

**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

To-
Corporate Relationship Department
BSE Limited
1st Floor, Rotunda Building,
Dalal Street, Fort,
Mumbai-400001

Date: 12th October, 2016

Dear Sir,

Ref: Stock Code: 500240.

Sub.: Annual Report for the year ended March 31, 2016.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose copy of the Annual Report for the year ended March 31, 2016, approved and adopted at the Annual General Meeting of the Company held on September 30, 2016.

This for your information and record.

Thanking you.

For Kinetic Engineering Limited

Rohit Purandare
Rohit Purandare
Company Secretary



Encl.: A/a.

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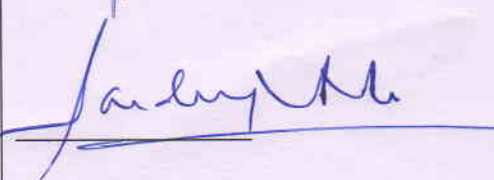


CIN : L35912MH1970PLC014819

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FORM A

As per Reg. 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

(for Audit Report with unmodified report)

1	Name of Company	Kinetic Engineering Limited
2	Annual Financial statements for the year ended	31 st March, 2016
3	Type of Observation	Matter of Emphasis: Managerial Remuneration is subject to Central Govt. approval
4	Frequency of observation	Appearing since 8 years
5	To be signed by-	
	Managing Director and Chief Financial Officer	 
	Auditor of the Company	 
	Audit Committee Chairman	



KINETIC ENGINEERING LIMITED

Annual Report 2015-16

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 & CFO
MR. JINENDRA H. MUNOT	
DR. K. H. SANCHETI	
MR. S. R. SANGHI	
MR. S. R. KOTECHA	
MR. R. J. KABRA	

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
- REPORT ON CORPORATE GOVERNANCE
- 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 45th Annual General Meeting of the shareholders of KINETIC ENGINEERING LIMITED will be held on Friday, 30th day of September, 2016 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, 2016 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 Ms. Sulajja Firodia Motwani (DIN: 00052851), who retires by rotation and is eligible for re-appointment.
3. To appoint auditors and fix their remuneration.

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

Date: 09.08.2016

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 28/09/2016 to 30/09/2016 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 In time 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 23rd September, 2016 (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:
 - A. In case of Members receiving Notices of Annual General Meeting (AGM) through E-mail:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "KINETIC ENGINEERING LIMITED" from the drop down menu and click on "SUBMIT"
 - (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 (Shareholders) holding shares in Demat Form and Physical Form	
Permanent Account Number (PAN)	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB) #	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company / Depository Participant please enter the Client id / folio number in the Dividend Bank details field.

- (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 Electronic Voting Sequence Number (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)(a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - (b) Institutional shareholders should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - (c) After receiving the login details Institutional shareholders have to create a user who would be able to link the account(s) which institutional shareholders wish to vote on.
 - (d) 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.
 - (e) Institutional shareholders should upload 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.
- B. In case of Members receiving physical copy of Notice of AGM:
- (i) Please follow all steps from Sr. No. (i) to Sr. No. (xviii) above, to cast vote.
 - (ii) The voting period begins on Tuesday, 27th September, 2016 at 9.00 a.m. IST and ends on Thursday, 29th September, 2016 at 5.00 p.m. IST. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- D. General Instruction:
- (i) You are advised to cast your vote only through one mode (E-voting or through Poll at the AGM). In case you cast your votes through both the modes, votes cast through E-voting shall only be considered and votes cast at meeting through Poll would be rejected.
 - (ii) The Company has appointed Mr. Devendra V. Deshpande, Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in fair and transparent manner.



"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	Mrs. Sulajja Firodia Motwani
Age	43
DIN	00052851
Date of Appointment	04th May, 1996
Qualification	Master of Business Administration (MBA)
Expertise	Vast experience in the area of Marketing, Finance, Strategic planning and corporate restructuring.
Directorships as on 31st March, 2016	Kinetic Marketing and Services Limited, Kinetic Auto Ltd.
Chairmanship / Membership of Committees of other Public Companies as on 31st March, 2016	Nil
Shareholding in the Company	616

DIRECTOR'S REPORT 2015-16
(Including Management Discussion & Analysis)

Dear Members,

Your Directors present the 45th Annual Report on the business and operations of **Kinetic Engineering Limited** and the Audited Financial Accounts for the financial year ended 31st March, 2016.

Business Overview

I believe that the year 2015 – 2016 is a historic year for your Company. During this year, your Company, which forayed into auto components a few years ago, has implemented major strategic initiatives to ensure a healthy and bright future in the chosen field. Due to these initiatives, which are explained below, your Company now lies at the path of growth, and profitability in the coming future. These initiatives include:

Initiatives taken towards business growth

In the year 2015 – 2016, your Company has obtained and developed major business from international customers. It has utilized its available technical expertise to ensure a successful implementation of these high volume prestigious programmes. The following is the status:

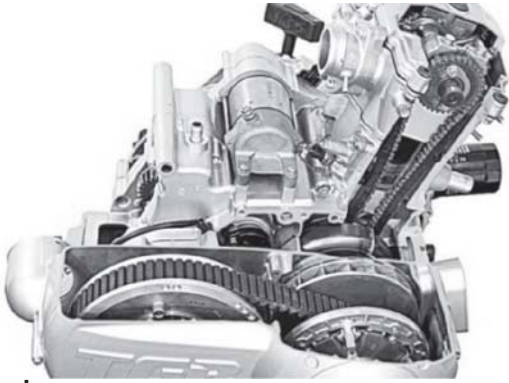
- 1) Development of components for Renault – Nissan: Your company has successfully developed sleeves and dog teeth components for global major Renault Nissan. These components are supplied to the new platform of gearboxes developed by RNTBC and is used in the widely successful Renault Kwid and the Nissan Redi –Go. Our customer has seen a major success in both these models, due to its features, styling and value proposition, and Your Company is proud to be a part of a high growing programme. Currently the production for this continues to grow at 20% month on month; and is expected to further double by the end of the year 2016 – 2017 as per the volume projections given to us. Furthermore, Your company shall export the same components for RNTBC’s worldwide usage of the gearbox which is also expected to comment shortly. Overall hence, this business shall become a major part of the Company’s growth in the coming years
- 2) Development of High Value Component for



American Axle: Your company has successfully completed the development and validation requirement of a single component that shall be exported (deemed) to the American Major, American Axle. The production and supply of this component has begun and is in high ramp up stage.

The Above 2 business alone are expected to ramp up to an annual revenue of 55 – 60 crores, which is equal to your company’s current revenues!

In addition to the above, your company has also commenced mass production to Magna Powertrain in Muncie, USA. Your Company has also received the order for the development and production for a 380 NM gearbox to be supplied to Ashok Leyland for one of their important vehicles. This gearbox has been designed under Your Company’s technical agreement with Magna Styer India and shall be supplied as a fully assembled gearbox, strengthening your Company’s image as the country’s fastest growing commercial vehicle gearbox manufacturer. Your Company also believes that successful implementation of the above initiatives shall result in larger business opportunities from these very premium customers.



The Ashok Leyland

Your Company continues to make products for Indian



OEMs including TATA, Mahindra, Carraro India and exporting to BRP (USA), Tomos (Slovenia) which have been the customers who have supported Your Company since the beginning of its foray into auto components.

Initiatives taken towards reduction of costs:

Debt and interest burden reduction

Your Company has settled and paid the entire FCCB due as well as the loan from Reliance Capital Ltd, amounting to a debt reduction of Rs. 77.50 crores. Currently hence the liabilities of the company have come substantially down and your company is now left with working capital limits and ICDs from promoters, freeing itself from external long term debt. This way, the company can now focus on implementing a robust business model on the strength of its infrastructure and technical knowledge. This has also reduced the interest burden for the company by Rs. 1.49 Crores, enabling it to use its cash flow usage towards business and required capex.

Material Cost reduction

Your Company has successfully completed its entire backward integration into forgings. An initiative started 2 years ago, today your Company makes more than 95% of its requirement of forgings in house, compared to previous years where this was a bought out commodity. The Company now runs 2 hammer forgings and 1 x 1300 ton press forgings which it purchased during this year. Currently the company has reached a forging production of about 300 tons per month and plans to increase the same along with the business growth. Due to this major initiative, Your company continues to reduce its material cost which has now come down to 51%.

The Company has also benefitted from the reducing fuel prices as the above forgings and heat treatment shops run primarily on crude oil products.

The Company continues to explore avenues of further reduction of costs by exploring options to reduce the fixed overheads including electricity, manpower, fuels, packaging and freight.

KEL has commenced mass production for Renault's highly successful model KWID and Nissan Redi –

RENAULT NISSAN



GO. KEL is further developing components for the AMT & 100 NM versions along with commencing its exports.

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 customers. 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 and Reliance:

Company had a FCCB Liability of about Rs. 142 Crores. Company had settled the same and was awaiting the approval of RBI.

During the year Company received approval of RBI for the settlement reached with FCCB holders and settlement of the liability was completed 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.

During the year Company also completed the settlement of dues of Rs. 7.25 Crores with M/s. Micro Age Instruments Private Limited, a promoter group Company at Rs. 3.50 Crores by issuing 2,24,359 shares of the Company at a price of Rs. 156 per share.

Similarly, during the year Company also settled the liability of Reliance Capital Limited and Payone Enterprises Pvt. Ltd. of Rs. 33.10 Crores.

Accordingly, the Loan and Preference Shares liability will be settled as under:

1. Rs. 14.15 Crores Cash Payment; and
2. By way of issuing 6,00,000 shares of the Company at a price of Rs. 156 per share.

The said issue of 6,00,000 shares was pending shareholders approval as on 31.03.2016.

The above referred negotiations and settlements helped the Company to further improve its net worth and reduction of its liabilities.

Management Discussion & Analysis

While the global recovery was still slow and witnessing divergent trends, Indian Economy grew at 7.8% in the Financial Year 2015-16, against 7.3% in 2014-15 (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 automotive industry is an engine of growth for the Indian economy. The auto component industry contributes 25.6% to the manufacturing GDP and 2.2% to National GDP, providing direct employment to 1.5 million people. To help the auto component industry, the government has announced a slew of reforms in the Budget 2015 and the Foreign Trade Policy 2015. Forward looking policy measures such as announcement of introduction of GST, consolidation of various exports schemes, simplification of procedures to help integrate India into the global value chain, improving ease of doing business index through online and e-governance interventions and reducing the transaction costs augur well for the industry. 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

The Indian auto industry (the industry) is one of the largest and one of the most competitive in the world. The industry is expected to perform better in the financial year 2016-17 in view of the improving macros – the Seventh Central Pay Commission bounty, softening interest rates, lower fuel cost and inflation.

