

**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

Date: 04.10.2017

To,

Corporate Service Department
Bombay Stock Exchange Limited
P.J.Tower, Dalal Street
Mumbai-400002

Script Code: 500240

Subject: Submission of Annual Report as per Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find attached herewith the soft copy of the Annual Report for the financial year 2016-17, duly approved and adopted in the 46th Annual General Meeting held on 29th September, 2017.

This is for your information and record.

Thanking you

For Kinetic Engineering Limited

Deepal Shah
Company Secretary



KINETIC ENGINEERING LIMITED

Annual Report 2016-17

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. SOURAV CHOWDHURY

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.

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- DIRECTORS' REPORT
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- CASH FLOW STATEMENT
- ATTENDANCE SLIP & PROXY FORM

N O T I C E

NOTICE is hereby given that the 46th Annual General Meeting of the shareholders of KINETIC ENGINEERING LIMITED will be held on Friday, 29th day of September, 2017 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 Financial Statement as at 31st March, 2017, together with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Arun H. Firodia (DIN: 00057324), who retires by rotation and is eligible for re-appointment.
3. To appoint auditors and fix their remuneration.

To consider and if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee and the Board of Directors, Messrs Pawan Jain & Co. , Chartered Accountants (ICAI Firm Registration No. 101248W), be appointed as Statutory Auditors of the Company, in place of retiring Auditors Messrs PG Bhagwat., Chartered Accountants (ICAI Firm Registration Number 101118W), to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 51st AGM to be held in the year 2022 (subject to ratification of their appointment by the Members at every intervening AGM held after this AGM as may be required under the Act), at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution

and to settle any questions, difficulties or doubts that may arise in this regard.”

By Order of the Board of Directors
For **KINETIC ENGINEERING LIMITED**
Sourav Chowdhury
Company Secretary

Date: 31/08/2017

Place: Pune

Additional Information related to Item No. 3:

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs PG Bhagwat & Co., Chartered Accountants (ICAI Firm Registration Number 101118W), the present Auditors of the Company would be completing their term as Auditors. They hold office upto the conclusion of ensuing Annual General Meeting of the Company. Accordingly, the Board of Directors has recommended the appointment of Messrs Pawan Jain & Associates, Chartered Accountants (ICAI Firm Registration No. 101248W), as Statutory Auditors, in place of retiring Auditors Messrs PG Bhagwat & Co., Chartered Accountants, to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting until the conclusion of the 51st Annual General Meeting, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit. In terms of the requirements of the present proviso to section 139(1), the appointment of the new Auditors shall be subject to ratification by the Members at every intervening AGM held after this AGM.

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 provision of SEBI LODR regulation.
- 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 27/09/2017 to 29/09/2017 both days inclusive.
- 6 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime.
- 7 In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
- 8 To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Link Intime India Pvt. Ltd. on pune@linkintime.co.in.
- 9 Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.
- 10 Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
- 11 Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the annual general meeting.
- 12 Members/Proxies are requested to bring the copies of annual reports to the meeting.
- 13 Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
- 14 Voting through electronic means
In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and under the provision of SEBI(Listing Obligations and Disclosure Requirements) Regulation 2015, 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 22nd September, 2017 (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:

The voting period begins on 26th September 2017 at 9.00 a.m. and ends on 28th September 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22ND September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- 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 / Members
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on "Login".
- (v) 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.
- (vi) If you are a first time user follow the steps given

For Members (Shareholders) holding shares in Demat Form and Physical Form	
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 sequence number which is printed on Address Sticker.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the Electronic Voting Sequence Number (EVSN) of "KINETIC ENGINEERING LIMITED"
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any,

should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- 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, 26th September, 2017 at 9.00 a.m. IST and ends on Thursday, 28th September, 2017 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 22nd September, 2017, 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.com 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. Dinesh Birla, 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 Corporate Governance provision of SEBI LODR)”

Name of Director	Mr. Arun H. Firodia
Age	72
DIN	00057324
Date of Appointment	1st July, 1987
Qualification	B. Tech M.S. (Ele. Engg.), M. S. (Management)
Expertise	Rich Experience in Automobile Industry more than 42 Years
Directorship as on 31st March, 2017	Jaya Hind Sciaky Ltd., Kinetic Communication Ltd., Kinetic Engineering Ltd., Kinetic Taigene Electrical Co. Pvt Ltd., Ducati Energia Pvt. Ltd., Kinetic Marketing and Services Ltd., Kinetic Auto Ltd., MV Agusta India Pvt Ltd., Kinetic Kids Products Pvt. Ltd., Karina Tourism and Adventures Pvt. Ltd., Kinetic Hankuk Electricals & Electronics Pvt Ltd,
Chairmanship/Membership of Committees of other Companies as on 31st March 2017	NIL
Shareholding in the Company	108473

DIRECTOR'S REPORT 2016-17
(Including Management Discussion & Analysis)

Dear Members,

Your Directors present the 46th Annual Report on the business and operations of Kinetic Engineering Limited and the Audited Financial Accounts for the financial year ended 31st March, 2017.

Business Overview

I believe that the year 2016 – 2017 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 2016 – 2017, your Company has started the supplies and ramp up for 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) Renault – Nissan: Your company has successfully productionised and ramped up 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. In the year, the company has ramped up to 850 sets per day, and installed a capacity of 1200 sets per day, which is expected to be utilized in the coming year as RNTBC plans to export the components to various global markets. 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 Company has reached a volume of 45,000 per month and is expected to reach a volume of 58,000 per month in the coming year.

The Above 2 business alone are expected to ramp up to an annual revenue of 40 – 50 crores making them extremely important customers. We also hope to get additional new businesses from the prestigious customers and are working towards obtaining such RFQs from them.

Your Company has also commenced the mass 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. The IPR for the said gearbox will be shared between your company and customer and hence this is the first product available for Your Company as its own product since the commencement of auto components. Your Company also believes that successful implementation of the above initiatives shall result in larger business opportunities from these very premium customers.





The new gearbox being developed for 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.

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 – 400 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 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 – 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 is regularly developing its employees by utilising "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.

Management Discussion & Analysis

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) As per the Economic Survey 2016-17 the Indian economy should grow between 6.75 and 7.5 percent in F.Y. 2017-18. India has become the sixth largest manufacturing country in the world. India is seen as an engine of global growth.

IMF in April 2017 retained its growth forecast of 7.2% for India for the fiscal year 2017-18 in its World Economic Outlook and also estimated that India would grow at 7.7% in 2018-19.

Industry structure

The overall Commercial Vehicles segment registered a growth of 4.3 percent in April-March 2017 as compared to the same period last year Medium & Heavy Commercial Vehicles (M&HCVs) grew by 2.5 percent and Light Commercial Vehicles grew by 5.5 percent during April-March 2017 over the same period last year.

The tractor industry has showed a positive Growth during F.Y. 2016-17. While domestic volumes increased by 18.2% between April 2016-January 2017, exports remained flat Domestic growth was fuelled by favourable farm sentiments as the southwest monsoon performance remained healthier compared to the previous two fiscals

Outlook, Opportunities and Threat

Government of India aims to make automobiles manufacturing the main driver of 'Make in India initiative, as it expects India to be the third largest Automotive market and Commercial Vehicle production expected to grow to two million by 2026, as highlighted in the 'Auto Mission Plan 2016-26'.

The proposed 'Voluntary Vehicle Fleet Modernisation Plan' (V-VMP) has received an in-principle approval by the Committee of Secretaries. The proposal will have to be cleared by the Union Cabinet for implementation. The proposal provides incentives worth 8-12 percent of the cost of a new vehicle in lieu of surrendering the old ones

and looks to get several million over- 15-years-old vehicles off the road, thereby reducing vehicular emission. This policy if implemented, will give a big boost to the Commercial Vehicles Industry.

