / Loss on Sale of Investment (Net)	(52,423,461.77)	265,324,845.78
	(Profit) / Loss on Sale / Scrapping of Assets (Net)	(2,267,159.00)	(5,246,320.00)
	Interest and Financial Charges (Net)	50,816,360.78	91,316,521.94
	Gain on waiver of loan	(267,539,030.00)	-
	Settlement Gain	(2,022,480.00)	-
	Dividend Received	(1,847,051.56)	(652,480.59)
	Excess provision / credit balances written back	(18,844,273.22)	(15,597,340.30)
	Income from units	-	-
	Unrealised Exchange difference loss / (gain)	9,763,642.00	48,235,793.00
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(85,332,981.44)	(91,754,572.45)
	Adjustment for :		
	Inventories	(9,541,494.00)	11,273,959.00
	Trade and Other Receivables	(41,668,967.60)	116,776,265.00
	Trade Payables	76,819,129.30	173,804,340.00
	CASH GENERATED FROM OPERATIONS	(59,724,313.74)	210,099,991.55
	Interest and Financial Charges	(58,291,001.89)	(79,588,629.00)
	Taxes Paid	(3,438,908.41)	909,100.00
	NET CASH FROM OPERATING ACTIVITIES	(121,454,224.04)	131,420,462.55
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(75,091,686.11)	(74,132,805.00)
	Sale of Fixed Assets	2,277,779.22	54,131,083.00
	Purchase / Sale of Investments (Net)	420,916,852.85	141,039,459.00
	Interest Received	542,937.53	767,767.00
	Dividend Received	1,847,051.56	652,482.00
	Income from units	-	-
	NET CASH FROM INVESTING ACTIVITIES	350,492,935.05	122,457,986.00

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Rupees

Particulars		Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Redemption premium paid	(26,862,900.00)	(289,175,447.00)
	Proceeds from Long Term Borrowings	(159,350,052.40)	190,284,577.00
	Proceeds from Short Term Borrowings	(2,868,328.73)	(152,217,944.00)
	NET CASH FROM FINANCING ACTIVITIES	(189,081,281.13)	(251,108,814.00)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	39,957,429.87	2,769,634.54
	Opening Cash and Cash Equivalents	5,940,256.06	3,170,621.15
	Closing Cash and Cash Equivalents	45,897,685.93	5,940,256.06
	1 The figures in the cash flow are based on or have been derived from the annual financial statements of the Company.		
	2 Figures in the bracket represent outflow of cash and cash equivalents.		
	3 Cash and cash equivalents comprises of:		
		March 31, 2015	March 31, 2014
	Cash and cheques on hand	35,282.17	53,215.79
	Balances with banks	45,862,403.76	5,887,040.27
		45,897,685.93	5,940,256.06

As per our report of even date attached
For M/s. P.G. Bhagwat
 Chartered Accountants

For and on behalf of the Board of Directors

SANDEEP RAO
 Partner
 PUNE

ROHIT PURANDARE
 Company Secretary

A. A. FIRODIA
 Managing Director
 PUNE July 22, 2015

A. H. FIRODIA
 Chairman
 July 22, 2015



Notes to Accounts - Note : A-1

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Share Capital Authorised			
5,30,13,932	(5,30,13,932) Equity Shares of Rs.10/- each	530,139,320	530,139,320
1,50,00,000	(1,50,00,000) Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	150,000,000	150,000,000
15,07,400	(15,07,400) Optionally Convertible Cumulative Preference Shares of Rs.156/- each	235,154,400	235,154,400
3,20,500	(320,500) Redeemable Cumulative Preference Shares of Rs. 156/- each.	49,998,000	49,998,000
19,23,080	(19,23,080) Compulsorily Convertible Cumulative Preference Shares of Rs 156/- each	300,000,480	300,000,480
5,24,560	(5,24,560) Unclassified Shares of Rs.10/- each	5,245,600	5,245,600
5,30,000	(5,30,000) Convertible Cumulative Preference Shares of Rs. 65/- each	34,450,000	34,450,000
30,85,500	(30,85,500) Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	200,557,500	200,557,500
18,53,650	(18,53,650) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	120,487,250	120,487,250
7,70,000	(7,70,000) Redeemable Cumulative Preference Shares of Rs.65/- each	50,050,000	50,050,000
5,00,000	(5,00,000) Redeemable Cumulative Preference Shares of Rs.100/- each	50,000,000	50,000,000
59,09,090	(59,09,090) 8.5% Optionally Convertible cumulative Preference Shares of Rs 22/- each	129,999,980	129,999,980
1,03,00,000	(1,03,00,000) New Redeemable Preference Shares of Rs 10/- each	103,000,000	103,000,000
		1,959,082,530	1,959,082,530
Issued			
13,565,850	(13,565,850) Equity Shares of Rs.10/- each	135,658,500	135,658,500
1,50,00,000	(1,50,00,000) Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	150,000,000	150,000,000
830,154	(830,154) Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	53,960,010	53,960,010
1,02,000	(1,02,000) Optionally Convertible Cumulative Preference Shares of Rs. 156/- each	15,912,000	15,912,000
1,176,650	(1,176,650) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	76,482,250	76,482,250
3,20,500	(3,20,500) Redeemable Cumulative Preference Shares of Rs. 156/- each.	49,998,000	49,998,000
		482,010,760	482,010,760
Subscribed & Fully Paid up			
13,565,850	(13,565,850) Equity Shares of Rs.10/- each	135,658,500	135,658,500
1,50,00,000	(1,50,00,000) Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	150,000,000	150,000,000
1,02,000	(1,02,000) Optionally Convertible Cumulative Preference Shares of Rs. 156/- each	15,912,000	15,912,000
3,20,500	(3,20,500) Redeemable Cumulative Preference Shares of Rs. 156/- each.	49,998,000	49,998,000
830,154	(830,154) Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	53,960,010	53,960,010
1,176,650	(1,176,650) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	76,482,250	76,482,250
	Shares Capital Suspense (Refer Note No.18)	400,117,848	-
	Total	882,128,608	482,010,760

Notes to Accounts

Particulars	Figures for current reporting period ending on March 31, 2015		Figures for the previous reporting period ending on March 31, 2014	
	Number	Rupees	Number	Rupees
a) Reconciliation of share capital				
Equity Share Capital:				
Shares outstanding at the beginning of the year	13,565,850	135,658,500	10,371,968	103,719,680
Shares Issued during the year	-	-	3,193,882	31,938,820
Reduction in share capital	-	-	-	-
Shares outstanding at the end of the year	13,565,850	135,658,500	13,565,850	135,658,500
Redeemable Non Convertible Non Cumulative Preference Share Capital:				
Shares outstanding at the beginning of the year	15,000,000	150,000,000	15,000,000	150,000,000
Shares Issued during the year	-	-	-	-
Reduction in share capital	-	-	-	-
Shares outstanding at the end of the year	15,000,000	150,000,000	15,000,000	150,000,000
Optionally Convertible Cumulative Preference Share Capital:				
Shares outstanding at the beginning of the year	102,000	15,912,000	102,000	15,912,000
Shares Issued during the year	-	-	-	-
Reduction in share capital	-	-	-	-
Shares outstanding at the end of the year	102,000	15,912,000	102,000	15,912,000
Optionally Convertible Cumulative Preference Share Capital:				
Shares outstanding at the beginning of the year	830,154	53,960,010	-	-
Shares Issued during the year	-	-	830,154	53,960,010
Reduction in share capital	-	-	-	-
Shares outstanding at the end of the year	830,154	53,960,010	830,154	53,960,010
Redeemable Cumulative Preference Share Capital:				
Shares outstanding at the beginning of the year	320,500	49,998,000	320,500	49,998,000
Shares Issued during the year	-	-	-	-
Reduction in share capital	-	-	-	-
Shares outstanding at the end of the year	320,500	49,998,000	320,500	49,998,000
8.5% New Optionally Convertible Cumulative Preference Share Capital:				
Shares outstanding at the beginning of the year	1,176,650	76,482,250	-	-
Shares Issued during the year	-	-	1,176,650	76,482,250
Reduction in share capital	-	-	-	-
Shares outstanding at the end of the year	1,176,650	76,482,250	1,176,650	76,482,250