The Indian Commercial Vehicle Industry is witnessing sizeable investments by Original Equipment Manufacturers (OEMs) towards upgrading their product portfolio, introducing new models and expanding manufacturing capacities.

Government of India aims to make automobile manufacturing the main driver of 'Make in India' initiative and has set up a separate independent Department for Transport, comprising of experts from the automobile sector. Investments in road projects is expected to grow at a healthy pace during the next five years, led by the government's focus on the sector.

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 31st March 2016 was Rs. 16.13 cr.

During the year, Company issued 23,40,499 Shares to FCCB holders and 2,24,359 Shares to Promoters on account of Settlement reached and full and final Settlement of their dues.

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, 2013, 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) Ms. Sulajja Firodia Motwani – Vice Chairperson
- b) Mr. Ajinkya A. Firodia – Managing Director & CFO
- c) Mr. Rohit Purandare – Company Secretary (CS)

Mr. Mukund Tasgaonkar, CFO of the Company resigned during the year. In his place Mr. Ajinkya A. Firodia, Managing Director of the Company was designated as Chief Financial Officer (CFO).

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, 5 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.

A calendar of Meetings is prepared and circulated in advance to the Directors`

During the year 1st April, 2015 to 31st March, 2016, 5 Board Meetings were held on 22nd July, 2015, 13th August, 2015, 9th November, 2015, 31st December, 2015, 12th February, 2016. The 44th Annual General Meeting (AGM) of the Company was held on 30th September, 2015.

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, there was no change in the composition in the Board of Directors of the Company.

Ms. Sulajja Firodia Motwani, Vice Chairperson of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers herself 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.

Mr. Mukund Tasgaonkar, Chief Financial Officer of the Company resigned from the post w.e.f. 30th June, 2015. In his place Mr. Ajinkya A. Firodia, Managing Director of the Company was designated as Chief Financial Officer at the Board Meeting held on 31st December, 2015.

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, 2016 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, 2016 and August 9, 2016 (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, 2016) and the date of the Report (August 09, 2016).

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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 before 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, 2016, 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, 2016 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, 2016;
- (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, 2016.

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 9, 2016

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, 2016

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. ndigenization of various components
 - d. Reduction in foreign exchange outgo
 - e. Conveyorise movement of material from assembly,

- f. 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

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.

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

Pune, August 9, 2016
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 2016
[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 2015 to 31st March 2016, 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 2016 (“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 2016 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/MR 1
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;

During the year Company received approval of RBI for the settlement reached with FCCB holders and settlement of the liability was completed 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.

Company has filed the necessary Form 83, Form ECB-2 and Form FCGPR with RBI in this regard.

(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the Audit Period]**
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not applicable during the Audit Period]**
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

[Not applicable during the Audit Period]

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

(h) 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;

(i) 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.
- (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 during the audit period :-

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.

We further report that during the audit period –

Based on the auditors report that:

1. Managerial Remuneration is subject to approval of Central Govt.

2. Describing the basis of company's ability to continue as a Going Concern- Our opinion is not modified in respect of this matter.
3. The title deeds of immovable properties are held in the name of the company except the title deed in respect of lease hold land at Supa which is in the name of merged entity and is in the process of being transferred in the name of the company.
4. The undisputed amounts payable in respect of Income tax deducted at source of Rs. 5.37 Lacs and Provident Fund amounting to Rs. 7.01 Lacs were in arrears as at 31st March, 2016, for a period of more than six months from the date they became payable.
5. The managerial remuneration paid to Vice Chairperson and Managing director of Rs, 78.72 is subject to approval of Central Government.
6. The Company has made preferential allotment for which the requirements of section 42 of the Companies Act 2013 have been complied and the amount raised has been used for the purpose for which it was. Company is in process of doing the necessary compliances

FOR DVD & ASSOCIATES
COMPANY SECRETARIES
DEVENDRA DESHPANDE
PROPRIETOR
FCS No. 6099
CP No. 6515

Place :Pune
Date : 09.08.2016

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 DVD & ASSOCIATES

COMPANY SECRETARIES

DEVENDRA DESHPANDE

PROPRIETOR

FCS No. 6099

CP No. 6515

Place :Pune

Date : 09.08.2016

Annexure III
REPORT ON CORPORATE GOVERNANCE FOR THE 12 MONTHS PERIOD ENDED
31ST MARCH, 2016.

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 / SEBI (LODR) Regulations, 2015
Executive Directors	03	--
Non-Executive Directors	05	04
Independent Directors	05	04

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	4	Nil	Nil
Mr. Ajinkya Firodia	Promoter / Executive	5	Nil	Nil
Mrs. S. F. Motwani	Promoter/Executive	3	Nil	Nil
Mr. J. H. Munot	Independent	4	Nil	Nil
Dr. K. H. Sancheti	Independent	Nil	Nil	Nil
Mr. S. R. Sanghi	Independent	1	Nil	Nil
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.

+ 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, 2016 (hereinafter referred to as 'the period under review'), 5 Board Meetings were held on 22nd July, 2015, 13th August, 2015, 9th November, 2015, 31st December, 2015 and



12th February, 2016. 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 29/09/2015
Mr. A. H. Firodia	5	5	Present
Mr. Jinendra H. Munot	5	3	Absent
Dr. K. H. Sancheti	5	1	Absent
Mr. S. R. Sanghi	5	1	Absent
Mr. S. R. Kotecha	5	5	Present
Mr. Ajinkya Firodia	5	5	Present
Mrs. Sulajja Firodia Motwani	5	3	Present
Mr. R. J. Kabra	5	2	Absent

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

3.3 Meetings and attendance during the period under review:

During the 12 months period ended on 31st March, 2016, 5 Meetings of the Audit Committee were held on 22nd July, 2015, 13th August, 2015, 9th November, 2015, 31st December, 2015 and 12th February, 2016. Details of attendance of the Members at the meeting were as follows:

Name of Director	No. of Meetings attended
Mr. S. R. Kotecha	5
Mr. J. H. Munot	3
Mr. K. H. Sancheti	1
Mr. R. J. Kabra	2

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

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;

The Minutes of the Committee Meetings are noted by the Board of Directors at the Board Meetings. During the financial year, the Committee met on December 31, 2015.

The Chairman of the Nomination and Remuneration Committee was present at the 44th Annual General Meeting of the Company held on September 30, 2015.

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 (₹)	19,76,452	26,35,380
HRA (₹)	8,19,401	8,78,460
Conveyance (₹)	2,96,468	--
Perquisites (₹)	--	15,000
Other (₹)	2,96,468	3,95,304
PF Contribution (₹)	2,37,174	3,16,246
Total	36,25,963	42,40,390

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 reimbursement 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, 2016, are as follows:

Name of Non-Executive Director	Sitting Fees (₹)	No. of Shares held in the Company
Mr. J. H. Munot	8,000	23576
Dr. K. H. Sancheti	Nil	305
Mr. S. R. Sanghi	Nil	32
Mr. S. R. Kotecha	12,000	Nil
Mr. R. J. Kabra	4,000	Nil
Total	24,000	23913

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

Stakeholders Relationship 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, one meeting of Stakeholders Relationship Committee was held.

No. of shareholders complaints received during the period under review : 61

No of complaints not resolved to the satisfaction of the shareholders : 61

No. of pending Complaints as on 31st March, 2016 : 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, one 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 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, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2015	30th September, 2015	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	Yes
31st March, 2014	29th September, 2014	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	Yes
31st March, 2013	28th September, 2013	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	Yes

During the last Financial Year, one special resolution was passed by postal ballot process.

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, 2016.

- (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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 45th Annual General Meeting is proposed to be held on **30. 09. 2016 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 **31.3.2016**.

Dates of Book-Closure:

28.09.2016 to 30.09. 2016 (both days inclusive).

Dividend Payment Date:

The Directors have not recommended any Dividend for the 12 months period ended on 31st March, 2016.

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 2016-17 (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, 2015	54.00	41.70	44.10	29,094.61	26,897.54	27,011.31
May, 2015	48.00	43.00	44.00	28,071.16	26,423.99	27,828.44
June, 2015	44.45	40.00	42.50	27,968.75	26,307.07	27,780.83
July, 2015	64.00	41.65	59.15	28,578.33	27,416.39	28,114.56
August, 2015	79.50	48.15	52.20	28,417.59	25,298.42	26,283.09
September, 2015	61.60	45.15	54.75	28,471.82	24,833.54	26,154.83
October, 2015	66.30	52.00	62.85	27,618.14	26,168.71	26,656.83
November, 2015	100.55	55.00	100.55	26,824.30	25,451.42	26,145.67
December, 2015	123.70	90.00	108.70	26,256.42	24,867.73	26,117.54
January, 2016	122.00	82.20	104.60	26,197.27	23,839.76	24,870.69
February, 2016	107.10	72.00	73.90	25,002.32	22,494.61	23,002.00
March, 2016	85.45	74.00	78.50	25,479.62	23,133.18	25,606.62

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, 2016

Slab of Shareholding (₹)	No. of Shareholders	% to No. of Shareholders	Amount (₹)	% to paid-up capital
Upto 5,00	21030	96.37	11811720	7.32
501-1,000	403	1.85	2953590	1.83
1,001-2,000	178	0.82	2591070	1.61
2,001-3,000	64	0.29	1599030	0.99
3,001-4,000	28	0.13	1015890	0.63
4,001-5,000	23	0.10	1063630	0.66
5,001-10,000	43	0.19	2950390	1.83
10,001 and above	54	0.25	137321760	85.13
Total	21823	100.00	161307080	100

Shareholding Pattern as on 31st March, 2016

	Category	No. of Shares	%
A.	Shareholding of Promoter & Promoter Group		
1	Indian	7497268	46.48
2	Foreign	-	-
	Sub Total (1)	7497268	46.48
B.	Public Shareholding		
1	Institutions:		
	a) Mutual Funds / UTI	694	0.00
	b) Financial Institutions / Banks	143087	0.89
	c) Insurance Companies	0	0.00
	d) Foreign Portfolio Investors	256	0.00
	Sub Total (2)	144037	0.89
2	Non-Institutions		
	a) Bodies Corporate	2022827	12.54
	b) Individuals	3198716	19.83
	c) Clearing Members	30718	0.19
	d) NRI / NRN	62603	0.39
	e) Foreign Companies	3037723	18.83
	f) OCB	342	0.00
	g) Trusts	543	0.00
	h) HUF	135932	0.84
	Sub Total (3)	8489403	52.63
	GRAND TOTAL [(1)+(2)+(3)]	16130708	100.00

Dematerialisation of Shares

The Company shares are compulsory traded in dematerialised form. As on 31st March, 2016 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	7,76,910	4.82
Shares held in Demat Form - NSDL	1,45,91,114	90.46
Shares held in Demat Form - CDSL	7,62,684	4.73
TOTAL	1,61,30,708	100.00

The Company has not issued any GDRs / ADRs.