A lot is expected to happen in 2017 on the regulatory front and with introduction of Goods and Service Tax (GST). With so many policy-level developments expected all through the year, the auto industry is surely expected to face a challenging year, as per 'Society of Indian Automobile Manufacturers' (SIAM).

ICRA- the Rating Agency, has forecast a growth of about 6-7% for the tractor industry (domestic + exports) in F.Y .2018, which is marginally lower than the long term CAGR estimate of 8-9% for the industry. ICRA says the long term industry drivers continue to remain intact.

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.

The Company has received advance from the Director which disclosed in the Financial statement for the Financial year 2016-17.

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 Board after review the recommendation of the audit committee, hereby recommend the name of M/s Pawan Jain & Associates, Chartered Accountants, Pune hold office until the conclusion sixth Annual General from this Annual General Meeting to be held in the calendar year 2022, and informed that M/s Pawan Jain & Associates, Chartered Accountants, Pune has submitted his consent and a certificate in terms of Sec. 139(1) of the Companies Act, 2013, about their eligibility.

The Audit Report does not contain any qualification,

reservation or adverse remark.

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 Deshpande, Practicing Company Secretary (Certificate of Practice Number: 6515) 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. Sourav Chowdhury – Company Secretary (CS)

Mr. Rohit Purandare, Company Secretary of the Company resigned during the year. In his place Mr. Sourav Chowdhury, has been appointed as Company Secretary of the Company.

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, 4 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, 2016 to 31st March, 2017, 4 Board Meetings were held on 28th May 2016 9th August, 2016, 14th November, 2016, 13th February, 2017. The 45th Annual General Meeting (AGM) of the Company was held on 30th September, 2016.

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. All the Members are Independent Directors. All the Members of the Committee possess 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.

Mr. Arun H. Firodia, Director 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. Rohit Purandare, Company Secretary of the Company resigned from the post w.e.f. 31st January 2017 and consider at the Board Meeting held on 13th February 2017. In his place Mr. Sourav Chowdhury, was designated as Company Secretary at the same Board Meeting.

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, 2017 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 SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 (hereinafter referred to as "LODR"), 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, 2017 and August 31, 2017 (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, 2017) and the date of the Report (August 31, 2017).

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 the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 LODR 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, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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, 2017 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, 2017;
- (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, 2017.

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 31, 2017

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, 2017

A) Conservation of energy

Significant Initiatives :

i. 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

ii. Steps taken by the Company for utilizing alternative sources of energy; Nil

iii. Capital Investment in energy conservation; Nil

B) Technology Absorption

- 1) the efforts made towards technology absorption:
 - a. Process/ equipment developments – New test-rigs for functional-test made operational
 - b. Value engineering and value analysis (VEVA) – Double-barrel power steering gear productionised.
 - c. Up-gradation of existing products to the need

of customers PAS for Tractors introduced.

- d. Filed patent for Auto Setting Limiters and Double-barrel power steering gear.
- e. Modernization and automation of the plant to produce and test the products to its accuracy.
- 2) Benefits derived as a result of the above efforts
 - a. Product quality and cost reduction
 - b. Improvement in market share

- c. Indigenization of various components
 - d. Reduction in foreign exchange outgo
 - e. Conveyerise movement of material from assembly, painting and to dispatch eliminates non value adding man power.
 - f. Improvements in Manufacturing methods and quality standards.
 - g. Aiming towards self sufficiency in engineering skills for manufacturing range of steering gears and connected products.
 - h. Development of cost effective, high performance engineering products.
- 3) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL
- a. The details of Technology imported
 - b. the year of import
 - c. whether the technology been fully absorbed
 - d. if not fully absorbed, areas where absorption has not taken place, and the reason thereof, and

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. C-7/8/9 in Notes to the Accounts.

For and on behalf of the Board of Directors

A. H. Firodia
Chairman

Pune, August 31, 2017

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 2017
[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
KINETIC ENGINEERING LTD
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 governance practices by M/s. Kinetic Engineering Ltd (hereinafter called "the Company").

Secretarial Audit was conducted for the period from 1st April 2016 to 31st March 2017, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

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 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and 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 2017 according to the provisions of the following list of laws and regulations with our observations on the same:

(i) The Companies Act, 2013 (the Act) and the Rules made there under: The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review except as mentioned subsequently in this report.

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
5.	30/09/2016	137	AOC 4
6.	30/09/2016	92	MGT 7

(ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:** The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').

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

The Company is a listed public Company the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the provisions of the 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 and there are no discrepancies observed by us during the period under review.

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

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; 8,24,359 equity shares issued by the Company which include 224359 and 600000 shares in the name of M/S Micro Age Instruments Private Limited and Pay One Enterprises Private Limited & 992639 optionally convertible Cumulative Preference Share Capital (OCCPS) allotted on Preferential basis

respectively for which the Company is in the process of obtaining necessary approval from BSE/SEBI

- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not applicable during the Audit Period]**
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the Audit Period]** and
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the Audit Period]**

The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof,

the Company has complied with the following laws applicable specifically to the Company:

- Industries (Development & Regulations) Act, 1956
- Motor Vehicles Act, 1958

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

- Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.
- The Listing Agreement entered into by the Company with BSE Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

We further report that:-

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors as required by Section 149 of the Companies Act, 2013.

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were 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 for meaningful participation at the meeting. All decisions at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except the following:

As per Audit report

1.. Refer Note No. A-22, relating to Managerial remuneration, which is subject to approval of

Central Govt.

- 2.. Refer Note No. C-16 describing the basis of Company's ability to continue as a Going Concern
3. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. C-1 to the financial statements
4. The Company has provided the disclosure regarding Specified Bank Notes (SBN) in Note No. C-19 of the financial statements as per notification no. G.S.R. 308(E), dated 30th March 2017 issued by the Ministry of Corporate Affairs. However, we are not in a position to comment on the details of SBN's as the necessary evidence is not available for our verification as on the date of our audit report.
5. According to the information and explanation provided to us, undisputed amounts payable in respect of Provident Fund and ESIC amounting to Rs. 7.08 lakhs and in respect of Income Tax Deducted at Source amounting to Rs. 5.34 Lakhs were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

According to the information and explanation provided to us, the dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute are as those mentioned below:

Nature of Dues	Amount in (Rs) Lacs	Forum where dispute is pending
Income Tax 2000-01	1.29	ITAT, Pune
Income Tax 2009-10	186.12	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, Kolkata 2001-02	0.60	Sales Tax Tribunal, Kolkata
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 2006-07, 2007-08, 2008-09, 2009-10	664.68	Jt Commissioner Appeals, A. Nagar
Excise Duty	166.19	Appellate Tribunal
Excise Duty	171.19	CESTAT, Mumbai and Nagpur



6. According to the information and explanation provided to us, the managerial remuneration paid of Rs. 51.31 Lakhs is subject to approval of Central Government
7. According to the information and explanation provided to us, the Company has made preferential allotment or private placement of shares 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. As informed to us, the Company is in the process of obtaining necessary approval from BSE / SEBI in respect of preferential allotment made
8. According to information and explanation given to us, the Company is still in 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.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES
Devendra Deshpande
FCS No. 6099
CP No. 6515

Place: Pune

Date: 31/08/2017

Annexure A

To,
The Members
KINETIC ENGINEERING LTD
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
FCS No. 6099
CP No. 6515

Place: Pune

Date: 31/08/2017

**Annexure III
REPORT ON CORPORATE GOVERNANCE FOR THE 12 MONTHS PERIOD ENDED
31ST MARCH, 2017**

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, five 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 SEBI (LODR) Regulations, 2015
Executive Directors	03	--
Non-Executive Directors	05	04
Independent Directors	05	04
Women Director	01	01