**Notes to Accounts**

	Particulars	Figures for current reporting period ending on March 31, 2015		Figures for the previous reporting period ending on March 31, 2014	
		No. of Shares	% of Holding	No. of Shares	% of Holding
b)	Details of share holders holding more than 5% shares				
	Equity Share Capital:				
	(a) Pinebridge Asia Partners II L.P.	1,060,947	7.82%	1,195,562	8.81%
	(b) Reliance Capital Limited	715,000	5.27%	715,000	5.27%
	(c) Ajinkya Arun Firodia	1,129,055	8.32%	-	0.00%
	(d) Arun H. Firodia	107,961	0.80%	1,139,667	8.40%
	(f) Jayashree A. Firodia	3,233,431	23.84%	3,166,781	23.34%
	(g) Microage Instruments Private Limited	1,849,845	13.64%	1,849,845	13.64%
	(h) Ajinkya Holdings Private Limited	1,176,250	8.67%	1,139,000	8.40%
	Redeemable Non Convertible Non Cumulative Preference Share Capital:				
	(A) Ashadeep Properties Private Limited	15,000,000	100.00%	15,000,000	100.00%
	Optionally Convertible Cumulative Preference Share Capital:				
	(a) Microage Instruments Private Limited	102,000	100.00%	102,000	100.00%
	(b) Microage Instruments Private Limited	830,154	100.00%	830,154	100.00%
	Redeemable Cumulative Preference Share Capital:				
	(a) Microage Instruments Private Limited	320,500	100.00%	320,500	100.00%
	8.5% New Optionally Convertible Cumulative Preference Share Capital:				
	(a) Microage Instruments Private Limited	1,176,650	100.00%	1,176,650	100.00%

c) Shares reserved for Employee Stock Option Scheme (ESOS)

	March 31, 2015		March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
Shares reserved for ESOS scheme	NIL	NIL	NIL	NIL

d) Shares allotted for consideration other than cash and shares bought back

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash (Pursuant to a scheme of Arrangement)	-	3,193,882	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back (Cancelled pursuant to a scheme of Arrangement)	-	-	-	-	-
Preference Shares :					
Fully paid up pursuant to scheme of amalgamation without payment being received in cash	-	2,006,804	-	-	-

e) Unpaid calls

Particulars	March 31, 2015	March 31, 2014
By Directors	NIL	NIL
By Officers	NIL	NIL

Notes to Accounts

f) Other details

1. The company has only one class of equity shares, having par value of Rs. 10 per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
2. Out of above Equity shares 18,85,450 (18,85,450) Equity Shares allotted as fully paid up Bonus Shares on Capitalisation of the General Reserve.
3. Out of above Equity Shares 36,700 (36,700) Equity Shares allotted under Employee Stock Option Scheme.
4. Redeemable Non Convertible Non Cumulative Preference Shares have been agreed to be redeemable on 30.09.2013. Redemption premium @ 10.00 % p.a. is payable at the time of redemption. These shares are not entitled to any dividend.
5. Each Optionally Convertible Cumulative Preference Share (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs. 146/- per share within 18 months from the date of allotment (i.e. 30.12.2006 w.r.t. 36,923 shares; and 11.1.2007 w.r.t. 65,077 shares) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend @ 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to allottee. If any OCCPS is not converted into equity shares, such unconverted preference shares shall carry preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottee and will be redeemed any time after expiry of a period of 5 years from the date of allotment at the option of the Company subject to necessary consent and approval. The option to convert has lapsed.
6. Redeemable Cumulative Preference Shares shall be redeemed at the option of the Company at any time after the expiry of a period of 5 years from the date of allotment i.e. 30.12.2006, subject to necessary consent or approval. They will carry a preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or other date(s) as may be acceptable to the allottee.
7. Each Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs.10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (ie 18.09.2013) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to the allottee. If any OCCPS are not converted into equity shares, such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after the expiry of a period of 18 months from the date of allotment at the option of the allottee.
8. Each 8.5% new Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (ie 18.09.2013) at the option of the allottee. The 8.5% new OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to allottees. If any 8.5% new OCCPS are not converted into equity shares such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% pa due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after expiry of a period of 18 months from the date of allotment at the option of the allotted.
9. Redeemable Cumulative Preference Shares shall be redeemed at the option of the Company at any time after the expiry of a period of 5 years from the date of allotment i.e. 30.12.2006, subject to necessary consent or approval. They will carry a preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or other date(s) as may be acceptable to the allottee.

**Notes to Accounts - Note : A-2**

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Reserves & Surplus			
(a)	Capital Reserves	333,056,028	333,056,028
(b)	Securities Premium Reserve		
	Opening Balance	224,844,104	514,019,551
Add	Written Back of Redemption Premium (Net)	130,567,325	-
Less	Premium for Redemption of Preference Shares & FCCB	26,862,900	289,175,447
	Closing Balance	328,548,529	224,844,104
(c)	General Reserve		
	Opening Balance	888,047,067	895,418,622
Less	Adjustment for Depreciation	21,122,545	7,371,555
	Closing Balance	866,924,522	888,047,067
(d)	Special Reserve	45,500	45,500
	(Amount reserved for issue of 4,550 (4,550) bonus shares kept in abeyance as per Section 206A of the Companies Act, 1956.)		
(d)	Surplus		
	Opening balance	(2,093,825,976)	(1,503,806,699)
Add	Net Profit / (Loss) for the current year	102,247,455	(590,019,276)
	Closing Balance	(1,991,578,520)	(2,093,825,976)
(e)	Foreign Currency Monetary Item Translation Difference Account	-	-
	TOTAL	(463,003,941)	(647,833,277)

Notes to Accounts - Note : A-3

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Long Term Borrowings			
Secured			
(a)	Term Loans from Banks: Vehicle Loans	448,761	663,782
(b)	Loans from related parties-Debentures	-	-
Unsecured			
(a)	Term Loans from Others	118,545,301	116,074,616
(b)	Deferred Payment Liabilities		
	Interest Free Sales Tax Loan	3,303,579	5,906,711
(c)	Loans and advances from related parties	330,180,059	402,680,059
(d)	Other Loans and Advances		
	(i) Debentures	-	-
	TOTAL	452,477,700	525,325,168

A.) Security:

(i) Vehicle term loan from banks are secured by hypothecation of vehicle purchased against such term loan.

B.) Terms of Repayment:

(i) Vehicle loans is repayable by 60 EMIs of Rs. 0.23 Lac starting from 15.02.2013.

(ii) Sales tax loan is repayable as under:

Due Date	Amount
(a) On 30.04.2016	2,099,921
(b) On 30.04.2017	1,203,663

(iii) In respect of loans and advances taken from related parties, based on present mutual understanding with the lenders, the expected repayment would be made in next 8 years based on cash flow position of the company. Expected repayment within next 12 months Rs. 60 Lacs is shown under current maturities.

(iv) Term loan from others includes gross amount of Loan of Rs. 1317.17 Lacs is repayable by 10 yearly instalment of Rs. 131.72 lacs starting from May, 2015.

Notes to Accounts - Note : A-4

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Deferred Tax Liabilities (Net)			
(a)	Deferred Tax Liabilities		
	(i) On provision for depreciation	46,652,279	46,184,182
	(ii) On other timing differences	-	-
	Total	46,652,279	46,184,182
(b)	Deferred Tax Assets		
	(i) On disallowance under Section 43B & 40(a)(ia) of Income Tax Act, 1961	32,826,322	22,490,070
	(ii) On provision for doubtful debts	-	-
	(iii) On disallowance under Section 35 DDA - VRS Expenses	1,519,075	2,896,041
	(iv) On carried forward loss under Income Tax Act, 1961	12,306,882	20,798,071
	(v) On other timing differences	-	-
	Total	46,652,279	46,184,182
	(Deferred tax asset in respect of carried forward losses is recognised only to the extent of balance deferred tax liability after taking into consideration deferred tax asset in respect of Income Tax disallowances.)		
	TOTAL	-	-

Notes to Accounts - Note : A-5

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Other Long Term Liabilities			
(a)	Trade Payables	-	-
(b)	Others		
	(i) Premium payable on Redemption of Preference Shares / Debentures	-	-
	TOTAL	-	-

Notes to Accounts - Note : A-6

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Long Term Provisions			
(a)	Provision for employee benefits		
	(i) Gratuity	54,979,196	46,480,089
	(ii) Leave Encashment	-	-
	TOTAL	54,979,196	46,480,089

**Notes to Accounts - Note : A-7**

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Short Term Borrowings			
Secured			
(a)	Loans Repayable on Demand from Banks		
	Cash Credit (Cash credit from bank is secured by hypothecation of Stock and Debtors (excluding Tata Motors Ltd.) and pari-passu second charge on factory land and building at Ahmednagar.)	99,848,753	100,816,983
(b)	Buyers Credit from Banks (Secured by way of lien on Fixed Deposit)	-	-
	Sub Total	99,848,753	100,816,983
Unsecured			
(a)	Overdraft Facility from Bank	100,985,644	102,885,743
(b)	Short Term Loan from Others	-	-
	Sub Total	100,985,644	102,885,743
	TOTAL	200,834,397	203,702,726