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

There are no warrants / other convertible securities outstanding at the end of the financial year. During the year, Company successfully reached a settlement with the FCCB holders and also got RBI approval for the same. As per the settlement Company paid Rs. 70 Crores and issued 23,40,499 shares @ Rs. 156/- per share.

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 kelinvestors@kineticindia.com



For and on behalf of the Board of Directors

A.H. Firodia
Chairman

Place: Pune
Date: 9th August, 2016

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, 2016, as stipulated in Clause 49 of the (erstwhile) Listing Agreement of the said company with Stock Exchange/s in India and as laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and as laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 9, 2016

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2015-16.

For and on behalf of the Board of Directors

A.H. Firodia
Chairman

Place: Pune
Date: 9th August, 2016

MD/CFO CERTIFICATION

The MD and CFO have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

A.A. Firodia
Managing Director & CFO

Place: Pune
Date: 9th August, 2016



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

as on the financial year ended on 31st March, 2016
[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

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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,471,063	-	4,471,063	32.96%	4471163	-	4471163	27.72%	-5.24
b) Central Govt	-	-	-	0.00%	-	-	-	-	-
c) State Govt(s)	-	-	-	0.00%	-	-	-	-	-
d) Bodies Corp.	3,026,095	-	3,026,095	22.31%	3026105	-	3026105	18.76%	-3.55
e) Banks / FI	-	-	-	0.00%	-	-	-	-	-
f) Any other	-	-	-	0.00%	-	-	-	-	-
Sub Total (A) (1)	7,497,158	-	7,497,158	55.26%	7497268	-	7497268	46.4782%	-8.7818

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)	7,497,158		7,497,158	55.26%	7497268		7497268	46.48%	-8.78
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	0.89%	-0.16%
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	0.89%	-0.12%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1039778	7925	1,047,703	7.72%	2014908	7919	2022827	12.54%	4.82
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1724182	466383	2,190,565	16.15%	1843049	495218	2338267	14.50%	-1.65%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	717405	65667	783,072	5.77%	615139	245310	860449	5.33%	-0.44%
c) Others (specify)									
Non Resident Indians	44583	24893	69,476	0.51%	37850	24753	62603	0.39%	-0.12%
Overseas									
Corporate Bodies	-	342	342	0.00%	-	342	342	0.00%	0.00%
Foreign Nationals	1758171	0	1,758,171	12.96%	3037723	0	3037723	18.83%	5.87%
Clearing Members	75046	0	75,046	0.55%	30718	0	30718	0.55%	6.94%
Trusts	262	18	280	0.00%	525	18	543	0.00%	0.00%
HUF	0	0	-	0.00%	135932	0	135932	0.84%	0.84%
Sub-total (B)(2):-	5,359,427	565,228	5,924,655	43.67%	7715844	773560	8489404	52.68	8.97%
Total Public (B)	5,500,113	568,579	6,068,692	44.74%	7856530	776911	8633441	53.216%	8.496
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	12,997,271	568,579	13,565,850	100.00%	15353798	776911	16130708	100.00%	

(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	3233431	23.84%	0	3233431	20.05%	0	-1.25%
2	MICRO AGE INSTRUMENTS P LTD	1849845	13.64%	0	1849845	11.47%	0	-2.17%
3	AJINKYA HOLDINGS PVT. LTD.	1176250	8.67%	0	1176260	7.29%	0	-1.38%
4	ARUN HASTIMAL FIRODIA	107961	0.80%	0	108061	0.66%	0	-0.13%
5	AJINKYA ARUN FIRODIA	1129055	8.32%	0	1129055	6.99%	0	-1.32%
6	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
	Ajinkya A Firodia At the beginning of year At the end of year	1129055 1129055	8.32 6.99		
Purchase	Arun H. Firodia At the beginning of year 26.02.2016 At the end of year	107961 100 108061	0.80 0.00 0.66	108061	0.66
	JayashreeArun Firodia At the beginning of year At the end of year	3166781 3166781	23.34 20.05		
	Micro Age IntrumentsPvt Ltd At the beginning of year At the end of year	1849845 1849845	13.64 11.47		
	Sulajja Firodia Motwani At the beginning of year At the end of year	616 616	0.00 0.00		
	Ajinkya Holdings Pvt Ltd At the beginning of year At the end of year	1139000 1176250	8.67 7.29		

(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 Purchase/ Allotment of Shares	PINEBRIDGE ASIA PARTNERS II L.P. At the beginning of year 03.08.2015	1060947 1060947	7.82 7.82	0	0.00
	01.12.2015 At the end of year	1807386 1807386	11.20 11.20	1807386	11.20
	RELIANCE CAPITAL LIMITED At the beginning of year At the end of year	715000 715000	5.27 5.27		
	HARSHA HITESH JHAVERI At the beginning of year 21.05.2015 12.02.2016 At the end of year	290000 10000 19500 319500	2.14 0.14 0.06 1.98	300000 319500	2.21 1.98
	AIA INTERNATIONAL LIMITED (PREVIOUSLY KNOWN AS AMERICAN				

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/ Allotment of Shares	INTERNATIONAL ASSURANCE CO. BERMUDA LIMITED) At the beginning of year	122417	0.90	330461	2.05
	01.12.2015 At the end of year	208044 330461	1.29 2.05		
Purchase/ Allotment of Shares	AIA SINGAPORE PVT LIMITED At the beginning of year	195867	1.44	520936	3.23
	01.12.2015 At the end of year	325069 520936	0.01 3.23		
Purchase	BILLION ALLY LIMITED At the beginning of year	378940	2.79	79844	0.56
	At the end of year	378940	2.35		
Purchase	GENERAL INSURANCE CORPORATION OF INDIA At the beginning of year	70850	0.52	125411	0.76
	At the end of year	70850	0.52		
Purchase	HITESH RAMJI JHAVERI At the beginning of year	40000	0.29	160000	0.99
	21.05.2015	39844	0.27		
Purchase	03.08.2015	85567	0.20	160000	0.99
	12.02.2016 At the end of year	34589 160000	0.23 0.99		
Purchase	ASHOKA INVESTMENT HOLDINGS LIMITED At the beginning of year	0	0.00	0	0.00
	03.08.2015 At the end of year	1060947 1060947	6.58 6.58		

(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
	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	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	100297514	553014583	0	65331297
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	100297514	553014583	0	65331297
Change in Indebtedness during the financial year				
• Addition	374975	44517679	0	44892654
• Reduction				
Net Change			0	
Indebtedness at the end of the financial year				
i) Principal Amount	100672489	597532262	0	698204751
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	100672489	597532262	0	698204751

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

MANAGERIAL REMUNERATION : APR-15 TO MAR-16			
	Designation	AJINKYA FIRODIA Managing Director	S F MOTWANI Vice Chairperson
A	Salary Basic	26,35,380	19,76,452
B	HRA	8,78,460	8,19,401
C	Convence		2,96,468
D	Incentive		
E	Perquisites		
	Electricity		
	LTA-		
	Medical Reimbursement	15,000	
F	Performance ALL.	3,95,304	2,96,468
G	Other		
H	Contribution		
	Provident Fund	3,16,246	2,37,174
	TOTAL	42,40,390	36,25,963

B. Remuneration to other directors:

	Particulars of Remuneration	Name of Directors			Total Amount
		J H Munot	S R Kotecha	R J Kabra	

3.	Independent Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify	8000	12000	4000	24000 NIL
4.	Total (1) Other Non-Executive Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify	8000	12000	4000	24000
	Total (2) Total (B)=(1+2) Total Managerial Remuneration Overall Ceiling as per the Act	8000	12000	4000	NIL 24000 NIL NIL

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

MANAGERIAL REMUNERATION : APR-15 TO MAR-16			
	Designation	ROHIT PURANDARE Company Secretary	AJINKYA FIRODIA CFO
A	Salary Basic	1,54,822	26,35,380
B	HRA	61,929	8,78,460
C	Convence	11,059	
D	Incentive	78,750	
E	Perquisites Electricity LTA- Medical Reimbursement	15,000	15,000
F	Performance ALL.	2,12,295	3,95,304
G	Other	9,400	
H	Contribution Provident Fund	18,578	3,16,246
	TOTAL	5,61,833	42,40,390

**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 Financial Statements

We have audited the accompanying financial statements of Kinetic Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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 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 of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under. 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. 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016 and its Loss 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. 18 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



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 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.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in "Annexure B".
 - (g) 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. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2 to the financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts having material foreseeable losses for which provision was required.
 - iii. There has been no delay in transferring 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: 28th May, 2016

Annexure - A
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 are been physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. All the major fixed assets have been verified by the management in the current year and discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account.
- (c) According to the information and explanation provided to us and based on audit procedures conducted by us, the title deeds of immovable properties are held in the name of the company except the title deed in respect of lease hold land at Supa which is in the name of merged entity and is in the process of being transferred in the name of the company.
- (ii) Physical verification of inventory has been conducted by the management during the current year. In our opinion, the interval of such verification is reasonable. As informed to us, discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act,

2013. Therefore, clause (iii) a, b and c of the Order are not applicable to the Company.

- (iv) According to the information and explanations provided to us, in respect of loans, investments, guarantees, and security; provisions of section 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable.
- (v) According to information and explanation provided 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 the Company. According to information and explanation provided to us, no order has been passed 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 not applicable to the company.