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	6	Nil	Nil
Mrs. S. F. Motwani	Promoter/Executive	3	Nil	Nil
Mr. J. H. Munot	Independent	2	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

** Resignation from Mr. K. H. Sancheti has been received on 26th May 2017 from the Board of Directors of the Company.

* 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, 2017 (hereinafter referred to as 'the period under review'), 4 Board Meetings were held on 28th May, 2016, 9th August, 2016, 14th November, 2016, 13th February, 2017. The maximum time gap between any two Board Meetings was not more than One Hundred Twenty Days. 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	4	4	Present
Mr. Jinendra H. Munot	4	2	Absent
Dr. K. H. Sancheti	4	1	Absent
Mr. S. R. Sanghi	4	3	Absent
Mr. S. R. Kotecha	4	3	Present
Mr. Ajinkya Firodia	4	3	Present
Mrs. Sulajja Firodia Motwani	4	4	Present
Mr. R. J. Kabra	4	3	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

The role of the Audit Committee includes the following:

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 Member 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

**Resignation from Mr. K. H. Sancheti has been received on 26th May 2017.

3.3 Meetings and attendance during the period under review:

During the 12 months period ended on 31st March, 2017, 4 Meetings of the Audit Committee were held on 28th May, 2016, 9th August, 2016, 14th November, 2016 and 13th February, 2017. Details of attendance of the Members at the meeting were as follows:

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

The Head of Finance Department, Internal Auditors, Representative of Statutory Auditors, and other Senior Executives members of the Company were also invited to attend the Audit Committee Meetings. The Company Secretary acted 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 has 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.

The Chairman of the Nomination and Remuneration Committee was present at the 45th Annual General Meeting of the Company held on September 30, 2016.

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, 2017 are as follows:

Particulars	Mrs. S. F. Motwani VC	Mr. Ajinkya Firodia MD
Basic Salary (₹)	5,60,645	28,45,114
HRA (₹)	2,32,433	9,29,707
Conveyance (₹)	--	--
Perquisites (₹)	2,808	15,000
Other (₹)	1,68,197	3,95,304
PF Contribution (₹)	67,278	3,41,415
Total	10,31,358	45,26,540

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 forms with the Central Government, seeking approval for the remuneration fixed for the Vice Chairperson and the Managing Director, which is awaited.

Non-Executive Directors of the Company are paid sitting fees @ ` 2,000 per meeting of the Board or Committee thereof attended by them besides re-imburement 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, 2017, are as follows:

Name of Non-Executive Director	Sitting Fees (₹)	No. of Shares held in the Company
Mr. J. H. Munot	4000	23576
Dr. K. H. Sancheti	4000	241
Mr. S. R. Sanghi	Nil	Nil
Mr. S. R. Kotecha	16,000	Nil
Mr. R. J. Kabra	8,000	Nil
Total	32,000	23817

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.

No. of shareholders complaints/request received during the period under review : 56

No. of complaints/request not resolved to the satisfaction of the shareholders : Nil

No. of pending Complaints/ request as on 31st March, 2017 : 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.

8. 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.

9. 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, 2015.

10. Compliance Officer

Mr. Sourav Chowdhury, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. * Mr. Rohit Purandare Company Secretary & Compliance officer resigned w.e.f. 31st January 2017.

11. Annual General Meetings

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

Year ended	Date of AGM	Time	Venue	Whether Special Resolution Passed or not
31st March, 2016	30th September 2016	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	Yes
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

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.

12. 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 were paid remuneration. The disclosures on related party transactions as per Accounting Standard 18 notified in the Companies (Accounting Standard) Rules, 2016, are given in Point-c Note No. 18 in Notes Forming part of the Accounts for the year ended on 31st March, 2017.

- (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 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as under:

a. Separate post of chairperson and Managing Director:

Mr. A. H. Firodia is chairperson and Mr. Ajinkya A. Firodia is Managing Director of the Company.

13. Means of Communication

The Company's Unaudited Quarterly Financial Results were published in 'FREE PRESS' and 'PUNYNAGARI' 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.

14. General Shareholders Information

The 46th Annual General Meeting is proposed to be held on **29. 09. 2017 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 **31.03.2017**.

Dividend Payment Date:

The Directors have not recommended any Dividend for the 12 months period ended on 31st March, 2017.

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 financial year 2016-17 & 2017-18 (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, 2016	99.00	74.00	81.15	26100.54	24523.2	25606.62
May, 2016	91.70	79.00	79.55	26837.2	25057.93	26667.96
June, 2016	90.00	75.00	81.50	27105.41	25911.33	26999.72
July, 2016	89.50	72.10	73.70	28240.2	27034.14	28051.86
August, 2016	96.00	71.10	77.75	28532.25	27627.97	28452.17
September, 2016	94.80	76.55	78.10	29077.28	27716.78	27865.96
October, 2016	97.90	80.20	93.75	28477.65	27488.3	27930.21
November, 2016	109.80	70.20	83.10	28029.8	25717.93	26652.81
December, 2016	90.00	76.00	83.10	26803.76	25753.74	26626.46
January, 2017	89.10	79.00	82.40	27980.39	26447.06	27655.96
February, 2017	87.00	76.55	77.60	29065.31	27590.1	28743.32
March, 2017	86.80	69.55	75.95	29824.62	28716.21	29620.5

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, 2017

Slab of Shareholding (₹)	No. of Shareholders	% to No. of Shareholders	Amount (₹)	% to paid-up capital
Upto 5,00	13857	65.69	2240810	1.34
501-1,000	3105	14.72	2332460	1.40
1,001-2,000	1950	9.24	2833620	1.69
2,001-3,000	770	3.65	1956530	1.17
3,001-4,000	307	1.46	1106700	0.66
4,001-5,000	216	1.02	1039400	0.62
5,001-10,000	409	1.94	3049060	1.82
10,001 and above	482	2.28	152748500	91.30
Total	21096	100.00	167307080	100

Shareholding Pattern as on 31st March, 2017

	Category	No. of Shares	%
A.	Shareholding of Promoter & Promoter Group		
1	Indian	7721677	46.15
2	Foreign	-	-
	Sub Total (1)	7721677	46.15
B.	Public Shareholding		
1	Institutions:		
	a) Mutual Funds / UTI	694	0.00
	b) Financial Institutions / Banks	143029	0.86
	c) Insurance Companies	0	0.00
	d) Foreign Portfolio Investors	256	0.00
	Sub Total (2)	143979	0.86
2	Non-Institutions		
	a) Bodies Corporate	3512727	21.00
	b) Individuals	3936855	23.53
	c) Clearing Members	30228	0.18
	d) NRI / NRN	60476	0.36
	e) Foreign Companies	1142223	6.83
	f) OCB	342	0.00
	g) Trusts	318	0.00
	h) HUF	181883	1.09
	Sub Total (3)	8865052	52.99
	GRAND TOTAL [(1)+(2)+(3)]	16730708	100.00

Dematerialisation of Shares

The Company shares are compulsory traded in dematerialised form. As on 31st March, 2017 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	13,62,349	8.14
Shares held in Demat Form - NSDL	1,43,22,062	85.60
Shares held in Demat Form - CDSL	10,46,297	6.26
TOTAL	1,67,30,708	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 except Optionally Convertible Cumulative Preference Shares which shall be converted at the option of the Allottees.

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: 31st August, 2017

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 2016-17.

For and on behalf of the Board of Directors
A. A. Firodia
Managing Director & CFO

Place: Pune
Date: 31st August, 2017

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: 31st August, 2017

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

To the Members of Kinetic Engineering Limited

We have examined the compliance of conditions of Corporate Governance by **KINETIC ENGINEERING LIMITED** ('the company'), for the year ended 31st March 2017, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the 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 Company.