Notes to Accounts - Note : A-8

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Other Current Liabilities			
(a)	Current maturities of long-term debt	63,629,430	1,321,394,498
(b)	Interest accrued and due on borrowings	19,643,962	30,417,885
(c)	Interest accrued but not due on borrowings	9,120,384	5,213,098
(d)	Investor Education & Protection fund will be credited by the following amounts (as and when due).		
	(i) Unpaid dividends (unclaimed)	-	1,700
	(ii) Unpaid matured deposits and interest accrued thereon	-	20,000
(e)	Other payables		
	(i) Advance against Sales	9,303,136	4,889,457
	(ii) VRS Payable	-	-
	(iii) Premium payable on Redemption of Debentures / FCCB	112,027,402	365,728,702
	(iv) Capital Creditors	3,851,834	2,402,423
	(v) FCCB Settlement Dues Payable	700,000,000	-
	(iv) Other Liabilities (Including statutory dues, security deposit etc.)	40,754,314	29,666,949
	TOTAL	958,330,462	1,759,734,712

Continuing default as on the date of Balance Sheet:

(i) Current maturities of long term debts which is overdue as on the date of Balance Sheet: (a) Term Loan from Reliance Capital Ltd. Of Rs.4,16,39,577/-.

Notes to Accounts - Note : A-9

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Short Term Provisions			
(a)	Provision for employee benefits		
	(i) Gratuity (Funded)	15,026,701	15,026,701
	(ii) Leave Encashment (unfunded)	8,054,173	7,195,515
	TOTAL	23,080,874	22,222,216

NOTE A-10 : FIXED ASSETS Schedules Forming Part of The Balance Sheet As At 31st Mar 2015

Particulars	Tangible						In-tangible Technical Know-how **	Balance As At 31st Mar 2015			
	Lease-hold Land **	Free-hold Land	Buildings	Plant & Machinery	Electrical Installation & Fittings	Dies, Jigs & Fixtures			Furniture Fixture	Office Equipment	Vehicles
(1) GROSS BLOCK : OWNED ASSETS											
As At 31st March, 2014	61,831,212	208,000,000	308,433,515	1,614,669,781	19,636,606	590,674,045	35,966,474	54,425,106	6,334,423	59,439,337	2,969,310,509
Additions	662,929	-	-	85,351,802	451,159	22,586,276	1,369,739	252,982	-	-	110,694,887
Business Acquisition	-	-	-	10,929,210	-	-	-	-	-	-	10,929,210
Deductions	-	-	-	-	-	-	-	-	-	-	-
As At 31st March 2015	62,494,141	208,000,000	308,433,515	1,688,792,384	20,287,765	613,260,320	37,356,213	54,678,088	6,334,423	59,439,337	3,059,076,186
Depreciation / Amortisation											
Upto 31st March, 2014	1,865,471	-	271,546,699	978,603,886	15,570,233	529,072,179	31,113,535	52,049,047	3,604,005	59,439,337	1,942,864,393
For The Year 2014-2015	95,773	-	6,135,077	69,256,944	501,893	8,105,358	935,677	629,515	426,033	-	86,096,260
Business Acquisition	-	-	-	10,918,585	-	-	-	-	-	-	10,918,585
Deductions	-	-	-	9,159,328	674,957	3,780,266	1,106,588	1,048,814	-	-	21,122,545
Transfer to General Reserve	-	-	5,352,592	-	-	-	-	-	-	-	-
Tot Dep/Amort Upto 31st Mar 2015	1,961,244	-	283,034,367	1,046,101,574	16,747,073	540,957,903	33,155,800	53,727,377	4,030,037	59,439,337	2,039,154,613
Net Block As At 31st Mar 2015	60,532,897	208,000,000	25,399,148	642,690,810	3,540,692	72,302,517	4,200,413	950,711	2,304,385	-	1,019,921,573
Net Block As At 31st March 2014	59,965,741	208,000,000	36,886,816	635,765,905	4,266,373	61,601,866	4,852,939	2,376,059	2,730,418	-	1,016,446,116

**** Amortisation Charges For The Year Are in Respect Of Leasehold Land And Technical Know-how.**

(2) GROSS BLOCK : LEASED ASSETS												
As At 31st March 2014	-	-	-	407,127	-	-	-	-	-	-	-	407,127
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-
As At 31st March 2015	-	-	-	407,127	-	-	-	-	-	-	-	407,127
Depreciation / Amortisation												
Upto 31st March, 2014	-	-	-	406,161	-	-	-	-	-	-	-	406,161
For The Year 2014-2015	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-
Tot Dep/Amort Upto 31st Mar 2015	-	-	-	406,161	-	-	-	-	-	-	-	406,161
Net Block As At 31st Mar 2015	-	-	-	966	-	-	-	-	-	-	-	966
Net Block As At 31st March 2014	-	-	-	966	-	-	-	-	-	-	-	966
Net Block As At 31st Mar 2015	60,532,897	208,000,000	25,399,148	642,691,776	3,540,692	72,302,517	4,200,413	950,711	2,304,385	-	1,019,922,539	
Net Block As At 31st March 2014	59,965,741	208,000,000	36,886,816	635,766,871	4,266,373	61,601,866	4,852,939	2,376,059	2,730,418	-	1,016,447,082	



Note: A11 Non Current Investments

Sr. No.	Particulars	Trade Investments		Other Investments		Total		Penalties	Amount (Gross)		Provision for diminution in value of Investments		Amount (Net)		Market Rate	Market Value
		March 31, 2014		March 31, 2015		March 31, 2014			March 31, 2015		March 31, 2014		March 31, 2015			
		(a)	(b)	(c)	(d)	(e)	(f)		(g)	(h)	(i)	(j)	(k)	(l)		
	Long term investments	3,280,163.50	3,280,163.50	1,535,740.37	1,535,740.37	4,815,903.87	4,815,903.87									
(a)	Investment in Equity Instruments	3,280,163.50	3,280,163.50	1,535,740.37	1,535,740.37	4,815,903.87	4,815,903.87									
(b)	Investments in preference shares															
(c)	Investments in Government of India Securities															
	Total	3,280,163.50	3,280,163.50	1,535,740.37	1,535,740.37	4,815,903.87	4,815,903.87									
A. Details of Trade Investments																
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (Gross)	Provision for diminution in value of Investments	Amount (Net)	Market Rate	Market Value					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)					
(1)	Investment in Equity Instruments - at cost															
1	Alfares Financial Services Limited	Associate	10.00	5,519,513	Quoted	Fully Paid	105,949,897.50	105,949,897.50	1.00		1.00					
2	Treo Motors Limited	Other	2.00	400	Unquoted	Fully Paid	26,168.50	26,168.50	26,168.50	544.12	217,846.00					
3	Kaiz Communications Limited	Associate	10.00	16,000	Unquoted	Fully Paid	16,000.00	16,000.00	16,000.00		16,000.00					
4	Kaiz Education and Events Limited	Associate	10.00	36,000	Unquoted	Fully Paid	36,000.00	36,000.00	36,000.00		36,000.00					
5	Kaiz Marketing & Services Limited	Associate	10.00	253,700	Unquoted	Fully Paid	2,537,000.00	2,537,000.00	2,537,000.00		2,537,000.00					
6	Kaiz Motor Automobiles Private Limited	Associate	10.00	20,000	Unquoted	Fully Paid	20,000.00	20,000.00	20,000.00		20,000.00					
	Total						199,279,011.00	199,279,011.00	3,280,163.50		3,280,163.50					
(a)	Investments in Preference Shares - at cost															
1	Alfares Financial Services Limited	Associate	10.00	10,000	Unquoted	Fully Paid	13,195,500.00	13,195,500.00	0.00		0.00					
	Total						13,195,500.00	13,195,500.00	0.00		0.00					
	Total (A)						212,474,511.00	212,474,511.00	3,280,163.50		3,280,163.50					
B. Details of Other Investments																
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (Gross)	Provision for diminution in value of Investments	Amount (Net)	Market Rate	Market Value					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)					
(a)	Investment in Equity Instruments - at cost															
1	ASTOR Layers Limited	Others	1.00	1,000	Quoted	Fully Paid	10,799.00		10,799.00	72.35	73,550					
2	Dunlop Motors India Limited (Formerly DCU Toyota Ltd)	Others	10.00	50	Unquoted	Fully Paid	1,242.00		1,242.00	8.71	3.38					
3	Eckart Limited	Others	10.00	30	Unquoted	Fully Paid	3,738.80		3,738.80	254.6	9,225					
4	Eveready Limited	Others	10.00	28	Unquoted	Fully Paid	2,912.20		2,912.20	199.07	413,145					
5	Escorts Limited	Others	10.00	50	Unquoted	Fully Paid	5,307.00		5,307.00	127.06	6,333					
6	Hero MotoCorp Limited (Formerly Hero Motors Limited)	Others	2.00	600	Quoted	Fully Paid	19,400.00		19,400.00	264.21	1,664,638					
7	Hussain Motors Limited	Others	5.00	500	Unquoted	Fully Paid	4,823.50		4,823.50	6.28	1,258					
8	IIL Limited	Others	10.00	50	Unquoted	Fully Paid	2,922.00		2,922.00	6.55	328					
9	Indiabulls Auto Limited	Others	10.00	50	Unquoted	Fully Paid	27,958.40		27,958.40	54.4	5,128					
10	Hero MotoCorp Limited (Formerly Hero Motors Limited)	Others	2.00	1	Unquoted	Fully Paid	2,652.20		2,652.20	264.21	2,652.20					
11	Mahindra & Mahindra Limited	Others	5.00	300	Quoted	Fully Paid	15,241.00		15,241.00	157.15	594,134					
12	SML ISUZU Limited (Formerly Ssangyong Ssangyong Motor Ltd)	Others	10.00	50	Unquoted	Fully Paid	1,420.00		1,420.00	116.7	48,190					
13	The Premier Automobiles Limited	Others	10.00	50	Unquoted	Fully Paid	2,600.00		2,600.00	260.00	59.7					
14	TJS Motor Co. Limited	Others	1.00	1,000	Quoted	Fully Paid	8,385.00		8,385.00	281.75	263,150					
15	Standard Chartered Bank Ltd	Others	10.00	2,500	Unquoted	Fully Paid	25,000.00		25,000.00		25,000.00					
16	Alfares Auto Fab Limited	Associate	100.00	13,500	Unquoted	Fully Paid	1,360,000.00		1,360,000.00		1,360,000.00					
	Total						1,512,740.37	0.00	1,512,740.37		2,885,951.00					
(b)	Investments in Government or Trust Securities															
1	7 Years National Savings Certificates	Others	N.A.	N.A.	Unquoted	N.A.	24,000.00		24,000.00		24,000.00					
	Total (B)						1,536,740.37	0.00	1,536,740.37		3,118,412.00					