- (vii)(a) According to the records of the Company, it is generally regular in depositing undisputed statutory dues of employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except depositing dues of provident Fund where there are delays. According to the information and explanation provided to us, undisputed amounts payable in respect of Income tax deducted at source of Rs. 5.37 Lacs and Provident Fund amounting to Rs. 7.01 Lacs were in arrears as at 31st March, 2016, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation provided to us, following are the details of disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise, which have not been deposited on account of any dispute except those mentioned below:

Statement of disputed dues:

(Rs. In Lacs)

Nature of dues	Amount	Forum where dispute is pending.
Income Tax 2000-01	1.29	ITAT, Pune
Income Tax 2007-08	1455.65	CIT Appeals Pune
Income Tax 2009-10	186.12	CIT Appeals Pune
Income Tax 2009-10	144.49	CIT Appeals Pune
Income Tax 2011-12	0.24	CIT Appeals Pune
Income Tax 2011-12	62.11	CIT Appeals Pune
West Bengal Sales tax, CST 2001-02, 02-03	6.92	Dy. Commissioner of Sales Tax, Kolkata
CST (Pune) 2005-06	65.35	Commissioner Sales Tax, Pune
CST 1994-95, 99-00, 00-01, 02-03, 03-04, 08-09, 07-08, 09-10	105.77	Appellate Dy. Commissioner commercial Tax, Indore
CST 1998-99, 2001-02	27.27	Appellate Dy. Commissioner commercial Tax, Indore
Sales Tax, Kolkatta 2001-02	0.60	Sales Tax Tribunal, Kolkatta
Entry Tax 1994-95, 95-96, 2007-08	8.41	Dy. Commissioner Commercial Tax, Indore
MP Commercial Tax 1998-99	1.88	Appellate Dy. Commissioner commercial Tax, Indore
MP Commercial Tax 1999-00, 2007-08, 2008-09	14.12	Appellate Dy. Commissioner commercial Tax, Indore
Supa VAT 2008-09	303.43	Jt Commissioner Appeals, A. Nagar
Excise Duty	166.19	Appellate Tribunal
Excise Duty	121.12	CESTAT, Mumbai

- (viii) Based on our audit procedures and according to the information and explanation provided to us, the Company has not defaulted in repayment of dues to a financial institution, bank or government. The Company does not have any debenture holders.
- (ix) According to information and explanation provided to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not raised any term loans during the year.
- (x) Based upon the audit procedures performed by us and according to the information and explanations provided



to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year.

- (xi) According to the information and explanation provided to us, the managerial remuneration paid to Vice Chairperson and Managing director of Rs, 78.72 is subject to approval of Central Government.
- (xii) The Company is not a Nidhi Company and accordingly, Clause (xii) of the Order is not applicable to the Company.
- (xii) According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the

Financial Statements as required by the applicable accounting standards.

- (xiv) According to the information and explanation provided to us, the Company has made preferential allotment for which the requirements of section 42 of the Companies Act 2013 have been complied and the amount raised has been used for the purpose for which it was raised.
- (xv) According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Pune: 28th May, 2016

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

Annexure - B
To the Independent Auditors' Report of even date on the financial statements
of Kinetic Engineering Limited.

Report on the Internal Financial Controls
Under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Kinetic Engineering Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required

under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

As stated in disclaimer of opinion paragraph below, the Company has initiated the process of maintaining formal documentation regarding financial control and its effective application. As informed to us, apart from this, the Company has effectively implemented MIS process ERP modules for Financial controls and analysis, Asset

Management, Sales and Distribution and Material Management etc. During the course of audit, we have checked above referred internal controls over the financial transactions entered into by the Company and could conclude such controls were present.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that, (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial

controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to information and explanation given to us, the Company has initiated the process of formal documentation of the process being followed for internal financial control over financial reporting by drawing process control charts/ risk control matrix on criteria based on or considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Since the documentation is in process, we are unable to express an opinion on adequacy of documentation of internal financial controls and the effectiveness of its operation.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.

Pune: 28th May, 2016

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

**BALANCE SHEET AS AT 31 ST MARCH, 2016**

(Rs. In Lacs)

	Particulars	Note No.	Figures as at the end of current reporting period ending on March 31, 2016	Figures as at the end of current reporting period ending on March 31, 2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	A-1	5,076.59	8,821.29
	(b) Reserves and surplus	A-2	(319.14)	(4,630.04)
	(c) Money received against share warrants		-	-
			4,757.45	4,191.25
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	A-3	4,809.80	4,524.78
	(b) Deferred tax liabilities (Net)	A-4	-	-
	(c) Other long term liabilities	A-5	-	-
	(d) Long-term provisions	A-6	688.50	549.79
			5,498.30	5,074.57
4	Current liabilities			
	(a) Short-term borrowings	A-7	2,172.25	2,008.34
	(b) Trade payables			
	i) Dues to Micro & Small Enterprises (Note : 17)		-	-
	ii) Dues to Other		2,197.12	2,347.72
	(c) Other current liabilities	A-8	1,474.28	9,583.30
	(d) Short-term provisions	A-9	151.94	230.81
			5,995.59	14,170.17
	TOTAL		16,251.34	23,435.99
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	A-10	9,768.23	10,199.23
	(ii) Intangible assets	A-10	-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	A-11	697.33	48.17
	(c) Deferred tax assets (net)	A-4	-	-
	(d) Long-term loans and advances	A-12	1,099.04	985.68
	(e) Other non-current assets	A-13	-	-
			11,564.60	11,233.08
2	Current assets			
	(a) Current investments	A-11	2.40	7,627.54
	(b) Inventories	A-14	1,821.73	1,729.55
	(c) Trade receivables	A-15	1,943.43	1,739.84
	(d) Cash and bank balances	A-16	55.51	816.70
	(e) Short-term loans and advances	A-17	658.39	283.98
	(f) Other current assets	A-18	205.28	5.30
			4,686.74	12,202.91
	TOTAL		16,251.34	23,435.99

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

ROHIT PURANDARE
Company Secretary

A. H. FIRODIA
Chairman

A. A. FIRODIA
Managing Director & CFO

Place : PUNE

Date : May,28,2016

PROFIT AND LOSS STATEMENT FOR THE YEAR PERIOD ENDED MARCH 31, 2016

(Rs. In Lacs)

	Particulars	Note No.	Figures as at the end of current reporting period ending on March 31, 2016	Figures as at the end of current reporting period ending on March 31, 2015
I.	Revenue from operations	A-19	6,037.65	5,332.43
II.	Other income	A-20	422.00	783.32
III.	Total Revenue (I + II)		6,459.65	6,115.75
IV.	Expenses:			
	Cost of materials consumed	A-21	3,038.38	3,114.28
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	A-21	(40.23)	(64.55)
	Employee benefits expense	A-22	1,924.84	1,825.05
	Finance costs	A-23	364.75	514.24
	Depreciation and amortization expense	A-10	863.68	860.86
	Less: Transfer from General Reserve			
			863.68	860.86
	Other expenses	A-24	2,002.22	2,127.90
			8,153.64	8,377.78
	Less: Expenses Capitalised		100.52	131.65
	Total expenses		8,053.12	8,246.13
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(1,593.47)	(2,130.38)
VI.	Exceptional items Income (Net)	A-25	1,474.01	3,152.85
VII.	Profit before extraordinary items and tax (V + VI)		(119.46)	1,022.47
VIII.	Extraordinary Items			
IX.	Profit before tax (VII- VIII)		(119.46)	1,022.47
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)		(119.46)	1,022.47
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)		(119.46)	1,022.47
XVI.	Earnings per equity share having nominal value of Rs. 10/- per share			
	(1) Basic		(1.78)	6.30
	(2) Diluted		(1.78)	6.30

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

ROHIT PURANDARE
 Company Secretary

A. H. FIRODIA
 Chairman

A. A. FIRODIA
 Managing Director & CFO

Place : PUNE

Date : May,28,2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Rs. In Lacs)

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before Tax and extraordinary items	(119.46)	1,022.47
	Depreciation / Amortisation	863.68	860.86
	Provision for Doubtful Debts / advances	8.43	17.98
	Bad debts / advances / claims written off	23.09	88.99
	(Profit) / Loss on Sale of Investment (Net)	(978.54)	(524.23)
	(Profit) / Loss on Sale / Scrapping of Assets (Net)	(4.69)	(22.67)
	Interest and Financial Charges (Net)	356.78	506.78
	Gain on sale of Undertaking	(453.76)	-
	Gain on waiver of loan	-	(2,675.39)
	Settlement Gain	-	(20.22)
	Dividend Received	(1.18)	(26.20)
	Excess provision / credit balances written back	(108.61)	(283.87)
	Income from units	-	-
	Exchange difference loss / (gain)	8.56	97.64
	Transitional provision of gratuity Adjusted against general reserve	-	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(405.70)	(957.86)
	Adjustment for :		
	Inventories	(92.17)	(95.41)
	Trade and Other Receivables	(605.56)	(416.69)
	Trade Payables	87.55	863.61
	CASH GENERATED FROM OPERATIONS	(1,015.88)	(606.35)
	Interest and Financial Charges	(425.06)	(582.91)
	Direct Taxes	(38.40)	(34.39)
	NET CASH FROM OPERATING ACTIVITIES	(1,479.34)	(1,223.65)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(398.55)	(750.92)
	Sale of Fixed Assets	24.01	22.78
	Purchase / Sale of Investments (Net)	7,954.51	4,209.17
	Interest Received	7.99	6.81
	Dividend Received	1.18	26.20
	Gain on sale of Undertaking	453.76	-
	NET CASH FROM INVESTING ACTIVITIES	8,042.90	3,514.04
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Share Capital / Warrants/ share application money	-	(268.63)
	Redemption premium paid	-	(268.63)
	Proceeds from Long Term Borrowings	(7,135.63)	(1,593.50)
	Proceeds from Short Term Borrowings	163.91	(28.68)
	Repayment of Long Term Borrowings	-	-
	Repayment of Short Term Borrowings	-	-
	Dividend paid including tax thereon	-	-
	NET CASH FROM FINANCING ACTIVITIES	(6,971.72)	(1,890.81)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Rs. In Lacs)

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(408.16)	399.58
	Opening Cash and Cash Equivalents	458.98	59.40
	Closing Cash and Cash Equivalents	50.82	458.98
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, 2016	March 31, 2015
	Cash and cheques on hand	0.04	0.36
	Balances with banks	50.78	458.62
		50.82	458.98