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

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M/S P G BHAGWAT

Chartered Accountants

Firm Registration Number 101118W

Sandeep Rao

Partner

Membership Number 47235

Pune

Date: 31st August 2017



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

as on the financial year ended on 31st March, 2017
[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	Limited 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 products / services	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
NIL					

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,471,163	-	4,471,163	27.72	4,471,213	-	4,471,213	26.72	(1)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,026,105	224,359	3,250,464	20.15	3,026,105	224,359	3,250,464	19.43	(0.72)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	7,497,268	224,359	7,721,627	47.87	7,497,318	224,359	7,721,627	46.15	(1.72)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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)	7,497,268	224,359	7,721,627	47.87%	7,497,318	224,359	7,721,627	46.15%	(1.72%)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	694	694	0.00%	12	682	694	0.00%	0.00%
b) Banks / FI	140,622	2,465	143,087	0.89%	140,564	2,465	143,029	0.86%	-0.03%
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	0.89%	140,640	3,339	143,979	0.86%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,014,908	7,919	2,022,827	12.54%	3,504,818	7,909	3,512,727	21.00%	8.45%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,626,332	450,501	2,076,833	12.87%	1,883,664	436,115	2,319,779	13.86%	0.99%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	831,856	65,667	897,523	5.56%	951,409	665,667	1,617,076	9.66%	4.10%
c) Others (specify)									
Non Resident Indians	37,850	24,753	62,603	0.39%	35,876	24,600	60,476	0.36%	(0.03)
Overseas									
Corporate Bodies	0	342	342	0.00%	0	342	342	0.00%	0.00%
Foreign Nationals	3,037,723	-	3,037,723	18.83%	1,142,223	0	1,142,223	6.83%	(12)
Clearing Members	30,718	0	30,718	0.19%	30,228	0	30,228	0.18	(0.37)
Trusts	525	18	543	0.00%	300	18	318	0.00	0.00%
Foreign Bodies - D R	135,932	-	135,932	0.84%	181,883	-	181,883	1.09	0.24%
Sub-total (B)(2):-	7,715,844	549,201	8,265,044	51.24%	7,730,401	1,134,651	8,865,052	52.99	1.75%
Total Public (B)	7,856,530	552,552	8,406,081	52.13%	7,871,041	1,137,990	9,009,031	53.85	1.72%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	15,353,798	776,911	16,130,708	100%	15,368,359	1,362,349	16,730,708	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	Mrs. Jayashree Arun Firodia	3233431	19.33	0	3233481	19.33	0	0
2	Micro Age Instruments Pvt Ltd	2074204	12.86	0	2074204	12.40	0	(0.46)
3	Ajinkya Holdings Pvt Ltd	1176260	7.29	0	1176260	7.03	0	(0.26)
4	Mr. A. H. Firodia	108473	0.67	0	108061	0.64	0	(0.03)
5	Mr. Ajinkya A. Firodia	1129055	6.99	0	1129055	6.75	0	(0.24)
6	Mrs. S F Motwani	616	0.00	0	616	0.00	0	0

**(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
1.	Mr. Ajinkya A Firodia				
a.	At the beginning of the year	1129055	7	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	1129055	6.75	Nil	Nil
2.	Mrs. J. A. Firodia				
a.	At the beginning of the year	3233431	20.05	Nil	Nil
b.	Any change during the Year	50	0	Nil	Nil
c.	At the end of the year	3233431	19.33	Nil	Nil
3.	Mr. A.H. Firodia:				
a.	At the beginning of the year	108473	0.67	Nil	Nil
b.	Any change during the Year	(412)	0	Nil	Nil
c.	At the end of the year	108061	0.64	Nil	Nil
4.	Mrs. S. M. Firodia:				
a.	At the beginning of the year	616	0	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	616	0	Nil	Nil
5.	Micro Age instruments Private Limited:				
a.	At the beginning of the year	2074204	12.86	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	2074204	12.40	Nil	Nil
6.	Ajinkya Holding Private Limited:				
a.	At the beginning of the year	1176260	7.29	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	1176260	7.03	Nil	Nil

(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
1.	ASHOKA INVESTMENT HOLDINGS LTD:				
a.	At the beginning of the year	1060947	6.34	1060947	6.34
b.	Any change during the Year				
	i. Bought during the year	1807386	10.80	2868333	17.14
	ii. Sold during the year	(267999)	(1.69)	2600334	15.54
c.	At the end of the year	2600334	15.54	2600334	15.54

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
2.	RELIANCE SPOT EXCHANGE INFRASTRUCTURE LTD:				
a.	At the beginning of the year	0	0	0	0
b.	Any change during the Year				
i.	Bought during the year	715000	0	4.27	0
ii.	Sold during the year	0	0	0	0
c.	At the end of the year	715000	4.27	715000	4.27
3.	AIA SINGAPORE PVT LTD:				
a.	At the beginning of the year	520936	3.11	520936	3.11
b.	Any change during the Year				
i.	Bought during the year	0	0	0	0
ii.	Sold during the year	54255	(0.32)	466681	2.79
c.	At the end of the year	466681	2.79	466681	2.79
4.	BILLION ALLY LIMITED:				
a.	At the beginning of the year	378940	226	Nil	Nil
b.	Any change during the Year	Nil			
c.	At the end of the year	378940	226	Nil	Nil
5.	HARSHA HITESH JAVERI:				
a.	At the beginning of the year	319500	1.91	319500	1.91
b.	Any change during the Year				
i.	Bought during the year	57471	0.34	376971	2.25
ii.	Sold during the year	(2000)	(0.01)	374971	2.24
c.	At the end of the year	374971	2.24	374971	2.24
6.	AIA INTERNATIONAL LIMITED:				
a.	At the beginning of the year	330461	1.97	330461	1.97
b.	Any change during the Year				
i.	Bought during the year	0	0	0	0
ii.	Sold during the year	(33859)	(0.01)	296602	2.24
c.	At the end of the year	296602	2.24	374971	2.24
7.	HITESH RAMJI JAVERI:				
a.	At the beginning of the year	160013	0.96	160013	0.96
b.	Any change during the Year				
i.	Bought during the year	13	0	160000	0.96
ii.	Sold during the year	160000	(0)	160013	0.96
c.	At the end of the year	160013	0.96	160013	0.96
8.	GENERAL INSURANCE CORPORATION OF INDIA LIMITED:				
a.	At the beginning of the year	70850	0.42	Nil	Nil
b.	Any change during the Year	Nil			
c.	At the end of the year	70850	0.42	Nil	Nil
9.	LIFE INSURANCE CORPORATION OF INDIA :				
a.	At the beginning of the year	69604	0.41	Nil	Nil
b.	Any change during the Year		Nil		
c.	At the end of the year	69604	0.41	Nil	Nil



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
10.	PINEBRIDGE ASIA PARTNERS II, LP:				
a.	At the beginning of the year	1807386	10.80	1807386	10.80
b.	Any change during the Year				
	i. Bought during the year				
	ii. Sold during the year	(1807386)	(10.80)	0	0
c.	At the end of the year	0	0	0	0

(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
1.	Mr. Ajinkya A Firodia:				
a.	At the beginning of the year	1129055	7	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	1129055	6.75	Nil	Nil
2.	Mr. A.H. Firodia:				
a.	At the beginning of the year	108061	0.67	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	108061	0.65	Nil	Nil
3.	Mrs. S. M. Firodia:				
a.	At the beginning of the year	616	0	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	616	0	Nil	Nil
4.	Mr. J. H. Munot:				
a.	At the beginning of the year	28712	0	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	28712	0	Nil	Nil
5.	Mr. R. J. Kabra:				
a.	At the beginning of the year	525	0	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	525	0	Nil	Nil
6.	Mr. K.H. Sancheti:				
a.	At the beginning of the year	305	0	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	305	0	Nil	Nil
7.	Mr. S. R. Sanghi:				
a.	At the beginning of the year	32	0	Nil	Nil
b.	Any change during the Year	NIL			
c.	At the end of the year	32	0	Nil	Nil
8.	Mr. S. R. Kotecha:				
a.	At the beginning of the year				
b.	Any change during the Year	NIL			
c.	At the end of the year				