Note: A-11 Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (Gross)		Provision for diminution in value of Investments		Amount (Net)	
				March 31, 2015	March 31, 2014			March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(10)	(11)	(10)	(11)	(12)	(13)
(a)	Investment in Mutual Funds												
1	HDFC Cash Management Fund	Others		8,934,284	8,934,284	Covered	Fully Paid	223,419.91	223,419.91			223,419.91	223,419.91
2	HDFC Mutual Fund Liquid Fund	Others		6,127,563	6,127,563	Covered	Fully Paid	1,524,627.42	1,524,627.42			1,524,627.42	1,524,627.42
3	HDFC Short Term Debt Fund	Others		250,631,942	250,631,942	Covered	Fully Paid	6,000,000.00	6,000,000.00			6,000,000.00	6,000,000.00
4	Fractional Tempelton Investments Short Term Income Fund	Others		2,669,958	2,669,958	Covered	Fully Paid	3,053,169.47	3,053,169.47			3,053,169.47	3,053,169.47
5	Birla Sun Life Dynamic Bond Fund - Growth	Others		285,086,057	285,086,057	Covered	Fully Paid	5,259,174.82	5,259,174.82			5,259,174.82	5,259,174.82
6	Birla Sun Life Mutual Fund	Others		333,871,926	333,871,926	Covered	Fully Paid	7,000,000.00	7,000,000.00			7,000,000.00	7,000,000.00
7	Birla Sun Life Cash Plus Growth	Others		74,112,967	74,112,967	Covered	Fully Paid	15,535,693.50	15,535,693.50			15,535,693.50	15,535,693.50
8	Birla Sun Life Savings Fund	Others		103,629	103,629	Covered	Fully Paid	10,169.79	10,169.79			10,169.79	10,169.79
9	JIT Short Term Income Fund-G	Others		476,363,709	476,363,709	Covered	Fully Paid	7,000,000.00	7,000,000.00			7,000,000.00	7,000,000.00
10	SBI LIC086 Magnum Income Regular Fund - Growth	Others		343,640,250	343,640,250	Covered	Fully Paid	10,000,000.00	10,000,000.00			10,000,000.00	10,000,000.00
11	Pramerica Treasury Advantage-G	Others		8,416,893	8,416,893	Covered	Fully Paid	10,000,000.00	10,000,000.00			10,000,000.00	10,000,000.00
12	Birla Sun Life Mutual Fund	Others		1,149,411,698	1,149,411,698	Covered	Fully Paid	175,000,000.00	175,000,000.00			175,000,000.00	175,000,000.00
13	Pramerica Mutual Series (Retail-G)	Others		11,654,672,067	11,654,672,067	Covered	Fully Paid	200,000,000.00	200,000,000.00			200,000,000.00	200,000,000.00
14	Reliance Money Manager-G	Others		114,561,800	114,561,800	Covered	Fully Paid	209,213,328.20	209,213,328.20			209,213,328.20	209,213,328.20
15	RSSB Income Short Term-G	Others		9,128,12,665	4,780,343,229	Covered	Fully Paid	200,000,000.00	100,000,000.00			200,000,000.00	100,000,000.00
16	HDFC Liquid Fund	Others		3,987,288,288	3,987,288,288	Covered	Fully Paid	100,500,000.00	100,500,000.00			100,500,000.00	100,500,000.00
17	Canara Robeco	Others		12,562,659,126	12,562,659,126	Covered	Fully Paid	290,000,000.00	290,000,000.00			290,000,000.00	290,000,000.00
18	HDFC Short Term Plan-G	Others		546,382,700	546,382,700	Covered	Fully Paid	12,500,000.00	12,500,000.00			12,500,000.00	12,500,000.00
19	Ketan Bond Short Term Fund-Successor	Others		546,640,100	546,640,100	Covered	Fully Paid	5,471,736.00	5,471,736.00			5,471,736.00	5,471,736.00
20	Reliance Regular Savings Fund	Others		776,909,400	776,909,400	Covered	Fully Paid	12,500,000.00	12,500,000.00			12,500,000.00	12,500,000.00
21	Reliance Bond Debt Fund-G	Others		12,054,200	12,054,200	Covered	Fully Paid	12,500,000.00	12,500,000.00			12,500,000.00	12,500,000.00
22	Templeton Local Debt Dividend Fund - Growth	Others		7,052,722,960	7,052,722,960	Covered	Fully Paid	100,460,112.00	100,460,112.00			100,460,112.00	100,460,112.00
23	Reliance Income Credit Opportunities Fund - Growth	Others		103,651,450	103,651,450	Covered	Fully Paid	154,328,545.18	154,328,545.18			154,328,545.18	154,328,545.18
24	JIT Short Term Income Fund	Others		7,055,629,720	7,055,629,720	Covered	Fully Paid	117,200,000.00	117,200,000.00			117,200,000.00	117,200,000.00
25	Templeton Local Short Term Income Plan-G	Others		5,213,270	5,213,270	Covered	Fully Paid	12,500,000.00	12,500,000.00			12,500,000.00	12,500,000.00
								762,754,125.38	1,131,247,516.82			762,754,125.38	1,131,247,516.82

**Notes to Accounts - Note : A-12**

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Long Term Loans and Advances			
(a)	Capital Advances		
	Unsecured, considered good	11,878,564	7,375,997
	Doubtful	-	-
		11,878,564	7,375,997
Less:	Provision for doubtful advances	-	-
		11,878,564	7,375,997
(b)	Security Deposits		
	Unsecured, considered good	30,929,993	30,142,680
	Doubtful	1,301,935	1,301,935
		32,231,928	31,444,615
Less:	Provision for doubtful deposits	1,301,935	1,301,935
		30,929,993	30,142,680
(c)	Other Loans and advances		
(i)	Advances		
	Unsecured, considered good	8,878,312	16,744,761
	Doubtful	10,878,984	9,081,295
		19,757,297	25,826,056
Less	Provision for doubtful advances	10,878,984	9,081,295
		8,878,312	16,744,761
	(ii) Bills Receivable	20,665,170	20,665,170
	(iii) Advance Income tax net of provision	26,216,258	22,777,350
		98,568,298	97,705,958

Notes to Accounts - Note : A-13

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Other Non Current Assets			
(a)	Long term trade receivables		
	Unsecured, considered good	-	-
	Doubtful	-	-
		-	-
Less	Provision for doubtful advances	-	-
		-	-
	TOTAL	-	-