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

SANDEEP RAO
 Partner

ROHIT PURANDARE
 Company Secretary

A. H. FIRODIA
 Chairman

A. A. FIRODIA
 Managing Director & CFO

Place : PUNE

Date : May,28,2016



Notes to Accounts - Note : A-1

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Share Capital Authorised			
5,30,13,932	(5,30,13,932) Equity Shares of Rs.10/- each	5,301.39	5,301.39
1,50,00,000	(1,50,00,000) Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	1,500.00	1,500.00
15,07,400	(15,07,400) Optionally Convertible Cumulative Preference Shares of Rs.156/- each	2,351.54	2,351.54
3,20,500	(320,500) Redeemable Cumulative Preference Shares of Rs. 156/- each.	499.98	499.98
19,23,080	(19,23,080) Compulsorily Convertible Cumulative Preference Shares of Rs 156/- each	3,000.00	3,000.00
5,24,560	(5,24,560) Unclassified Shares of Rs.10/- each	52.46	52.46
5,30,000	(5,30,000) Convertible Cumulative Preference Shares of Rs. 65/- each	344.50	344.50
30,85,500	(30,85,500) Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	2,005.58	2,005.58
18,53,650	(18,53,650) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	1,204.88	1,204.88
7,70,000	(7,70,000) Redeemable Cumulative Preference Shares of Rs.65/- each	500.50	500.50
5,00,000	(5,00,000) Redeemable Cumulative Preference Shares of Rs.100/- each	500.00	500.00
59,09,090	(59,09,090) 8.5% Optionally Convertible cumulative Preference Shares of Rs 22/- each	1,300.00	1,300.00
1,03,00,000	(1,03,00,000) New Redeemable Preference Shares of Rs 10/- each	1,030.00	1,030.00
		19,590.83	19,590.83
Issued			
1,61,30,708	(1,35,65,850) Equity Shares of Rs.10/- each	1,613.07	1,356.59
1,50,00,000	(1,50,00,000) Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	1,500.00	1,500.00
830,154	(830,154) Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	539.60	539.60
1,02,000	(1,02,000) Optionally Convertible Cumulative Preference Shares of Rs. 156/- each	159.12	159.12
1,176,650	(1,176,650) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	764.82	764.82
3,20,500	(3,20,500) Redeemable Cumulative Preference Shares of Rs. 156/- each.	499.98	499.98
		5,076.59	4,820.11
Subscribed & Fully Paid up			
1,61,30,708	(1,35,65,850) Equity Shares of Rs.10/- each	1,613.07	1,356.59
1,50,00,000	(1,50,00,000) Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	1,500.00	1,500.00
1,02,000	(1,02,000) Optionally Convertible Cumulative Preference Shares of Rs. 156/- each	159.12	159.12
3,20,500	(3,20,500) Redeemable Cumulative Preference Shares of Rs. 156/- each.	499.98	499.98
830,154	(830,154) Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	539.60	539.60
1,176,650	(1,176,650) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	764.82	764.82
	Shares Capital Suspense (Refer Note No.18)	-	4,001.18
	Total	5,076.59	8,821.29

Notes to Accounts

	Particulars	Figures for current reporting period ending on March 31, 2016		Figures for the previous reporting period ending on March 31, 2015	
		Number	Rupees	Number	Rupees
a)	Reconciliation of share capital				
	Equity Share Capital:				
	Shares outstanding at the beginning of the year	13,565,850	1,356.59	13,565,850	1,356.59
	Shares Issued during the year	2,564,858	256.48	-	-
	Reduction in share capital	-	-	-	-
	Shares outstanding at the end of the year	16,130,708	1,613.07	13,565,850	1,356.59
	Redeemable Non Convertible Non Cumulative Preference Share Capital:				
	Shares outstanding at the beginning of the year	15,000,000	1,500.00	15,000,000	1,500.00
	Shares Issued during the year	-	-	-	-
	Reduction in share capital	-	-	-	-
	Shares outstanding at the end of the year	15,000,000	1,500.00	15,000,000	1,500.00
	Optionally Convertible Cumulative Preference Share Capital:				
	Shares outstanding at the beginning of the year	102,000	159.12	102,000	159.12
	Shares Issued during the year	-	-	-	-
	Reduction in share capital	-	-	-	-
	Shares outstanding at the end of the year	102,000	159.12	102,000	159.12
	Optionally Convertible Cumulative Preference Share Capital:				
	Shares outstanding at the beginning of the year	830,154	539.60	830,154	539.60
	Shares Issued during the year	-	-	-	-
	Reduction in share capital	-	-	-	-
	Shares outstanding at the end of the year	830,154	539.60	830,154	539.60
	Redeemable Cumulative Preference Share Capital:				
	Shares outstanding at the beginning of the year	320,500	499.98	320,500	499.98
	Shares Issued during the year	-	-	-	-
	Reduction in share capital	-	-	-	-
	Shares outstanding at the end of the year	320,500	499.98	320,500	499.98
	8.5% New Optionally Convertible Cumulative Preference Share Capital:				
	Shares outstanding at the beginning of the year	1,176,650	764.82	1,176,650	764.82
	Shares Issued during the year	-	-	-	-
	Reduction in share capital	-	-	-	-
	Shares outstanding at the end of the year	1,176,650	764.82	1,176,650	764.82



Notes to Accounts

	Particulars	Figures for current reporting period ending on March 31, 2016		Figures for the previous reporting period ending on March 31, 2015	
		No. of Shares	% of Holding	No. of Shares	% of Holding
b)	Details of share holders holding more than 5% shares				
	Equity Share Capital:				
	(a) Ashoka Investment Holdings Limited	1,060,947	6.58%		
	(b) Pinebridge Asia Partners II L.P.	1,807,386	11.20%	1,060,947	6.58%
	(c) Ajinkya Arun Firodia	1,129,055	7.00%	1,129,055	7.00%
	(d) Jayashree A. Firodia	3,233,431	20.05%	3,233,431	20.05%
	(e) Microage Instruments Private Limited	2,074,204	12.86%	1,849,845	11.47%
	(f) Ajinkya Holdings Private Limited	1,176,250	7.29%	1,176,250	7.29%
	Redeemable Non Convertible Non Cumulative Preference Share Capital:				
	(A) Payone Enterprises 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, 2016		March 31, 2015	
	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	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash (Pursuant to a scheme of Arrangement)	-	-	31.94	-	-
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	-	-	20.07	-	-

e) Unpaid calls

Particulars	March 31, 2016	March 31, 2015
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.

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

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Reserves & Surplus			
(a)	Capital Reserves	3,330.56	3,330.56
(b)	Securities Premium Reserve	-	-
	Opening Balance	3,285.48	2,248.44
Add	Received during the year including written Back	4,430.36	1,305.68
Less	Premium for Redemption of Preference Shares & FCCB	-	268.64
	Closing Balance	7,715.84	3,285.48
(c)	General Reserve		
	Opening Balance	8,669.25	8,880.48
Less	Adjustment for Depreciation	-	211.23
	Closing Balance	8,669.25	8,669.25
(d)	Special Reserve	0.46	0.46
	(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	(19,915.79)	(20,938.26)
Add	Net Profit / (Loss) for the current year	(119.46)	1,022.47
	Closing Balance	(20,035.25)	(19,915.79)
	TOTAL	(319.14)	(4,630.04)

Notes to Accounts - Note : A-3

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Long Term Borrowings			
Secured			
(a)	Term Loans from Banks:		
	Vehicle Loans	2.22	4.49
(b)	Loans from related parties-Debentures	-	-
Unsecured			
(a)	Term Loans from Others	1,053.74	1,185.45
(b)	Deferred Payment Liabilities		
	Interest Free Sales Tax Loan	12.04	33.04
(c)	Loans and advances from related parties	3,741.80	3,301.80
(d)	Other Loans and Advances		
	(i) Debentures	-	-
	TOTAL	4,809.80	4,524.78

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
On 30.04.2017	12.04

(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, 2016	Figures for the previous reporting period ending on March 31, 2015
Deferred Tax Liabilities (Net)			
(a)	Deferred Tax Liabilities		
	(i) On provision for depreciation	581.94	466.52
	(ii) On other timing differences	581.94	466.52
(b)	Deferred Tax Assets		
	(i) On disallowance under Section 43B & 40A of Income Tax Act, 1961	277.88	328.26
	(ii) On provision for doubtful debts	-	-
	(iii) On disallowance under Section 35 DDA - VRS Expenses	6.39	15.19
	(iv) On carried forward loss under Income Tax Act, 1961	297.67	123.07
	(v) On other timing differences	581.94	466.52
	(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, 2016	Figures for the previous reporting period ending on March 31, 2015
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, 2016	Figures for the previous reporting period ending on March 31, 2015
Long Term Provisions			
(a)	Provision for employee benefits		
	(i) Gratuity	688.50	549.79
	(ii) Leave Encashment	-	-
	TOTAL	688.50	549.79

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

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
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.)	1,004.50	998.49
(b)	Buyers Credit from Banks (Secured by way of lien on Fixed Deposit)	-	-
	Sub Total	1,004.50	998.49
Unsecured			
(a)	Overdraft Facility from Bank	1,167.75	1,009.86
(b)	Short Term Loan from Others	-	-
	Sub Total	1,167.75	1,009.86
	TOTAL	2,172.25	2,008.34

Notes to Accounts - Note : A-8

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Other Current Liabilities			
(a)	Current maturities of long-term debt	215.64	636.29
(b)	Interest accrued and due on borrowings	124.75	196.44
(c)	Interest accrued but not due on borrowings	102.59	91.21
(d)	Investor Education & Protection fund will be credited by the following amounts (as and when due).	-	-
	(i) Unpaid dividends (unclaimed)	-	-
	(ii) Unpaid matured deposits and interest accrued thereon	-	-
(e)	Other payables	-	-
	(i) Advance against Sales	155.83	93.03
	(ii) VRS Payable	-	-
	(iii) Premium payable on Redemption of Debentures / FCCB	434.60	1,120.27
	(iv) Capital Creditors	26.47	38.52
	(v) FCCB Settlement Dues Payable	-	7,000.00
	(vi) Other Liabilities (Including statutory dues, security deposit etc.)	414.40	407.54
	TOTAL	1,474.28	9,583.30

Notes to Accounts - Note : A-9

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Short Term Provisions			
(a)	Provision for employee benefits		
	(i) Gratuity (Funded)	80.27	150.27
	(ii) Leave Encashment (unfunded)	71.67	80.54
	TOTAL	151.94	230.81