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	10,06,72,489	59,75,32,262	0	69,82,04,751
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	10,06,72,489	59,75,32,262	0	69,82,04,751
Change in Indebtedness during the financial year				
Addition		19,09,48,206	0	19,09,48,206
Reduction	6,72,633	21,26,45,152	0	21,33,17,784
Net Change	(6,72,633)	(2,16,96,946)	0	(2,23,69,578)
Indebtedness at the end of the financial year				
i) Principal Amount	9,99,99,856	57,58,35,316	0	67,58,35,172
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	9,99,99,856	57,58,35,316	0	67,58,35,172

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars Remuneration	Name of MD/WTD/Manager		Total
		Ajinkya A Firodia	S. F. Motwani	
1.	Gross Salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 41,70,127	Rs. 9,61,276	Rs. 51,31,403
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 3,56,413	Rs. 69,986	Rs. 4,26,399
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	
2.	Stock Option	-		
3.	Sweat Equity	-		
4.	Commission: - as % of profit - others, specify...	-	-	
5.	Others, Please Specify	-	-	
	Total (A)	Rs. 45,26,540	Rs. 10,31,262	Rs. 55,57,802
	Ceiling as per the Act	-	-	-

**B. Remuneration to other directors:**

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

1.	Independent Directors					
	• Fee for attending board / committee meetings	Rs. 4,000	Rs. 16,000	Rs. 4,000	Rs. 8,000	Rs. 32,000
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Rs. 4,000	Rs. 16,000	Rs. 4,000	Rs. 8,000	Rs. 32,000
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission					
	• Others, please specify					
	Total (2)					NIL
	Total (B)=(1+2)	Rs. 4,000	Rs. 16,000	Rs. 4,000	Rs. 8,000	Rs. 32,000
	Total Managerial Remuneration	Not Applicable				
	Overall Ceiling as per the Act					

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

	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		CEO	CS	CFO	

1.	Gross Salary:				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Rs.5,28,255	Rs. 41,70,127	Rs. 46,98,382
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Rs. 33,578	Rs. 3,56,413	Rs. 3,89,991
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option				
3.	Sweat Equity				
4.	Commission:				
	- as % of profit				
	- others, specify...				
5.	Others, Please Specify	Nil	Rs. 5,61,833	Rs. 45,26,540	Rs. 50,88,373
	Total (A)				
	Ceiling as per the Act				

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

Note : Previous year figure have been regrouped wherever necessary.



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, 2017, and the Statement of Profit and Loss, the Cash Flow Statement 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 prescribed under section 133 of the Act, read with relevant rules issued thereunder from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 thereunder. We conducted our audit of the financial statements 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, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

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

- a. Refer Note No. A-22, relating to Managerial remuneration, which is subject to approval of Central Govt.
- b. Refer Note No. C-16 describing the basis of company's ability to continue as a Going Concern.

Our opinion is not modified in respect of the above mentioned matters.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The 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 prescribed under section 133 of the Act, read with relevant rules issued thereunder from time to time.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 No. C-1 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided the disclosure regarding Specified Bank Notes (SBN) in Note No. C-19 of the financial statements as per notification no. G.S.R. 308(E), dated 30th March 2017 issued by the Ministry of Corporate Affairs. However, we are not in a position to comment on the details of SBN's as the necessary evidence is not available for our verification as on the date of our audit report.

**For M/s P.G.BHAGWAT
Chartered Accountants**

Firm's Registration No.: 101118W

Sandeep Rao
Partner

Membership No.: 47235

Pune

29th May, 2017

Annexure - A

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) The title deeds of immovable properties are held

- 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 (1) 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 Provident Fund and ESIC amounting to Rs. 7.08 lakhs and in respect of Income Tax Deducted at Source amounting to Rs. 5.34 Lakhs were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanation provided to us, the dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute are as mentioned below:

(Rs. In Lakhs)

Nature of dues	Amount	Forum where dispute is pending.
Income Tax 2000-01	1.29	ITAT, Pune
Income Tax 2009-10	186.12	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, Kolkata 2001-02	0.60	Sales Tax Tribunal, Kolkata
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 2006-07, 2007-08, 2008-09, 2009-10	664.68	Jt Commissioner Appeals, A. Nagar
Excise Duty	166.19	Appellate Tribunal
Excise Duty	171.19	CESTAT, Mumbai and Nagpur

- 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 of Rs. 51.31 Lakhs 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.
- xiii. 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 or private placement of shares 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. As informed to us, the company is in the process of obtaining necessary approval from BSE / SEBI in respect of preferential allotment made.
- 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.

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

Pune
29th May, 2017

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 have audited the internal financial controls over financial reporting of Kinetic Engineering Limited ("the Company") as of 31st March, 2017 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 is still in 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 is still in 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 financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For **M/s P.G.BHAGWAT**

Chartered Accountants

Firm's Registration No.: 101118W

Sandeep Rao

Partner

Membership No.: 47235

Pune

29th May, 2017

BALANCE SHEET AS AT 31st March, 2017

(Rs. In Lakhs)

	Particulars	Note No.	Figure for the current reporting period ending on March 31, 2017	Figure for the previous reporting period ending on March 31, 2016
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	A-1	3,854.97	5,076.59
	(b) Reserves and surplus	A-2	15.82	(319.14)
	(c) Money received against share warrants		-	-
			3,870.79	4,757.45
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	A-3	4,448.87	4,809.80
	(b) Deferred tax liabilities (Net)	A-4	-	-
	(c) Other long term liabilities	A-5	-	-
	(d) Long-term provisions	A-6	707.22	688.50
			5,156.09	5,498.30
4	Current liabilities			
	(a) Short-term borrowings	A-7	2,309.48	2,172.25
	(b) Trade payables			
	(i) Dues to Micro & Small Enterprises (Refer Part C-15)		-	-
	(ii) Dues to Other		3,004.03	2,197.12
	(c) Other current liabilities	A-8	1,295.99	1,474.28
	(d) Short-term provisions	A-9	183.33	151.94
			6,792.83	5,995.59
	TOTAL		15,819.71	16,251.34
II.	ASSETS			
1	Non-current assets			
	(a) Property, Plant & Equipment	A-10	9,019.85	9,768.23
	(b) Intangible assets	A-10	12.58	-
	(c) Capital work-in-progress		-	-
	(d) Intangible assets under development		-	-
	(e) Non-current investments	A-11	697.33	697.33
	(f) Deferred tax assets (net)	A-4	-	-
	(g) Long-term loans and advances	A-12	895.61	1,099.04
	(h) Other non-current assets	A-13	-	-
			10,625.37	11,564.60
2	Current assets			
	(a) Current investments	A-11	2.40	2.40
	(b) Inventories	A-14	2,047.82	1,821.73
	(c) Trade receivables	A-15	2,555.87	1,943.43
	(d) Cash and bank balances	A-16	164.16	55.51
	(e) Short-term loans and advances	A-17	239.02	658.39
	(f) Other current assets	A-18	185.07	205.28
			5,194.34	4,686.74
	TOTAL		15,819.71	16,251.34

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

SOURAV CHOWDHURY
Company Secretary

A. H. FIRODIA
Chairman

A. A. FIRODIA
Managing Director & CFO

Place : PUNE

Date : May 29, 2017

**PROFIT AND LOSS STATEMENT FOR THE YEAR PERIOD ENDED MARCH 31, 2017**

(Rs. In Lakhs)