Notes to Accounts - Note : A-14

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Inventories			
(a)	Raw Materials	55,084,336	52,494,689
(b)	Work-in-progress	59,103,508	52,648,032
(c)	Finished goods	547,606	547,606
(d)	Stores and spares	58,219,698	57,723,327
	TOTAL	172,955,148	163,413,654

Notes to Accounts - Note : A-15

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Trade receivables			
(i)	Trade receivables outstanding for a period less than six months from due date		
	Unsecured, considered good	156,269,279	162,531,581
	Unsecured, considered doubtful	-	-
		156,269,279	162,531,581
Less	Provision for doubtful debts	-	-
		156,269,279	162,531,581
(ii)	Trade receivables outstanding for a period exceeding six months from due date		
	Unsecured, considered good	17,714,288	14,691,025
	Unsecured, considered doubtful	-	-
		17,714,288	14,691,025
Less	Provision for doubtful debts	-	-
		17,714,288	14,691,025
	TOTAL	173,983,567	177,222,607

Notes to Accounts - Note : A-16

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Cash & Bank Balances			
(a)	Cash & Cash Equivalents		
	(i) Cash on hand	35,282	53,216
	(ii) Balances with banks	45,862,404	5,887,040
(b)	Other bank balances		
	(i) Fixed deposits (more than 3 months but less than 12 months) (Ermarked with banks)	35,772,090	512,982
	TOTAL	81,669,776	6,453,239

Notes to Accounts - Note : A-17

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Short term loans and advances			
(a)	Others (specify nature)		
	(i) Deposits with Govt. authorities		
	Unsecured, considered good	317,203	251,875
	Doubtful	-	-
		317,203	251,875
Less	Provision for doubtful advances	-	-
		317,203	251,875
	(ii) Advances to suppliers and others		
	Unsecured, considered good	28,081,279	22,115,328
	Doubtful	28,081,279	22,115,328
Less	Provision for doubtful advances	-	-
		28,081,279	22,115,328
	TOTAL	28,398,482	22,367,203

**Notes to Accounts - Note : A-18**

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Other current assets			
(i)	Interest Accrued on Investments & Deposits	530,461	465,394
	TOTAL	530,461	465,394

Notes to Accounts - Note : A-19

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Revenue from Operations (Refer Part C-4(A))			
	Sale of Products	557,789,425	596,442,210
Less	Excise duty	45,296,159	49,008,020
		512,493,267	547,434,190
	Machining and Processing Receipts	20,106,724	24,123,377
	Other Operating Revenues	642,903	1,652,141
	TOTAL	533,242,893	573,209,708

Notes to Accounts - Note : A-20

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Other Income			
(a)	Interest Income		
	(i) On Fixed Deposits	69,153	83,595
	(ii) From Others	677,158	680,751
(b)	Dividend Income from:		
	(i) Long Term Investment	2,233,489	119,256
	(ii) Short Term Investment	386,438	533,225
(c)	Gain on Sale of Investments (Net)	-	-
(d)	Profit on Sale of Assets (Net)	-	-
(e)	Income from Units	-	-
(f)	Miscellaneous Receipts	33,807,694	19,749,459
(g)	Excise Refund Received	10,749,613	-
(h)	Sundry Credit Balances Written Back	4,771,085	11,546,992
(i)	Excess Provision Written Back	23,615,358	4,050,348
(j)	One Time Settlement Gain on Vendor payment	2,022,480	-
	TOTAL	78,332,468	36,763,626

Notes to Accounts - Note : A-21

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Material Consumed	Raw Material Consumed	203,417,441	239,611,035
	Stores and Spares Consumed	60,576,365	60,681,626
	Fabrication & Processing Charges	40,232,200	40,172,025
	Freight, Octroi & Forwarding Charges	7,202,728	8,138,274
		311,428,734	348,602,960
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
	Opening Stock		
	Finished Goods	547,606	547,606
	Work-In- Progress	52,648,032	45,385,046
		53,195,638	45,932,652
Closing Stock			
Finished Goods	547,606	547,606	
Work-In- Progress	59,103,508	52,648,032	
	59,651,114	53,195,638	
	-6,455,476	-7,262,986	

Notes to Accounts - Note : A-22

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Employee Benefits Expenses	Salaries, Wages and Bonus	155,344,364	147,491,030
	Contribution to Provident Fund and Other Funds	9,725,505	9,356,493
	Gratuity	10,399,107	6,552,423
	Staff & Labour Welfare Expenses	7,035,877	7,332,366
	TOTAL	182,504,853	170,732,312

Note:- Employee Benefit Expenses include remuneration paid to vice Chairperson and Managing Director amounting to Rs.92.28 lakhs Which is subject to Approval of Central Government.

Notes to Accounts - Note : A-23

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Finance Cost	Interest Expense	50,333,263	90,232,824
	Other Borrowing Costs	1,091,102	1,848,044
	TOTAL	51,424,365	92,080,868

**Notes to Accounts - Note : A-24**

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Other Expenses			
	Excise Duty Paid (Net)	680,593	1,885,560
	Power & Fuel	63,422,783	66,646,204
	Repairs and Maintenance:		
	Buildings	3,420,053	2,718,865
	Machinery	8,301,090	8,141,792
	Others	697,249	1,064,514
	Service Charges & Warranty Claims	31,010	8,262
	Insurance	1,064,791	1,009,384
	Rent	31,782,186	22,804,961
	Rates and taxes	1,899,580	2,119,902
	Publicity & Sales Promotion	178,090	81,380
	Directors Fees & Travelling Expenses	84,723	70,000
	Travelling Expenses	7,705,447	6,877,832
	Packing and Forwarding Charges	7,107,408	8,765,391
	Legal, Professional & Consultancy Fee	45,279,458	46,077,649
	Bad Debts / Advances Written Off	8,899,067	21,596,106
	Provision For Doubtful Debts / Advances	1,797,689	687,172
	Miscellaneous Expenses	23,233,082	19,922,678
	Outward Freight Charges	7,205,320	8,958,504
	Loss on Scrapping of Assets	-	-
	TOTAL	212,789,619	219,436,155

Notes to Accounts - Note : A-25

	Particulars	Figures for current reporting period ending on March 31, 2015	Figures for the previous reporting period ending on March 31, 2014
Exceptional Items			
	Profit / (Loss) on sale of Assets	2,267,159	5,246,320
	Profit / (Loss) on sale of Investments	52,423,462	-265,324,846
	Unrealised Exchange Fluctuation Gain / (Loss)	-6,944,221	-38,961,827
	Gain on waiver of FCB and other loan	267,539,030	-
	TOTAL	315,285,430	-299,040,352

NOTES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2015

Figures in Parentheses relate to the Previous Period :
31st March 2014

1. ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

a) The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India and comply in all material respects with the Accounting Standards specified under section 133 of Companies Act 2013, read with the Rule 7 of Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act 2013.

b) The financial statements have been prepared under the historical cost convention on an accrual basis.

c) The accounting policies applied by the Company are consistent with those used in the previous year.

B) FIXED ASSETS :

Fixed Assets are stated at cost of acquisition or construction less depreciation. Cost comprises of the purchase price and other attributable costs and includes the financing costs relating to borrowed funds attributable to construction or acquisition of Qualifying Fixed Assets up to the date the asset is put to use and exchange difference on long term foreign currency monetary items relating to acquisition of the respective assets.

C) DEPRECIATION :

I) On Fixed Assets acquired up to 31st March, 2000 :
Depreciation on fixed assets is provided as per the useful life specified in Part C of the Schedule II to the Companies Act 2013, on Written Down Value method.

II) On Fixed Assets acquired after 31st March 2000 :
"Depreciation on fixed assets is provided as per the useful life specified in Part C of Schedule II to the Companies Act, 2013 or as per estimates based on internal technical evaluation made by the management on Straight Line Method. For specifically identified Machinery the useful life of 25 to 40 years has been considered."

D) VALUATION OF INVENTORY :

Inventories are stated at the lower of cost and net realisable value. Cost has been determined by using annual weighted average cost formula. Work in Progress and manufactured finished goods include material cost, labour and allocation of fixed and variable production overheads as per Accounting Standard 2 (Revised), Valuation of Inventories notified in the Companies (Accounting Standard) Rules 2006.

E) INVESTMENTS :

I) Long Term investments are carried at cost. Provision for diminution in the value of long term investment is made only if, such a decline is other than temporary in the opinion of the management.

II) Current investments are valued at lower of cost and realisable value.