NOTE A-10 : FIXED ASSETS

Particulars	Tangible										In-tangible		Balance As At 31st Mar 2016	
	Lease-hold Land	Free-hold Land	Buildings	Plant & Machinery	Electrical Installation & Fittings	Misc. Jigs & Fixtures	Furniture Fixture	Office Equipment	Vehicles	Technical Know-how	Patents			
(1) GROSS BLOCK : OWNED ASSETS														
As At 31st March, 2015	624.94	2,080.00	3,084.34	16,887.92	202.88	6,132.60	373.58	546.78	63.34	594.39		30,590.75		
Additions	-	-	3.39	302.61	1.06	113.07	21.36	10.51	-	-	-	452.00		
Business Acquisition □□	-	-	-	-	-	-	-	-	-	-	-	-		
Deductions	-	-	-	335.18	0.66	3.24	1.39	6.95	-	-	-	347.42		
As At 31st March 2016	624.94	2,080.00	3,087.73	16,855.35	203.28	6,242.43	392.53	550.34	63.34	594.39		30,695.33		
Depreciation / Amortisation:														
Upto 31st March, 2015	19.61	-	2,830.34	10,461.02	167.47	5,409.58	331.56	537.26	40.30	594.39		20,391.53		
For The Year 2015-2016	0.96	-	51.27	688.56	5.30	96.61	12.86	3.78	4.24	-	-	863.68		
Business Acquisition □□	-	-	-	-	-	-	-	-	-	-	-	-		
Deductions	-	-	-	321.23	0.01	3.24	-	3.40	-	-	-	328.10		
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-		
Tot Dep/Amort Upto 31st Mar 2016	20.57	-	2,881.61	10,828.35	172.78	5,502.95	344.30	537.94	44.54	594.39		20,927.11		
Net Block As At 31st Mar 2016	604.37	2,080.00	206.12	6,027.00	30.52	739.48	49.23	12.70	18.80	-	-	9,768.22		
Net Block As At 31st March 2015	605.33	2,080.00	254.00	6,426.90	35.41	723.02	42.00	9.52	23.04	-	-	10,196.22		
** Amortisation Charges For The Year Are In Respect Of Leasehold Land And Technical Know-how.														
(2) GROSS BLOCK : LEASED ASSETS														
As At 31st March 2015	-	-	-	4.07	-	-	-	-	-	-	-	4.07		
Additions	-	-	-	-	-	-	-	-	-	-	-	-		
Deductions	-	-	-	-	-	-	-	-	-	-	-	-		
As At 31st March 2016	-	-	-	4.07	-	-	-	-	-	-	-	4.07		
Depreciation / Amortisation														
Upto 31st March, 2015	-	-	-	4.06	-	-	-	-	-	-	-	4.06		
For The Year 2015-2016	-	-	-	-	-	-	-	-	-	-	-	-		
Deductions	-	-	-	-	-	-	-	-	-	-	-	-		
Tot Dep/Amort Upto 31st Mar 2016	-	-	-	4.06	-	-	-	-	-	-	-	4.06		
Net Block As At 31st Mar 2016	-	-	-	0.01	-	-	-	-	-	-	-	0.01		
Net Block As At 31st March 2015	-	-	-	0.01	-	-	-	-	-	-	-	0.01		
Net Block As At 31st Mar 2016	604.37	2,080.00	206.12	6,027.01	30.52	739.48	49.23	12.70	18.80	-	-	9,768.23		
Net Block As At 31st March 2015	605.33	2,080.00	254.00	6,426.91	35.41	723.02	42.00	9.52	23.04	-	-	10,196.23		

NOTE :

Gross block includes revaluation of assets made in terms of scheme of Arrangement approved by Bombay High court as under

	Rs. In Lacs
a) Free Hold Land	2,021.36
c) Building	2,168.72
c) Lease hold land	441.13



Note : A-11 Non Current Investments

Particulars	Trade Investments		Other Investments		Total	
	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016
(a) Long term investments	32,80	32,80	15,37	15,37	47,93	47,93
(b) Investments in Equity Instruments	150,000	150,000	0,00	0,00	150,000	150,000
(c) Investments in preference shares	0,00	0,00	0,24	0,24	0,24	0,24
(d) Investments in Government or Trust Securities	0,00	0,00	0,00	0,00	0,00	0,00
Total	682,54	32,80	14,79	15,37	697,33	48,17

Sr. No.	Name of the Body Corporate	Subsidiary / 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, 2016	March 31, 2015			March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(a)	Investment in Equity Instruments - at cost												
1	Adhena Financial Services Limited	Associate	10,00	5,519,513	5,519,513	Quoted	Fully Paid	1,959,49	1,959,49	1,959,49	1,959,49	0,00	0,00
2	Tata Motors Limited	Other	2,00	-	400	Quoted	Fully Paid	-	0,26	-	-	-	0,26
3	Kinetic Communications Limited	Associate	10,00	10,000	10,000	Unquoted	Fully Paid	1,60	1,60	-	-	1,60	1,60
4	Kinetic Escalator and Elevator Limited	Associate	10,00	36,000	36,000	Unquoted	Fully Paid	3,60	3,60	-	-	3,60	3,60
5	Kinetic Marketing & Services Limited	Associate	10,00	253,400	253,400	Unquoted	Fully Paid	25,34	25,34	-	-	25,34	25,34
6	Kinetic Motor Accessories Private Limited	Associate	10,00	20,000	20,000	Unquoted	Fully Paid	2,00	2,00	-	-	2,00	2,00
Total	Investments in Preference Shares - at cost							1,992,03	1,992,29	1,959,49	1,959,49	32,34	32,80
1	Adhena Financial Services Limited	Associate	10,00	131,965,000	131,965,000	Unquoted	Fully Paid	131,97	131,97	131,97	131,97	-	-
2	Kinetic Green Energy and Power Solutions Ltd.	Associate	100,00	650,000	0	Unquoted	Fully Paid	650,00	-	-	-	650,00	-
Total (A)								2,773,99	2,124,26	2,091,45	2,091,45	682,54	32,80

Note : B-1 Details of Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary / 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, 2016	March 31, 2015			March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(a)	Investment in Equity Instruments - at cost												
1	Ashok Leyland Limited	Others	1,00	-	1,000	Quoted	Fully Paid	0,00	0,08	-	-	0,00	0,08
2	Dawood Motors (India) Limited (Formerly DCM Toyota Ltd.)	Others	10,00	50	50	Quoted	Fully Paid	0,13	0,13	-	-	0,00	0,13
3	Eicher Limited	Others	10,00	39	39	Quoted	Fully Paid	0,34	0,34	-	-	0,00	0,34
4	Eicher Motors Limited	Others	10,00	20	20	Quoted	Fully Paid	0,23	0,23	-	-	0,00	0,23
5	Excorts Limited	Others	10,00	50	50	Quoted	Fully Paid	0,53	0,53	-	-	0,00	0,53
6	Hero Motocorp Limited (Formerly Hero Motors Limited)	Others	2,00	200	630	Quoted	Fully Paid	0,00	0,19	-	-	0,00	0,19
7	Hindustan Motors Limited	Others	5,00	200	200	Quoted	Fully Paid	0,46	0,46	-	-	0,00	0,46
8	LML Limited	Others	10,00	50	50	Quoted	Fully Paid	0,29	0,29	-	-	0,00	0,29
9	Majestic Auto Limited	Others	10,00	95	95	Quoted	Fully Paid	0,27	0,27	-	-	0,00	0,27
10	Hero Motocorp Limited (Formerly Hero Motors Limited)	Others	2,00	1	1	Quoted	Fully Paid	0,29	0,29	-	-	0,00	0,29
11	Mahindra & Mahindra Limited	Others	5,00	332	332	Quoted	Fully Paid	0,00	0,15	-	-	0,00	0,15
12	SML ISUZU Limited (Formerly Swarn Mazda Ltd.)	Others	10,00	50	50	Quoted	Fully Paid	0,14	0,14	-	-	0,00	0,14
13	The Premier Automobiles Limited	Others	10,00	50	50	Quoted	Fully Paid	0,26	0,26	-	-	0,00	0,26
14	TVS Motor Co. Limited	Others	1,00	1,000	1,000	Quoted	Fully Paid	0,00	0,84	-	-	0,00	0,84
15	Saraswat Co-operative Bank Limited	Others	10,00	2,500	2,500	Unquoted	Fully Paid	0,250	0,250	-	-	0,250	0,250
16	Alphax Auto Fish Limited	Associate	100,00	13,800	13,800	Unquoted	Fully Paid	13,800	13,800	-	-	0,00	13,800
Total	Investments in Government or Trust Securities							14,566	15,127	0,00	0,00	14,566	15,127
1	7 Years National Savings Certificates	Others	N.A.	N.A.	N.A.	Unquoted	N.A.	0,240	0,240	-	-	0,240	0,240
Total (B)								14,806	15,367	0,00	0,00	14,806	15,367

Note : A-11 Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / 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, 2016	March 31, 2015			March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(a)	Investment in Mutual Funds												
1	HFPC Cash Management Fund	Others	8,934,284	8,934,284	8,934,284	Quoted	Fully Paid	2,29	2,29	-	-	2,29	2,29
2	Birla Sun Life Cash Plus Growth	Others	-	74,112,867	74,112,867	Quoted	Fully Paid	155,26	155,26	-	-	155,26	155,26
3	BIRLA SunLife Saving Fund	Others	109,649	103,629	103,629	Quoted	Fully Paid	0,11	0,10	-	-	0,11	0,10
4	Birla Sun Life Mutual Fund	Others	-	1,149,411,698	1,149,411,698	Quoted	Fully Paid	1,750,00	1,750,00	-	-	1,750,00	1,750,00
5	HSBC Income Short Term-G	Others	-	9,128,112,605	9,128,112,605	Quoted	Fully Paid	2,000,00	2,000,00	-	-	2,000,00	2,000,00
6	Templeton India Low Duration Fund - Growth	Others	-	7,092,122,990	7,092,122,990	Quoted	Fully Paid	1,004,60	1,004,60	-	-	1,004,60	1,004,60
7	Religare Invesco Credit Opportunities Fund - Growth	Others	-	103,851,450	103,851,450	Quoted	Fully Paid	1,543,29	1,543,29	-	-	1,543,29	1,543,29
8	UTI Short Term Income Fund	Others	-	7,095,092,720	7,095,092,720	Quoted	Fully Paid	1,172,00	1,172,00	-	-	1,172,00	1,172,00
Total								2,40	7,627,54	-	-	2,40	7,627,54

Notes to Accounts - Note : A-12

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Long Term Loans and Advances			
(a)	Capital Advances Unsecured, considered good Doubtful	53.29 -	118.79 -
		53.29	118.79
Less:	Provision for doubtful advances	-	-
		53.29	118.79
(b)	Security Deposits Unsecured, considered good Doubtful	151.21 13.02	309.30 13.02
		164.23	322.32
Less:	Provision for doubtful deposits	13.02	13.02
		151.21	309.30
(c)	Other Loans and advances		
(i)	Advances Unsecured, considered good Doubtful	96.32 117.22	88.78 108.79
		213.54	197.57
Less	Provision for doubtful advances	117.22	108.79
		96.32	88.78
	(ii) Bills Receivable	206.65	206.65
	(iii) Advance Income tax net of provision	300.56	262.16
	(iv) Receivable from Sale of Undertaking	291.01	-
	(v) Share Application Money	-	-
		1,099.04	985.68

Notes to Accounts - Note : A-13

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
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, 2016	Figures for the previous reporting period ending on March 31, 2015
Inventories			
(a)	Raw Materials	568.85	550.83
(b)	Work-in-progress	631.27	591.04
(c)	Finished goods	5.48	5.48
(d)	Stores and spares	616.13	582.20
	TOTAL	1,821.73	1,729.55