	Particulars	Note No.	Figure for the current reporting period ending on March 31, 2017	Figure for the previous reporting period ending on March 31, 2016
I.	Revenue from operations	A-19	7,949.80	6,037.65
II.	Other income	A-20	398.00	422.00
III.	Total Revenue (I + II)		8,347.80	6,459.65
IV.	Expenses:			
	Cost of materials consumed	A-21	4,848.22	3,038.38
	Purchases of Stock-in-Trade			
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	A-21	(218.44)	(40.23)
	Employee benefits expense	A-22	2,279.57	1,924.84
	Finance costs	A-23	328.25	364.75
	Depreciation and amortization expense	A-10	813.91	863.68
	Less: Transfer from General Reserve	-	-	-
		-	813.91	863.68
	Other expenses	A-24	1,833.98	2,002.22
			9,885.49	8,153.64
	Less: Expenses Capitalised		128.69	100.52
	Total expenses		9,756.80	8,053.12
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(1,409.00)	(1,593.47)
VI.	Exceptional items Income (Net)	A-25	(8.30)	1,474.01
VII.	Profit before extraordinary items and tax (V + VI)		(1,417.30)	(119.46)
VIII.	Extraordinary Items			
IX.	Profit before tax (VII- VIII)		(1,417.30)	(119.46)
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)		(1,417.30)	(119.46)
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)		(1,417.30)	(119.46)
XVI.	Earnings per equity share having nominal value of Rs. 10/- per share			
	(1) Basic		(9.67)	(1.78)
	(2) Diluted		(9.67)	(1.78)

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

SOURAV CHOWDHURY
Company Secretary

A. H. FIRODIA
Chairman

A. A. FIRODIA
Managing Director & CFO

Place : PUNE

Date : May 29, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Rs. In Lakhs)

	Particulars	Figure for the current reporting period ending on March 31, 2017	Figure for the previous reporting period ending on March 31, 2016
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before Tax and extraordinary items	(1,417.30)	(119.46)
	Depreciation / Amortisation	813.91	863.68
	Provision for Doubtful Debts / advances	14.06	8.43
	Bad debts / advances / claims written off	15.96	23.09
	(Profit) / Loss on Sale of Investment (Net)	-	(978.54)
	(Profit) / Loss on Sale / Scrapping of Assets (Net)	(0.13)	(4.69)
	Interest and Financial Charges (Net)	323.23	356.78
	Gain on sale of Undertaking	-	(453.76)
	Dividend Received	(1.84)	(1.18)
	Excess provision / credit balances written back	(87.52)	(108.61)
	Income from units	-	-
	Exchange difference loss / (gain)	27.25	8.56
	Transitional provision of gratuity Adjusted against general reserve		
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(312.38)	(405.70)
	Adjustment for :		
	Inventories	(226.10)	(92.17)
	Trade and Other Receivables	10.08	(605.56)
	Trade Payables	883.67	87.55
	CASH GENERATED FROM OPERATIONS	355.27	(1,015.88)
	Direct Taxes	(44.93)	(38.40)
	NET CASH FROM OPERATING ACTIVITIES	310.35	(1,054.28)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment and Intangible Assets	(579.00)	(398.55)
	Sale of Property, Plant & Equipment	735.11	24.01
	Purchase / Sale of Investments (Net)	0.00	7,954.51
	Interest Received	5.23	7.99
	Dividend Received	1.84	1.18
	Gain on sale of Undertaking	-	453.76
	NET CASH FROM INVESTING ACTIVITIES	163.18	8,042.90
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Share Capital / Warrants/ share application money	1,826.00	-
	Redemption of Preference Shares	(1,500.00)	-
	Redemption premium paid	(101.41)	-
	Interest and Financial Charges	(357.00)	(425.06)
	Proceeds from Long Term Borrowings	(370.05)	(7,135.63)
	Proceeds from Short Term Borrowings	137.23	163.91
	NET CASH FROM FINANCING ACTIVITIES	(365.23)	(7,396.78)

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. In Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	108.29	(408.17)
	Opening Cash and Cash Equivalents	50.82	458.98
	Closing Cash and Cash Equivalents	159.11	50.82
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, 2017	March 31, 2016
	Cash and cheques on hand	0.04	0.04
	Balances with banks	159.07	50.78
		159.11	50.82

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

SOURAV CHOWDHURY
Company Secretary

A. H. FIRODIA
Chairman

A. A. FIRODIA
Managing Director & CFO

Place : PUNE

Date : May 29, 2017

Notes to Accounts - Part-A

(Rs. in Lakhs)

Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
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		
1,67,30,708 (1,61,30,708) Equity Shares of Rs.10/- each	1,673.07	1,613.07
NIL (1,50,00,000) Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	--	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
992,639 (0) Optionally Convertible Cumulative Preference Shares of Rs. 22/- each	218.38	--
1,176,650 (1,176,650) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	764.82	764.82
	3,854.97	5076.59
Subscribed & Fully Paid up		
1,67,30,708 (1,61,30,708) Equity Shares of Rs.10/- each	1,673.07	1,613.07
NIL (1,50,00,000) Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	--	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
992,639 (0) Optionally Convertible Cumulative Preference Shares of Rs. 22/- each	218.38	--
1,176,650 (1,176,650) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each	764.82	764.82
	3,854.97	5076.59

Note :In respect of 8,24,359 Equity Shares and 9,92,639 Optionally Convertible Cumulative Preference Share Capital (OCCPs) allotted on Preferential basis,the company is in the process of obtaining necessary approval from BSE/SEBI.



Notes to Accounts

	Particulars	Figures for current reporting period ending on March 31, 2017		Figures for the previous reporting period ending on March 31, 2016	
		Number	(Rs. in Lakhs)	Number	(Rs. in Lakhs)
a)	Reconciliation of share capital				
	Equity Share Capital:				
	Shares outstanding at the beginning of the year	16,130,708	1,613.07	13,565,850	1,356.59
	Shares Issued during the year	600,000	60.00	2,564,858	256.48
	Reduction in share capital	-	-	-	-
	Shares outstanding at the end of the year	16,730,708	1,673.07	16,130,708	1,613.07
	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	-	-	-	-
	Redemption is share capital	15,000,000	1,500.00	-	-
	Shares outstanding at the end of the year	0	0	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	-	-	-	-
	Redemption is 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
	8.5% Optionally Convertible Cumulative Preference Share Capital:				
	Shares outstanding at the beginning of the year	-	-	-	-
	Shares Issued during the year	992,639	218.38	-	-
	Reduction in share capital	-	-	-	-
	Shares outstanding at the end of the year	992,639	218.38	-	-

Notes to Accounts

	Particulars	Figures for current reporting period ending on March 31, 2017		Figures for the previous reporting period ending on March 31, 2016	
		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	2,600,334	15.54%	1,060,947	6.58%
	(b) Pinebridge Asia Partners II L.P.	-	0.00%	1,807,386	11.20%
	(c) Ajinkya Arun Firodia	1,129,055	6.75%	1,129,055	7.00%
	(d) Jayashree A. Firodia	3,233,481	19.33%	3,233,431	20.05%
	(e) Microage Instruments Private Limited	2,074,204	12.40%	2,074,204	12.86%
	(f) Ajinkya Holdings Private Limited	1,176,260	7.03%	1,176,260	7.29%
	Redeemable Non Convertible Non Cumulative Preference Share Capital:				
	(A) Payone Enterprises Private Limited	-	0.00%	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%
	8.5% New Optionally Convertible Cumulative Preference Share Capital:				
	(a) Microage Instruments Private Limited	713,808	71.91%	--	--
	(b) Jayashri Arun Firodia	245,371	24.72%		

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

	March 31, 2017		March 31, 2016	
	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	2016-17	2015-16	2014-15	2013-14	2012-13
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash (Pursuant to a scheme of Arrangement)	-	-	-	31,93,882	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back (Cancelled pursuant to a scheme of Arrangement)	-	-	-	-	-
Preference Shares :					
Fully paid up pursuant to scheme of amalgamation without payment being received in cash	-	-	-	20,06,804	-



e) Unpaid calls

Particulars	March 31, 2016	March 31, 2015
By Directors	NIL	NIL
By Officers	NIL	NIL

Notes to Accounts

f) Other details

- 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.
- 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.
- Out of above Equity Shares 36,700 (36,700) Equity Shares allotted under Employee Stock Option Scheme.
- 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.
- 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.
- 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. The Option to convert has lapsed.
- 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. The Option to convert has lapsed.
- Each 8.5% new Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity shares of the face value of Rs. 10/- each at a premium of Rs.12/- per share within a period of 18 months from the date of allotment (ie 05.08.2016 & 06.08.2016) at the option of the allottee. If any 8.5% new OCCPS are not converted in to 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.