F) EMPLOYEE BENEFITS

(a) Short term employee benefits

All employee benefits falling due wholly within the accounting period of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performance incentives and are recognised as expenses in the period in which the employees render the relevant service.

(b) Post employment benefits

Contributions to defined contribution schemes such as Provident Fund, Other Fund etc., are recognised as expenses in the period in which the employee renders the related service. The company also provides post employment defined benefit in the form of gratuity. The cost of providing benefit is determined using the projected unit credit method based on actuarial valuation report.

G) RESEARCH AND DEVELOPMENT EXPENSES :

Revenue Expenditure on Research and Development is charged off as an expense in the year in which it is incurred except where such expenses are treated as Tangible / Intangible Asset as Capital Expenditure which is grouped with Fixed Assets under appropriate heads and depreciation is provided as per Accounting Policy 1(C).

H) FOREIGN CURRENCY TRANSACTIONS :

I) Gains / Losses of transactions in foreign currency are recognised in the Profit & Loss Account except gains / losses on long term foreign currency monetary items relating to acquisition of a depreciable capital asset. Such gains / losses are adjusted against cost of the capital asset and depreciated over the remaining life of the assets. Gains/Losses on long term foreign currency monetary items not related to acquisition of depreciable assets are spread over life of such long term monetary item.

II) Current Assets and Current Liabilities in foreign currency are translated at the rates of exchange prevailing at the date of Balance Sheet and exchange difference is recognised in the Profit & Loss Account. Premium payable on forward contracts is recognised as income or expense over the life of the Contract.

I) INCOME RECOGNITION RELATING TO LEASE :

Income relating to lease / finance charges is recognised as per the terms of Agreement except where there is uncertainty of ultimate collection of such income.

2. Freehold Land, Leasehold Land and Buildings have been revalued as per the Scheme of Arrangement and additional depreciation arising on account of revaluation of such assets amounting to Rs. NIL (Rs. 73.72 Lacs) for the year has been withdrawn from General Reserve and credited to Profit and Loss Account in terms of the said Scheme of Arrangement.

**3. CONTINGENT LIABILITIES AND COMMITMENTS :**

Contingent Liabilities in respect of

	Rs. in Lacs	Rs. in Lacs
a. Income Tax matter under appeal, approx (See Note Below)	128.08	(65.97)
b. Sales Tax matter under appeal	209.67	(347.30)
c. Excise Duty in dispute	517.81	(511.57)
d. Octroi Duty in dispute (High court Order received in Company's favour but the case is in appeal before Supreme Court hence shown in Contingent Liability.)	335.74	(335.74)
e. ESIC liability in dispute	1.26	(1.26)
f. Municipal Property Tax in dispute	322.39	(228.52)
g. Labour Cases	46.07	(45.52)
h. Entry Tax in dispute	8.49	(8.49)
i. Other compensation matters	20.00	(20.00)
j. Claim against Company not acknowledged as debt	26.07	(26.07)
Commitments :		
On Capital Account	786.58	(674.59)

Note : Income Tax matter under appeal, Rs. 128.08 Lacs (Rs. 65.97 Lacs) is excluding Rs. 158.49 Lacs (Rs. 158.49 Lacs) in respect of which favourable decision has been given by the Income Tax Appellate Tribunal, Pune on similar grounds in an earlier assessment year and Rs. 1641.77 Lacs (Rs. 1641.77 Lacs) on account of demands raised by the Assessing Officer against which the company has preferred an appeal and in addition the company has filed application for rectification and setting aside the demands in view of the carried forward losses.

4. (a) TURNOVER AND STOCKS

Rs. In Lacs

Class of Finished Goods	Turnover	Stock	
		Opening	Closing
Two Wheelers	-	3.20	3.20
Steering Arm/ Slip Yoke	-	(3.20)	(3.20)
Gear Box/ Shaft drive	1,420.12 (1,463.98)	0.00	0.00
I C Engines	2,933.18 (3,107.10)	0.00	0.00
**Variator, Front Fork & Front Shockabsorber	105.24 (6.46)	-	-
Auto Components & Others	49.29 (310.90)	-	-
Grand Total	1,070.07 (1,075.98)	2.28 (2.28)	2.28 (2.28)
	5,577.90 (5,964.42)	5.48 (5.48)	5.48 (5.48)

(b) DETAILS OF WORK IN PROGRESS UNDER BROAD HEADS

Rs. In Lacs

Particulars	WIP Stock	
	31.03.2015	31.03.2014
Two Wheelers	-	-
Steering Arm/ Slip Yoke	41.17	(59.91)
Gear Box/ Shaft drive	265.25	(226.92)
I C Engines	19.16	(20.38)
**Variator, Front Fork & Front Shockabsorber	16.86	(20.04)
Auto Components & Others	248.59	(199.23)
Grand Total	591.03	(526.48)

5. Company has purchased six bills of exchange and paid Rs. 206.65 Lacs (Rs. 206.65 Lacs) for the same. These bills have matured but have not been honoured. Company has filed suits in the High Court of Judicature at Bombay.

6. PAYMENT TO AUDITORS			Rs. in Lacs	Rs. in Lacs
Audit Fees			4.75	(5.50)
(Including fees of Rs. 0.75 Lacs (Rs. 1.50 Lacs) for audit under Section 44AB of Income Tax Act, 1961)				
For Other Services			1.49	(1.00)
For Expenses			0.15	(0.24)
7. CONSUMPTION OF RAW MATERIALS AND COMPONENTS				
Description			Value (Rs. in Lacs)	
(A) Raw Materials :				
Steel Sheets			172.69	(238.59)
Steel Tubes			12.88	(15.74)
Steel Tubes			86.42	(72.73)
Steel Bars			648.21	(555.54)
Forgings			314.67	(432.40)
Castings			58.40	(69.53)
(B) Components & Others			740.90	(1,011.58)
			2034.17	(2,396.11)
8. IMPORTED & INDIGENOUS RAW MATERIALS CONSUMPTION (Including Components)				
	Rs in Lacs	%	Rs. in Lacs	%
Imported	32.87	1.62	(54.89)	2.29
Indigenous	2001.31	98.38	(2341.22)	97.71
	2034.17	100.00	(2396.11)	100.00
9 CIF VALUE OF IMPORTS			Rs. in Lacs	Rs. in Lacs
Components and Others			16.61	(47.71)
Capital Goods			0.00	(9.25)
10 EXPENDITURE IN FOREIGN CURRENCY			Rs. in Lacs	Rs. in Lacs
I) Travelling and Other Expenses			9.42	(13.49)
II) Interest & Bank Charges			0.77	(261.60)
III) Others			80.68	(89.36)
11 EARNING IN FOREIGN CURRENCY			Rs. in Lacs	Rs. in Lacs
I) Export of Goods (FOB)			1596.16	(1652.05)
II) Other Charges			26.97	(22.85)
12 Issue of 4550 (4550) Bonus Shares and 480 (480) Rights shares have been kept in abeyance as per the provisions of Section 206A of the Companies Act, 1956.				
13 The Expenditure on RESEARCH AND DEVELOPMENT during the period is :				
A) Revenue			Rs in Lacs	Rs. in Lacs
I) Material and Other Expenses			51.59	(28.92)
II) Salary, Wages & Bonus & consultancy			155.96	(182.78)
III) Contribution to Provident Fund and Other Funds			4.70	(6.50)
IV) Depreciation			20.46	(8.15)
B) Capital			6.26	(10.62)

**14. Earning Per Share :**

- a) The amount used as the numerator in calculating basic and diluted earning per share is the Profit after tax disclosed in the Profit and Loss Account after adjusting dividend on cumulative preference shares of Rs. 166.90 Lacs (Rs. 166.90 Lacs)
- b) The weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share is 135,72,877 (135,65,850).

15. In terms of the Notification dated 31st March 2009 by The Ministry of Corporate Affairs amending AS-11 "The Effects of Changes in Foreign Exchange Rates", the company has exercised the option to recognize the exchange difference on long term monetary items retrospectively from the accounting period 2007-08. Such exchange differences relating to the acquisition of capital assets are adjusted to the cost of capital and would be depreciated over the balance life of the asset. Exchange difference amounting to Rs. 2197.37 Lacs (Rs. Rs. 2067.20 Lacs) has been carried in the Fixed Assets and Capital work in progress as on 31.03.2015. Had this option not been exercised by the company Profit for the year would have been lower by Rs. 169.02 Lacs (Loss would have been highered by Rs. Rs. 502.45 Lacs).