**Notes to Accounts - Note : A-15**

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Trade receivables			
(i)	Trade receivables outstanding for a period less than six months from due date		
	Unsecured, considered good	1,766.29	1,562.70
	Unsecured, considered doubtful	-	-
		1,766.29	1,562.70
Less	Provision for doubtful debts	-	-
		1,766.29	1,562.70
(ii)	Trade receivables outstanding for a period exceeding six months from due date		
	Unsecured, considered good	177.14	177.14
	Unsecured, considered doubtful	-	-
		177.14	177.14
Less	Provision for doubtful debts	-	-
		177.14	177.14
	TOTAL	1,943.43	1,739.84

Notes to Accounts - Note : A-16

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Cash & Bank Balances			
(a)	Cash & Cash Equivalents		
	(i) Cash on hand	0.04	0.36
	(ii) Balances with banks	50.78	458.62
(b)	Other bank balances	-	-
	(i) Fixed deposits (more than 3 months but less than 12 months) (Ermarked with banks)	4.69	357.72
	TOTAL	55.51	816.70

Notes to Accounts - Note : A-17

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Short term loans and advances			
(a)	Others (specify nature)		
	(i) Deposits with Govt. authorities		
	Unsecured, considered good	3.64	3.17
	Doubtful	-	-
		3.64	3.17
Less	Provision for doubtful advances	-	-
		3.64	3.17
	(ii) Advances to suppliers and others		
	Unsecured, considered good	654.75	280.81
	Doubtful	-	-
		654.75	280.81
Less	Provision for doubtful advances	-	-
		654.75	280.81
	TOTAL	658.39	283.98

Notes to Accounts - Note : A-18

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Other current assets			
(i)	Interest Accrued on Investments & Deposits	5.28	5.30
(ii)	Receivable of Sale of Undertaking	200.00	-
	TOTAL	205.28	5.30

Notes to Accounts - Note : A-19

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Revenue from Operations (Refer Part C-4(A))			
	Sale of Products	6,081.21	5,577.89
Less	Excise duty	480.30	452.96
		5,600.91	5,124.93
	Machining and Processing Receipts	314.91	201.07
	Other Operating Revenues	121.83	6.43
	TOTAL	6,037.65	5,332.43

Notes to Accounts - Note : A-20

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Other Income			
(a)	Interest Income		
(i)	On Fixed Deposits	2.17	0.69
(ii)	From Others	5.80	6.77
(b)	Dividend Income from:	-	-
(i)	Long Term Investment	1.18	22.33
(ii)	Short Term Investment	-	3.86
(c)	Gain on Sale of Investments (Net)	-	-
(d)	Profit on Sale of Assets (Net)	-	-
(e)	Income from Units	-	-
(f)	Miscellaneous Receipts	304.24	338.08
(g)	Excise Refund Received	-	107.50
(h)	Sundry Credit Balances Written Back	0.75	47.72
(i)	Excess Provision Written Back	107.86	236.15
(j)	One Time Settlement Gain on Vendor payment	-	20.22
	TOTAL	422.00	783.32

**Notes to Accounts - Note : A-21**

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Material Consumed	Raw Material Consumed	1,815.12	2,034.17
	Stores and Spares Consumed	702.54	605.76
	Fabrication & Processing Charges	431.41	402.32
	Freight, Octroi & Forwarding Charges	89.31	72.03
		3,038.38	3,114.28
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
	Opening Stock		
	Finished Goods	5.48	5.48
	Work-In- Progress	591.03	526.48
		596.51	531.96
Closing Stock			
Finished Goods	5.48	5.48	
Work-In- Progress	631.26	591.03	
	636.74	596.51	
	(40.23)	(64.55)	

Notes to Accounts - Note : A-22

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Employee Benefits Expenses	Salaries, Wages and Bonus	1,662.64	1,553.44
	Contribution to Provident Fund and Other Funds	105.23	97.26
	Gratuity	91.34	103.99
	Staff & Labour Welfare Expenses	65.63	70.36
	TOTAL	1,924.84	1,825.05

Note:- Employee Benefit Expenses include remuneration paid to vice Chairperson and Managing Director as per approval of shareholders amounting to Rs.78.72 lakhs is subject to approval of Central Government.

Notes to Accounts - Note : A-23

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Finance Cost	Interest Expense	315.48	503.33
	Other Borrowing Costs	49.27	10.91
	TOTAL	364.75	514.24

Notes to Accounts - Note : A-24

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Other Expenses			
	Excise Duty Paid (Net)	16.15	6.81
	Power & Fuel	724.29	634.23
	Repairs and Maintenance:		-
	Buildings	32.89	34.20
	Machinery	95.44	83.01
	Others	2.16	6.97
	Service Charges & Warranty Claims	0.17	0.31
	Insurance	7.87	10.65
	Rent	327.16	317.82
	Rates and taxes	18.07	19.00
	Publicity & Sales Promotion	0.89	1.78
	Directors Fees & Travelling Expenses	0.42	0.86
	Travelling Expenses	61.21	77.05
	Packing and Forwarding Charges	78.49	71.07
	Legal, Professional & Consultancy Fee	376.66	452.79
	Bad Debts / Advances Written Off	23.09	88.99
	Provision For Doubtful Debts / Advances	8.43	17.98
	Miscellaneous Expenses	164.85	232.33
	Outward Freight Charges	63.98	72.05
	Loss on Scrapping of Assets	-	-
	TOTAL	2,002.22	2,127.90

Notes to Accounts - Note : A-25

	Particulars	Figures for current reporting period ending on March 31, 2016	Figures for the previous reporting period ending on March 31, 2015
Exceptional Items			
	Profit / (Loss) on sale of Assets	4.69	22.67
	Profit / (Loss) on sale of Investments	978.54	524.23
	Exchange Fluctuation Gain / (Loss)	37.02	(69.44)
	Gain on waiver of loan	-	2,675.39
	Gain on Sale of Undertaking	453.76	-
	TOTAL	1,474.01	3,152.85

**NOTES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2016**

Figures in Parentheses relate to the Previous Period :

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 accumulated depreciation and impairment losses. 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.

An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets", when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of profit and loss.

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) Revenue Recognition :

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of Goods is recognized when significant risks and rewards of ownership of the

Goods have been transferred to the buyer. Revenue from Services is recognized on completion of Services. Interest Income is recognized on time proportion basis. Dividend Income and Export Incentives are recognized when the right to receive the income is established.

E) 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.

F) Income Tax:

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and tax laws. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax laws. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Minimum Alternate Tax (MAT) is recognized as an Asset only when and to the extent there is convincing evidence that the Company will pay Normal Income Tax during the specified period against which the MAT can be set-off. MAT Credit entitlement recognized as Asset is reviewed at each Balance Sheet date and written-off to the extent there is no convincing evidence regarding its set-off against the normal income tax.

G) Earnings Per Share:

The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the adjusted net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

H) Contingent liabilities and Provision:

Contingent liabilities as defined in Accounting Standard 29

on "Provisions, Contingent Liabilities and Contingent Assets" are not provided for but are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made when there is a present obligation as a result of past events and if it is probable that an outflow of future economic benefits will be required to settle the obligation.

I) 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.

J) 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.

K) 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).

L) 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.

M) 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. 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)	272.81	(128.08)
b. Sales Tax matter under appeal	506.67	(209.67)
c. Excise Duty in dispute	517.81	(517.81)
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.)	0.00	(335.74)
e. ESIC liability in dispute	1.26	(1.26)
f. Municipal Property Tax in dispute	324.14	(322.39)
g. Labour Cases	49.28	(46.07)
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	766.76	(786.58)

Note :

- Income Tax matter under appeal, Rs.272.58 Lacs (Rs. 128.08 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.
- Claims made by the suppliers on Account of Principal and overdue interest, Which work out to Rs.530.35 Lacs, have not been considered as contingent Liability Since in the opinion of the company the same are not legally sustainable.

**3. (a) TURNOVER AND STOCKS**

Rs. In Lacs

Class of Finished Goods	Turnover	Stock	
		Opening	Closing
Two Wheelers	-	3.20	3.20
	-	(3.20)	(3.20)
Steering Arm/ Slip Yoke	697.27	0.00	0.00
	(1,420.12)	0.00	0.00
Gear Box/ Shaft drive	1,751.85	-	-
	(2,933.18)	-	-
I C Engines	1,839.61	-	-
	(105.24)	-	-
Variator, Front Fork & Front Shockabsorber	-	-	-
	(49.29)	-	-
Auto Components & Others	1,792.49	2.28	2.28
	(1,070.07)	(2.28)	(2.28)
Grand Total	6,081.22	5.48	5.48
	(5,577.90)	(5.48)	(5.48)

Turnover quantity is as per clearance made as per Excise records.

(b) DETAILS OF WORK IN PROGRESS UNDER BROAD HEADS

Rs. In Lacs

Particulars	WIP Stock	
	31.03.2016	31.03.2015
Two Wheelers	-	-
Steering Arm/ Slip Yoke	22.35	41.17
Gear Box/ Shaft drive	329.23	265.25
I C Engine	10.87	19.16
Variator, Front Fork & Front Shockabsorber	8.20	16.86
Auto Components & Others	260.63	248.59
Grand Total	631.27	591.03

4. 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.

5. PAYMENT TO AUDITORS

Rs. in Lacs Rs. in Lacs

Audit Fees	4.75	(4.75)
(Including fees of Rs. 0.75 Lacs (Rs. 0.75 Lacs) for audit under Section 44AB of Income Tax Act, 1961)		
For Other Services	1.24	(1.49)
For Expenses	0.22	(0.15)

6. CONSUMPTION OF RAW MATERIALS AND COMPONENTS

Description Value (Rs. in Lacs)

(A) Raw Materials :

Steel Sheets	3.03	(172.69)
Steel Tubes	16.53	(12.88)
Steel Tubes	65.04	(86.42)
Steel Bars	969.82	(648.21)
Forgings	446.19	(314.67)
Castings	84.03	(58.40)

(B) Components & Others

	230.48	(740.90)
	1815.12	(2,034.17)

7. IMPORTED & INDIGENOUS RAW MATERIALS CONSUMPTION

(Including Components)

	Rs in Lacs	%	Rs. in Lacs	%
Imported	15.91	0.88	(32.87)	1.62
Indigenous	1799.21	99.12	(2001.31)	98.38
	1815.12	100.00	(2034.18)	100.00

8. CIF VALUE OF IMPORTS

	Rs. in Lacs	Rs. in Lacs
Components and Others	2.25	(16.61)
Capital Goods	0.00	0.00

9. EXPENDITURE IN FOREIGN CURRENCY

	Rs. in Lacs	Rs. in Lacs
I) Travelling and Other Expenses	19.82	(9.42)
II) Interest & Bank Charges	0.92	(0.77)
III) Others	35.86	(80.68)

10. EARNING IN FOREIGN CURRENCY

	Rs. in Lacs	Rs. in Lacs
I) Export of Goods (FOB)	1745.17	(1596.16)
II) Other Charges	30.85	(26.97)

11. 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.