Notes to Accounts - Note : A-2

(Rs. in Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Reserves & Surplus			
(a)	Capital Reserves		
	Opening Balance	3,330.56	3,330.56
Add	On account transfer of Land in terms of Scheme of Amalgamation.	204.63	-
	Closing Balance	3,535.19	3,330.56
(b)	Securities Premium Reserve		
	Opening Balance	7,715.85	3,285.48
Add	Received during the year including written Back	1,547.62	4,430.36
Less	Premium for Redemption of Preference Shares & FCCB	-	-
	Closing Balance	9,263.47	7,715.84
(c)	General Reserve		
	Opening Balance	8,669.25	8,669.25
Less	Adjustment for Depreciation	-	-
	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	(20,035.25)	(19,915.79)
Add	Net Profit / (Loss) for the current year	(1,417.30)	(119.46)
	Closing Balance	(21,452.55)	(20,035.25)
(e)	Foreign Currency Monetary Item Translation Difference Account	-	-
	TOTAL	15.82	(319.14)

Notes to Accounts - Note : A-3

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Long Term Borrowings			
Secured	(a) Term Loans from Banks:		
	Vehicle Loans	-	2.22
	(b) Loans from related parties-Debentures	-	-
Unsecured	(a) Term Loans from Others	922.02	1,053.74
	(b) Deferred Payment Liabilities		
	Interest Free Sales Tax Loan	-	12.04
	(c) Loans and advances from related parties	3,526.85	3,741.80
	(d) Other Loans and Advances	-	-
	(i) Debentures	-	-
	TOTAL	4,448.87	4,809.80

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 EMI's of Rs. 0.23 Lakhs starting from 15.02.2013.

(ii) 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 7 years based on cash flow position of the company. Expected repayment within next 12 months Rs. 60 Lakhs is shown under current maturities.

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



Notes to Accounts - Note : A-4

(Rs. in Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Deferred Tax Liabilities (Net)			
(a)	Deferred Tax Liabilities		
	(i) On provision for depreciation	613.02	581.94
	(ii) On other timing differences	-	-
		613.02	581.94
(b)	Deferred Tax Assets		
	(i) On disallowance under Section 43B & 40A of Income Tax Act, 1961	294.44	277.88
	(ii) On provision for doubtful debts	4.88	-
	(iii) On disallowance under Section 35 DDA - VRS Expenses	0.84	6.39
	(iv) On carried forward loss under Income Tax Act, 1961	312.86	297.67
	(v) On other timing differences	-	-
		613.02	581.94
	(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, 2017	Figures for the previous reporting period ending on March 31, 2016
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, 2017	Figures for the previous reporting period ending on March 31, 2016
Long Term Provisions			
(a)	Provision for employee benefits		
	(i) Gratuity	707.22	688.50
	(ii) Leave Encashment	-	-
	TOTAL	707.22	688.50

Notes to Accounts - Note : A-7

(Rs. in Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
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.)	1,000.00	1,004.50
(b)	Buyers Credit from Banks (Secured by way of lien on Fixed Deposit)	-	-
	Sub Total	1,000.00	1,004.50
Unsecured			
(a)	Overdraft Facility from Bank	1,309.48	1,167.75
(b)	Short Term Loan from Others	-	-
	Sub Total	1,309.48	1,167.75
	TOTAL	2,309.48	2,172.25

Notes to Accounts - Note : A-8

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Other Current Liabilities			
(a)	Current maturities of long-term debt	206.52	215.64
(b)	Interest accrued and due on borrowings	124.09	124.75
(c)	Interest accrued but not due on borrowings	74.50	102.59
(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	97.68	155.83
	(ii) VRS Payable	-	-
	(iii) Premium payable on Redemption of Debentures / FCCB	333.20	434.60
	(iv) Capital Creditors	48.31	26.47
	(v) FCCB Settlement Dues Payable	-	-
	(vi) Other Liabilities (Including statutory dues, security deposit etc.)	411.69	414.40
	TOTAL	1,295.99	1,474.28

Notes to Accounts - Note : A-9

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Short Term Provisions			
(a)	Provision for employee benefits		
	(i) Gratuity (Funded)	102.27	80.27
	(ii) Leave Encashment (unfunded)	81.06	71.67
	TOTAL	183.33	151.94



'NOTE A-10 : PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

For the year 2016-17

(Rs. in Lakhs)

Particulars	Tangible										In-tangible Technical Know-how **	Balance As At 31st March 2017	
	Lease-hold Land **	Free-hold Land	Buildings	Plant & Machinery	Electrical Installation & Fittings	Dies, Jigs & Fixtures	Furniture Fixture	Office Equipment	Vehicles				
(1) GROSS BLOCK : OWNED ASSETS													
As At 31st March, 2016	624.94	2,080.00	3,087.73	16,855.35	203.28	6,242.43	393.53	550.34	63.34	594.39	30,695.33		
Additions	-	-	-	419.86	2.25	155.85	7.08	7.98	-	15.43	608.45		
"Business Acquisition "	-	-	-	-	-	-	-	-	-	-	-		
Deductions	530.34	-	-	-	-	-	0.38	-	-	-	530.72		
As At 31st Mar 2017	94.60	2,080.00	3,087.73	17,275.21	205.53	6,398.28	400.23	558.32	63.34	609.82	30,773.06		
Depreciation / Amortisation:													
Upto 31st March, 2016	20.57	-	2,881.61	10,828.35	172.76	5,502.95	344.30	537.64	44.54	594.39	20,927.11		
For the year 2016 - 17	-	-	-	-	-	-	-	-	-	-	-		
Depreciation	0.96	-	30.03	649.19	5.48	107.54	8.89	4.83	4.14	2.85	813.91		
"Business Acquisition "	-	-	-	-	-	-	-	-	-	-	-		
Deductions -	-	-	-	-	-	0.38	-	-	-	0.38	-		
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-		
Tot Dep/Amort Upto 31st Mar 2017	21.53	-	2,911.64	11,477.54	178.24	5,610.49	352.81	542.47	48.68	597.24	21,740.64		
Net Block As At 31st March 2017	73.07	2,080.00	176.09	5,797.67	27.29	787.79	47.42	15.85	14.66	12.58	9,032.42		
Net Block As At 31st March 2016	604.37	2,080.00	206.12	6,027.00	30.52	739.48	49.23	12.70	18.80	-	9,768.22		