16. Details of foreign currency exposure not hedged by derivative instruments or otherwise:-**Loans :**

FCCB in USD	\$	-	(18,000,000)
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Payables :

Trade Payables in USD	\$	5,083	(17,179)
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Trade Payables in EURO	€	1,820	-
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Receivables :

Sundry Debtors in USD	\$	1,141,386	(1,345,925)
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17. As per the information available with the company till date, none of the suppliers have informed the company about their having registered themselves under the ' Micro, Small and Medium Enterprises Development Act, 2006. As such, information as required under this Act, cannot be compiled and therefore not disclosed for the year.

18. a. "The company has entered into Settlement Agreement with the Foreign Currency Bond (FCB) holders holding 180 Bonds of \$1,00,000/- each. In terms of the settlement agreements, 87 Bonds would be repaid at the face value along with the redemption premium @ 24.50% and restructuring fee @ 2.60%. For the remaining 93 Bonds, 23,40,499 Equity shares of Rs.10/- face value with a premium of Rs.146/- per share would be allotted to the Bond holders in full settlement. The difference between Redemption premium provided for in the books and that payable in terms of Settlement agreement is reversed and credited to Security Premium. The Difference between the carrying amount of the Bonds and the amount payable to Bond holders along with the amount of the Equity Shares to be issued amounting to Rs. 2300.39 Lacs has been credited to Gain on settlement of FCB and disclosed as an Exceptional Item under Note No.25. The Company is in the process of obtaining necessary approval from The Reserve Bank of India in this matter.

b. "The company has entered into Settlement Agreement with Micro Age Instruments Pvt. Ltd. (MAIPL). In terms of the settlement agreements, loan to the extend of Rs.725 lacs would be settled by way of issue of 2,24,359 Equity shares of Rs.10/- face value with a premium of Rs.146/- per share and remaining loan of Rs.375 lacs has been credited to Gain on Settlement and same has been disclosed as an as an Exceptional Item under Note No.25."

19. In view of the expected growth in Indian Automobile Industry and business potential of the company, having regard to the fact that the company has settled its debts resulting into positive netwrth, the company expects substantial growth in its turnover and financial position. Based on these future prospects, though the company has continuously incurred losses in previous years, the financial statements of the company have been prepared on going concern basis.

20. Employee Benefits:**A) Defined Contribution Plans****a) Providend Fund****b) State Defined Contribution Plans- Employer's Contribution to Employee's Pension Scheme 1995.**

During the year, the company has recognised the following amounts in the Profit & Loss Account

	Rs. in Lacs	Rs. in Lacs
Employer's contribution to Providend fund	43.42	(51.45)
Employer's contribution to Employees Pension Scheme	52.33	(40.54)

Defined benefit plan as per the actuarial valuation as on 31st March,2015 is as follows :

B) Defined Bebefit Plans :

The company makes annual contributions to a funded defined benefit plan for qualifying employees. The plan is

administered with Reliance Life Insurance Company Limited. The scheme provides for lumpsum payment of vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs only upon completion of five years of service, except in case of death or permanent disability. The present value of the defined obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at the Balance sheet date.

	Rs. Lacs	Rs. Lacs
	31.03.2015	31.03.2014
(I) The present value of the defined benefit obligations :		
Obligation as at 01.04.2014	653.44	641.90
Acquisition adjustment	----	----
Interest Cost	54.39	48.26
Past Service Cost	----	----
Current Service Cost	24.61	22.73
Curtailement Cost / (Credit)	----	----
Settlement Cost / (Credit)	----	----
Benefits paid	(23.73)	(60.45)
Actuarial (gain)/ loss on obligations	28.91	1.00
Present Value of Obligation as at the end of the year 31.3.2015	737.62	653.44
(II) Changes in Fair Value of Plan Assets :		
Fair Value of Plan Assets at 01.04.2014	39.75	35.32
Acquisition Adjustments	----	----
Expected Return on Plan Assets	2.01	1.94
Contributions	19.00	63.00
Benefits Paid	(23.73)	(60.45)
Actuarial Gain /(loss) on Plan Assets	1.90	(0.07)
Plan Assets at 31.3.2015	38.93	39.75
(III) Actuarial Gain / Loss recognised		
Actuarial (loss)/gain for the year – Obligation	(28.91)	(1.00)
Actuarial (loss)/gain for the year - Plan Assets	1.90	(0.07)
Total (loss) / gain for the year	(27.01)	(1.07)
Actuarial (loss) / gain recognized in the year	(27.01)	(1.07)
Unrecognized actuarial (gains) / losses at the end of year	0.00	0.00
(IV) The amounts to be recognised in Balance Sheet and Statements of Profit and Loss		
Present Value of Obligation as at the end of the year 31.03.2015	737.62	653.44
Fair Value of Plan Assets as at the end of the year as on 31.03.2015	38.93	39.75
Funded Status	(698.69)	(613.69)
Unrecognized Actuarial (gains) / losses	0.00	0.00
Net Liability to be Recognized in Balance Sheet	698.69	613.69
(V) EXPENSE RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS		
Current Service Cost	24.61	22.73
Past Service Cost	----	----
Interest Cost	54.39	48.26
Expected Return on Plan Assets	(2.01)	(1.94)
Curtailement Cost / (Credit)	----	----
Settlement Cost / (Credit)	----	----
Net actuarial (loss)/gain recognized in the year	(27.01)	(1.07)
Expenses to be recognized in the statement of Profit & Loss at the end of period 31.03.2015	103.99	70.12
(VI) Leave Encashment		



Provision for leave encashment is made as per actuarial valuation at Rs. 80.54 Lacs (Rs. 71.96 Lacs)

(VII) Assumptions:	As of 31.03.2015	As of 31.03.2014
Discount Rate	8.50%	9.10%
Rate of increase in Compensation levels	3.00%	3.00%
Rate of return on plan assets	9.00%	9.00%
Expected Average remaining working lives of employees (years)	7.83	8.14

21. Related Parties Transactions: As per Accounting Standard - 18

A) Name of Related Parties : Jaya Hind Sciaky Ltd., Kinetic Communications Ltd., Ajinkya Holdings Pvt. Ltd., Microage Instruments Pvt. Ltd., Ajinkya Auto Fab Ltd., Kinetic Hundai Elevator & Movement Technologies Ltd., Chrysalis Financial Services Pvt. Ltd., Chrysalis Casting Private Limited, Kinetic Taigene Electrical Co. Pvt. Ltd., Ducati Energia Pvt. Ltd., Kinetic Motor Automotive Pvt. Ltd., Kinetic Green Energy & Power Solutions Limited, Kinetic World Private Limited, Kinetic kids Products Private Limited.

Relationship : Associate Companies

Nature of Transaction	Volume of Transactions (Rs. In Lacs)	
Purchases of Goods	12.70	9.04
Sales of Goods	3.39	(1.79)
Interest Payments/ (-)Receipts (Net)	0.00	1.12
Rendering of Other services (Income)	45.34	30.57
Rendering of Other services (Expense)	31.89	56.83
Rent Paid	310.25	182.19
Purchases of Assets	0.00	16.22
Sale of Assets	17.27	0.00
ICD Received	0.00	792.00
ICD Repaid	350.00	7.00
Investment in Debenture	0.00	1119.86
Amounts Written back during the period in respect of loan from the related party	375.00	0.00
Amounts Written back during the period in respect of related party	0.00	1.98
Redemption of Debenture	0.00	900.00
Proceeds from Redemption of Debenture	0.00	900.00
Dividened received	16.36	0.00
Outstanding Balances as on 31.03.2015	Net Dr	281.13
Outstanding ICD/Loan Including Interest	Cr	3165.92
		3766.84

B) Name of Related Parties : Mr. A.H. Firodia, Mr. Ajinkya Firodia, Mrs. S.F. Motwani

Relationship : Key Management Personnel

Nature of Transaction : Volume of Transactions (Rs. in Lacs)

Services rendered	Remuneration as shown below:	
	Salary	74.13
	Incentive	0.00
	Contribution to Provident Fund, Superannuation Scheme	16.16
	Perquisites	1.99
		92.28
		108.84
Rent Paid to Mr. A.H Firodia (Chairman)		0.05
Outstanding Balance as on 31.03.2015	Cr	321.40
		321.40

Disclosure in respect of material related party transactions during the year :