12. The Expenditure on RESEARCH AND DEVELOPMENT during the period is :

	Rs in Lacs	Rs. in Lacs
A) Revenue		
I) Material and Other Expenses	2.18	(51.59)
II) Salary, Wages & Bonus & consultancy	64.11	(155.96)
III) Contribution to Provident Fund and Other Funds	1.78	(4.70)
IV) Depreciation	16.37	(20.46)
B) Capital	0.00	(6.26)

13. Earning Per Share :

- The amount used as the numerator in calculating basic and diluted earning per share is the Profit/Loss 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)
- The weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share is 161,30,708 (135,72,877).

14. 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 had 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. 1988.22 Lacs (Rs. Rs. 2197.37 Lacs) has been carried in the Fixed Assets as on 31.03.2016.

15. Details of foreign currency exposure not hedged by derivative instruments or otherwise:-

Loans :

Trade Payables in USD	\$	4,414	(5,083)
Trade Payables in EURO	€	1,820	(1,820)
Sundry Debtors in USD	\$	1,334,597	(1,141,386)
Sundry Debtors in EURO	€	-	-

16. 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.

17. a. "As per the Settlement Agreement entered into with the Foreign Currency Bond (FCCB) holders, during the year Company has issued 23,40,499 Equity Shares of Rs. 10/- each with a premium of Rs. 146/- per share to the Bond holders in full settlement."



b. "As per the Settlement Agreement entered into with Micro Age Instruments Pvt. Ltd. (MAIPL), Company has settled the loan of Rs. 725 Lacs and issued 2,24,359 Equity Shares of Rs. 10/- face value with a premium of Rs. 146/- per share."

18. 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 networth, 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.

19. Employee Benefits:

A) Defined Contribution Plans

a) Provident 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 Provident fund	38.21	(43.42)
Employer's contribution to Employees Pension Scheme	65.47	(52.33)

Defined benefit plan as per the actuarial valuation as on 31st March,2016 is as follows :

B) Defined Benefit 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
(I) The present value of the defined benefit obligations :	31.03.2016	31.03.2015
Obligation as at 01.04.2015	737.62	653.44
Acquisition adjustment	----	----
Interest Cost	57.66	54.39
Past Service Cost	----	----
Current Service Cost	25.66	24.61
Curtailement Cost / (Credit)	----	----
Settlement Cost / (Credit)	----	----
Benefits paid	(30.69)	(23.73)
Actuarial (gain)/ loss on obligations	2.37	28.91
Present Value of Obligation as at the end of the year 31.3.2016	792.62	737.62
(II) Changes in Fair Value of Plan Assets :	31.03.2016	31.03.2015
Fair Value of Plan Assets at 01.04.2015	38.93	39.75
Acquisition Adjustments	----	----
Expected Return on Plan Assets	1.41	2.01
Contributions	16.13	19.00
Benefits Paid	(30.69)	(23.73)
Actuarial Gain / (loss) on Plan Assets	(0.56)	1.90
Plan Assets at 31.3.2016	25.22	38.93
(III) Actuarial Gain / Loss recognised	31.03.2016	31.03.2015
Actuarial (loss)/gain for the year – Obligation	(2.37)	(28.91)
Actuarial (loss)/gain for the year - Plan Assets	(0.56)	1.90
Total (loss) / gain for the year	(2.93)	(27.01)
Actuarial (loss) / gain recognized in the year	(2.93)	(27.01)
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	31.03.2016	31.03.2015
Present Value of Obligation as at the end of the year 31.03.2016	792.62	737.62
Fair Value of Plan Assets as at the end of the year as on 31.03.2016	25.22	38.93

Funded Status	(767.40)	(698.69)
Unrecognized Actuarial (gains) / losses	0.00	0.00
Net Liability to be Recognized in Balance Sheet	767.40	698.69
(V) EXPENSE RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS	31.03.2016	31.03.2015
Current Service Cost	25.66	24.61
Past Service Cost	----	----
Interest Cost	57.66	54.39
Expected Return on Plan Assets	(1.41)	(2.01)
Curtailement Cost / (Credit)	----	----
Settlement Cost / (Credit)	----	----
Net actuarial (loss)/gain recognized in the year	(2.93)	(27.01)
Expenses to be recognized in the statement of Profit & Loss at the end of period 31.03.2016	91.34	103.99
(VI) Leave Encashment		
Provision for leave encashment is made as per actuarial valuation at Rs. 71.67 Lacs (Rs. 80.54 Lacs)		
	As of	As of
(VII) Assumptions:	31.03.2016	31.03.2015
Discount Rate	8.00%	8.50%
Rate of increase in Compensation levels	3.00%	3.00%
Rate of return on plan assets	8.50%	9.00%
Expected Average remaining working lives of employees (years)	9.25	7.83

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

A) Name of Related Parties	: Jaya Hind Sciaky Ltd., Kinetic Communications 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, MV Augusta India Private Limited, Kinetic kids Products Private Limited.	
Relationship	: Associate Companies	
Nature of Transaction		Volume of Transactions (Rs. In Lacs)
Purchases of Goods	4.50	12.70
Sales of Goods	3.59	3.39
Interest Payments/ (-)Receipts (Net)	0.73	0.00
Rendering of Other services (Income)	86.62	45.34
Rendering of Other services (Expense)	0.00	31.89
Sale of Undertaking	491.00	0.00
Rent Received	2.28	0.00
Rent Paid	321.43	310.25
Sale of Assets	0.00	17.27
ICD Received	440.00	0.00
ICD Repaid	0.00	350.00
Investment in Preference Shares	650.00	0.00
Amounts Written back during the period in respect of related party	0.00	375.00
Dividend Received	0.89	16.36
Outstanding Balances as on 31.03.2016	Net Dr	430.50
Outstanding ICD/Loan Including Interest	Cr	3606.58
		281.13
		3165.92
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	66.07	74.13
Incentive	0.00	13.98
Contribution to Provident Fund, Superannuation Scheme	12.45	16.16
Perquisites	0.21	1.99
	78.72	92.28
Rent Paid to Mr. A.H Fiordia (Chairman)	0.05	0.05
Outstanding Balance as on 31.03.2016 Cr	321.40	321.40

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

- Purchases from Ajinkya Auto Fab Limited 0.37 Lacs (Previous Year Rs. 12.39 Lacs) ,Jaya Hind Sciaky Limited Rs. NIL (Previous Year Rs.0.31 Lacs) & MV Agusta India Private Limited Rs 4.13 Lacs (Previous Year NIL Lacs)
- Sales include to Ducati Energia India Private Limited Rs. 3.58 lacs (Previous Year Rs. 2.05 Lacs), Jaya Hind Sciaky Limited (Formerly Kaygee Auto Product Pvt. Ltd) Rs. NIL (Previous Year Rs. 1.34 lacs)
- Interest payment includes Microage Instruments Private Limited Rs. 0.73 Lacs (Previous Year Rs. NIL Lac)
- Income from Rendering of services include to Jaya Hind Sciaky Limited Rs. 45.02 Lacs (Previous Year Rs. 43.44 Lacs), Microage Instruments Pvt. Ltd. Rs. 33.83 Lac (Previous Year Rs. 1.9 Lacs), Kinetic Green Energy and Power Solutions Ltd. Rs. 7.76 lacs (Previous Year Rs. NIL Lacs)
- Expenses for receiving of other services paid to Kinetic Communication Limited Rs. NIL (Previous Year Rs. 31.03 Lacs), Microage Instruments Private Limited Rs. NIL (Previous Year Rs. 0.86 Lacs).
- Other receipts from Kinetic Green Energy and Power Solutions Limited for E-Rickshaw and Genset Business transferred Rs 491 Lacs (Previous year NIL)
- Rent received from Kinetic green Energy and Power Solutions Limited Rs. 2.28 Lacs (Previous Year Rs. NIL)
- Rent paid to Microage Instruments Private Limited Rs. 321.43 Lacs (Previous Year Rs. 310.24 Lacs) and Mr. A.H. Fiordia Rs 0.05 Lacs (Previous Year Rs 0.05 Lacs)
- Amount written back during the period in respect of loan from related party Microage Age Instruments Private Limited Rs NIL (Previous year 375.00 Lacs)
- Sale of assets include Kinetic Taigene Electrical Co. Private Limited Rs. NIL (Previous Year Rs. 17.27 Lacs).
- ICD received include from Microage Instruments Private Limited Rs 440 Lacs (Previous Year NIL Lacs)
- ICD repaid include Microage Instrument Private Limited Rs NIL (Previous year 350 lacs by way of equity shares issued)
- Investment in Preference shares of Kinetic Green Energy and Power Solutions Limited Rs. 650 Lacs (Previous Year Rs. NIL Lacs).
- Remuneration to key managerial personnel include to Mr. A.H. Fiordia Rs. NIL Lacs (Previous Year Rs. NIL Lacs), Mr. Ajinkya Fiordia Rs. 42.40 Lacs (Previous Year Rs. 43.57 Lacs) and Mrs. S.F. Motwani Rs. 36.31 Lacs (Previous Year Rs. 48.70 Lacs).
- Dividened received from Kinetic Communications Limited Rs.0.35 Lacs (Previous Year Rs.0.16 Lacs) Kinetic Hundai Elevator & Movement Technologies Private Limited Rs.0.54 Lacs(Previous Year Rs.16.2 Lacs)

21. 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

ROHIT PURANDARE
Company Secretary

A. H. FIORDIA
Chairman

A. A. FIORDIA
Managing Director & CFO

Place : PUNE

Date : May,28,2016

**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 '**45th Annual General Meeting**' of the Company to be held on Friday, 30th September, 2016 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.
160908052	

* 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 45th Annual General Meeting of the Company to be held on Friday, 30th September, 2016 at 11.00 a.m.
- 2) The remote e-Voting period starts from 9.00 a.m. IST on 27th September, 2016 and ends at 5.00p.m. on 29th September, 2016. 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/belalf at the 45th Annual General Meeting of the Company to be held on Frisday, 30th September, 2016 at 11 a.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, 2016 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 Ms. Sulajja Firodia Motwani (DIN: 00052851), who retires by rotation and is eligible for re-appointment.		
3	To appoint auditors and fix their remuneration		

Signed this _____ day of _____ 2016

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.

KINETIC

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