- a Purchases from Jaya Hind Sciaky Limited Rs.0.31 lacs (Previous Year Rs.-0.07 Lacs) & Ajinkya Auto Fab Limited 12.39 Lacs (Previous Year Rs. 9.11 Lacs)
- b Sales include to Ducati Energia India Private Limited Rs. 2.05 lacs (Previous Year Rs. -1.79 Lacs), Jaya Hind Sciaky Limited Rs. 1.34 Lacs (Previous Year Rs. NIL)
- c Interest payment includes Microage Instruments Private Limited Rs. NIL Lacs (Previous Year Rs. 1.12 Lac)
- d Income from Rendering of services include to Jaya Hind Sciaky Limited Rs. 43.44 Lacs (Previous Year Rs. 30.15 Lacs), Microage Instruments Pvt. Ltd. Rs. 1.9 Lac (Previous Year Rs. 0.37 Lacs), Chrysalis Financial Services Pvt. Ltd. Rs. NIL lacs (Previous Year Rs. 0.05 Lacs)
- e Expenses for receiving of other services paid to Jaya Hind Sciaky Limited Rs. NIL Lacs (Previous Year Rs. 0.97 Lacs), Kinetic Communication Limited Rs. 31.03 Lacs (Previous Year Rs. 54.51 Lacs), Microage Instruments Private Limited Rs.0.86 Lacs (Previous Year Rs. 1.34 Lacs).
- f Rent paid to Microage Instruments Private Limited Rs. 310.24 Lacs (Previous Year Rs. 182.19 Lacs) and Mr. A.H. Firodia Rs 0.05 Lacs (Previous Year Rs 0.05 Lacs)
- g Purchase of assets include Jaya Hind Sciaky Limited Rs. NIL Lakhs (Previous Year Rs. 16.22 Lacs).
- h Sale of assets include Kinetic Taigene Electrical Co. Private Limited Rs. 17.27 Lacs (Previous Year Rs. Nil Lacs).
- i ICD received from Ajinkya Holdings Private Limited Rs. NIL Lacs (Previous Year Rs. 792.00 Lacs).
- j ICD repaid include Ajinkya Holdings Private Limited Rs. NIL Lacs (Previous Year Rs. 7.00 Lacs), Micro Age Instruments Pvt. Ltd. Rs.350.00 Lacs by way of Equity Shares to be issued (Previous Year Rs. Nil Lacs).
- k Investment in Debenture include Kinetic Motor Automotive Private Limited Rs. NIL Lacs (Previous Year Rs. 1119.86 Lacs).
- l Amounts Written back during the period in respect of related party Kinetic Communication Ltd. Rs. NIL lacs (Previous Year Rs. 1.98 lacs).
- m Amounts Written back during the period in respect of loan from the related party Micro Age Instruments Pvt. Ltd. Rs.375.00 lacs (Previous Year Rs. Nil lacs).
- n Remuneration to key managerial personnel include to Mr. A.H. Firodia Rs. NIL Lacs (Previous Year Rs. 3.81 Lacs), Mr. Ajinkya Firodia Rs. 43.57 Lacs (Previous Year Rs. 61.00 Lacs) and Mrs. S.F. Motwani Rs. 48.70 Lacs (Previous Year Rs. 44.03 Lacs).
- o Proceed from redemption of Debenture include Kinetic Motor Automotive Private Limited Rs. NIL Lacs (Previous Year Rs. 900 Lacs).
- P Redemption of Debenture include Kinetic Motor Automotive Private Limited Rs. NIL Lacs (Previous Year Rs. 900 Lacs).
- q Dividened received from Kinetic Communications Limited Rs.0.16 Lacs (Previous Year Rs. NIL) Kinetic Hundai Elevator & Movement Technologies Private Limited Rs. 16.2 Lacs(Previous Year Rs. NIL)
22. Pursuant to Companies Act, 2013 ("the act") effective from 01 April, 2014, the company has revised depreciation rates on fixed assets as per the useful life specified in Part "C" of Schedule II of the act or as per the estimates based on Internal Technical Evaluation made by the management. As result of this change, the depreciation charge for the year ended 31 March 2015 is lower by Rs 0.77 crores. In respect of the assets whose useful life is already exhausted as on 01 April 2014 depreciation of Rs. 2.11 crores has been adjusted in Reserve and Surplus in accordance with the requirements of the Schedule II of the Act.
23. Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached
For M/s P.G. Bhagwat
Chartered Accountants

For and on behalf of the Board of Directors

SANDEEP RAO
Partner
PUNE

ROHIT PURANDARE
Company Secretary

A. A. FIRODIA
Managing Director
PUNE July 22, 2015

A. H. FIRODIA
Chairman
July 22, 2015

**KINETIC ENGINEERING LIMITED**

CIN: L35912MH1970PLC014819

Registered Office: D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019, India,
Tel.: +91-20-66142049 Fax: +91-20-66142088/89 kelinvestors@kineticindia.com \ www.kineticindia.com**Attendance Slip**

Registered Folio No./ DP ID & Client ID	
Name and address of the Member(s)	
Joint Holder 1 Joint Holder 2	
No. of Shares	

I/We record my/our presence at the '44th Annual General Meeting' of the Company to be held on Wednesday, 30th September, 2015 at 11.00 a.m. at Kinetic Engineering Ltd., D 1 Block, MIDC, Chinchwad, Pune 411019.

Member's/ Proxy's name in Block letters**Member's/ Proxy's Signature**

Note: Please fill in the name and sign this Attendance Slip and deposit the same with the Company Officials at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	*Sequence No.
150827054	

* Only Members who have not updated their PAN with the Company/ Depository Participant shall use sequence no. in the PAN field.

Notes:

- 1) Please read the instructions printed under the Notes to the Notice of the 44th Annual General Meeting of the Company to be held on Wednesday, 30th September, 2015 at 11.00 a.m.
- 2) The remote e-Voting period starts from 9.00 a.m. IST on 27th September, 2015 and ends at 5.00p.m. on 29th September, 2015. The Voting module shall be disabled by Central Depository Services (India) Limited (CDSL) for voting thereafter.

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PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered Address: _____

E-mail id: _____ Folio No. / Client ID: _____

DP ID: _____

I/We being the members(s) of _____ shares of the above named Company hereby appoint:

- (1) Name: _____
 Address: _____
 E-mail ID: _____ or failing him;
- (2) Name: _____
 Address: _____
 E-mail ID: _____ or failing him;
- (3) Name: _____
 Address: _____
 E-mail ID: _____ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/behalf at the 43rd Annual General Meeting of the Company to be held on Wednesday, 30th September, 2015 at 11 a.m./p.m. at D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional *	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the financial year ended on that date, together with the Reports of Auditors and Directors thereon.		
2	To appoint a director in place of Mr. Arun Hastimal Firodia (DIN: 00057324), who retires by rotation and is eligible for re-appointment.		
3	To appoint auditors and fix their remuneration		
Special Business			
4	Further Issue of Shares		

Signed this _____ day of _____ 2015

Signature of the Shareholder _____

Affix Rs 1
revenue
stamp

Signature of first proxy holder

Signature of Second proxy holder

Signature of third proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 Hours before the commencement of the meeting.
- (2) * It is optional to Put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.



Leaders In Transmissions

- India's leading transmission manufacturing company including complete gearbox assemblies & CVTs
- 45 years of automobile manufacturing experience
- Winner of "Export Excellence awards" for 5 consecutive years
- Complete capability from forgings to grinding with latest gear manufacturing machinery including laser welding
- International standard assembly line



Our Customers:



A Firodia
Group Company

**KINETIC ENGINEERING LIMITED**

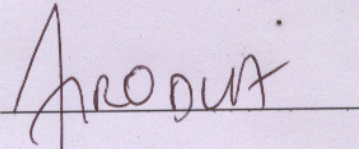
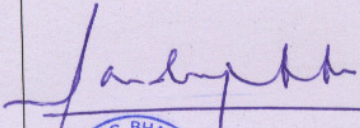
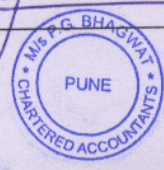
Regd. Office : Kinetic Innovation Park, D-1 Block,
Plot No. 18/2, H. K. Firodia Road, MIDC,
Chinchwad, Pune - 411 019. (India)

Tele. : +91-20-66142049
Fax : +91-20-66142088 / 89

CIN : L35912MH1970PLC014819

Website : www.kineticindia.com

Form A

1.	Name of Company	KINETIC ENGINEERING LIMITED
2.	Annual Financial Statements for the Year ended	31 st March, 2015
3.	Type of Audit Observations	Matter of Emphasis: 1. Note No. A-22 relating to Managerial Remuneration, which is subject to approval of Central Govt. 2. Note No. 19 describing the basis of company's ability to continue as a Going Concern.
4.	Frequency of Observations	1. Note No. 22 appearing since 7 years 2. Note No. 19 appearing since last two years
5.	To be signed by-	
	Managing Director	
	Auditor of the Company	  M/s P. G. BHAGWAT CHARTERED ACCOUNTANTS SUITE 102, 'ORCHARD', DR. PAI MARG, BANER, PUNE - 411 045
	Audit Committee Chairman	