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

(2) GROSS BLOCK : LEASED ASSETS													
As At 31st March, 2016	-	-	-	4.07	-	-	-	-	-	-	4.07		
Additions	-	-	-	-	-	-	-	-	-	-	-		
Deductions	-	-	-	-	-	-	-	-	-	-	-		
As At 31st Mar 2017	-	-	-	4.07	-	-	-	-	-	-	4.07		
Depreciation / Amortisation													
Upto 31st March, 2016	-	-	-	4.06	-	-	-	-	-	-	4.06		
For the year 2016 - 17	-	-	-	-	-	-	-	-	-	-	-		
Deductions -	-	-	-	-	-	-	-	-	-	-	-		
Tot Dep/Amort Upto 31st Mar 2017	-	-	-	4.06	-	-	-	-	-	-	4.06		
Net Block As At 31st March 2017	-	-	-	0.01	-	-	-	-	-	-	0.01		
Net Block As At 31st March 2016	-	-	-	0.01	-	-	-	-	-	-	0.01		
Net Block As At 31st March 2017	73.07	2,080.00	176.09	5,797.68	27.29	787.79	47.42	15.85	14.66	12.58	9,032.43		
Net Block As At 31st March 2016	604.37	2,080.00	206.12	6,027.01	30.52	739.48	49.23	12.70	18.80	-	9,768.23		

NOTE :

Gross block includes revaluation of assets made in terms of scheme of Arrangement approved by 'Bombay High court as under (Rs. in Lakhs)

- a) Free Hold Land 2,021
- b) Building 2,169
- c) Lease hold land 441



(Rs. in Lakhs)

Particulars	March 31, 2017	March 31, 2016
Aggregate amount of quoted investments	686.83	0.50
Aggregate amount of unquoted investments	0.44	0.20
Market value of quoted investments	3.33	3.33
Market value of Mutual Fund	-	-

Particulars	Trade Investments		Other Investments		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Long term investments	32.54	14.55	47.09	47.09	80.63	94.14
(a) Investment in Equity instruments	650.00	0.00	650.00	650.00	1300.00	1300.00
(b) Investments in preference shares	0.00	0.24	0.24	0.24	0.48	0.48
(c) Investments in Government or Trust Securities	682.54	14.79	697.33	697.33	1389.87	1398.81
Total	1312.54	19.54	1349.66	1349.66	2699.20	2699.20

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units		Quoted / Unquoted	Party Paid / Fully paid	Amount (Gross)		Provision for diminution in value of Investments		Amount (Net)	
				March 31, 2017	March 31, 2016			March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
				(5)	(6)			(9)	(10)	(11)	(12)	(13)	(14)
(a)	Investment in Equity Instruments - at cost												
1	Alhena Financial Services Limited	Other	10.00	5,519,513	Quoted	Fully Paid	1,959.49	1,959.49	1,959.49	1,959.49	0.00	0.00	
2	Kinetic Communications Limited	Other	10.00	16,000	Unquoted	Fully Paid	1.60	1.60	-	-	1.60	1.60	
3	Kinetic Escalator and Elevator Limited	Other	10.00	36,000	Unquoted	Fully Paid	3.60	3.60	-	-	3.60	3.60	
4	Kinetic Marketing & Services Limited	Other	10.00	253,400	Unquoted	Fully Paid	25.34	25.34	-	-	25.34	25.34	
5	Kinetic Motor Automotives Private Limited	Other	10.00	20,000	Unquoted	Fully Paid	2.00	2.00	-	-	2.00	2.00	
	Total						1,992.03	1,992.03	1,959.49	1,959.49	32.54	32.54	
(b)	Investments in Preference Shares - at cost												
1	Alhena Financial Services Limited	Other	10.00	13,196,500	Unquoted	Fully Paid	131.97	131.97	131.97	131.97	-	-	
2	Kinetic Green Energy and Power Solutions Ltd.	Other	100.00	650,000	Unquoted	Fully Paid	650.00	650.00	-	-	650.00	650.00	
	Total						781.97	781.97	131.97	131.97	650.00	650.00	
	Total (A)						2,773.99	2,773.99	2,091.45	2,091.45	682.54	682.54	

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units		Quoted / Unquoted	Party Paid / Fully paid	Amount (Gross)		Provision for diminution in value of Investments		Amount (Net)	
				March 31, 2017	March 31, 2016			March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
				(5)	(6)			(9)	(10)	(11)	(12)	(13)	(14)
(a)	Investment in Equity Instruments - at cost												
1	Daewoo Motors (India) Limited (Formerly DCM Toyota Ltd.)	Others	10.00	50	Quoted	Fully Paid	0.01	0.01	0.00	0.00	0.01	0.01	
2	Eicher Limited	Others	10.00	39	Quoted	Fully Paid	0.03	0.03	0.00	0.00	0.03	0.03	
3	Escorts Limited	Others	10.00	50	Quoted	Fully Paid	0.05	0.05	0.00	0.00	0.05	0.05	
4	Hindustan Motors Limited	Others	5.00	200	Quoted	Fully Paid	0.05	0.05	0.00	0.00	0.05	0.05	
5	LML Limited	Others	10.00	50	Quoted	Fully Paid	0.03	0.03	0.00	0.00	0.03	0.03	
6	Majestic Auto Limited	Others	10.00	95	Quoted	Fully Paid	0.27	0.27	0.00	0.00	0.27	0.27	
7	Hero Motocorp Limited (Formerly Hero Motors Limited)	Others	2.00	1	Quoted	Fully Paid	0.03	0.03	0.00	0.00	0.03	0.03	
8	SML ISUZU Limited (Formerly Swara Mazda Ltd.)	Others	10.00	-	Quoted	Fully Paid	0.01	0.01	0.00	0.00	0.01	0.01	
9	The Premier Automobiles Limited	Others	10.00	50	Quoted	Fully Paid	0.03	0.03	0.00	0.00	0.03	0.03	
10	Saraswat Co-operative Bank Limited	Others	10.00	2,500	Unquoted	Fully Paid	0.25	0.25	0.00	0.00	0.25	0.25	
11	Ajinkya Auto Fab Limited	Others	100.00	13,800	Unquoted	Fully Paid	13.80	13.80	0.00	0.00	13.80	13.80	
	Total						14.57	14.57	0.00	0.00	14.55	14.55	
(b)	Investments in Government or Trust Securities												
1	7 Years National Savings Certificates	Others	N.A.	N.A.	Unquoted	N.A.	0.24	0.24	0.00	0.00	0.24	0.24	
	Total						14.81	14.81	0.00	0.00	14.79	14.79	

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units		Quoted / Unquoted	Party Paid / Fully paid	Amount (Gross)		Provision for diminution in value of Investments		Amount (Net)	
				March 31, 2017	March 31, 2016			March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
				(5)	(6)			(9)	(10)	(11)	(12)	(13)	(14)
(a)	Investment in Mutual Funds												
1	HDFC Cash Management Fund	Others	10.00	8,934.28	Quoted	Fully Paid	2.29	2.29	-	-	2.29	2.29	
2	BIRLA Sunlife Saving Fund	Others	10.00	109,659	Quoted	Fully Paid	0.11	0.11	-	-	0.11	0.11	

Note : A-11 Non Current Investments

Note : A-11 Current Investments



Notes to Accounts - Note : A-12

(Rs. in Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Long Term Loans and Advances			
(a)	Capital Advances		
	Unsecured, considered good	45.67	53.29
	Doubtful	-	-
		45.67	53.29
Less:	Provision for doubtful advances		
		45.67	53.29
(b)	Security Deposits		
	Unsecured, considered good	144.15	151.21
	Doubtful	13.02	13.02
		157.17	164.23
Less:	Provision for doubtful deposits		
		13.02	13.02
		144.15	151.21
(c)	Other Loans and advances		
(i)	Advances		
	Unsecured, considered good	42.64	96.32
	Doubtful	9.13	117.22
		51.77	213.54
Less	Provision for doubtful advances		
		9.13	117.22
		42.64	96.32
	(ii) Bills Receivable	206.65	206.65
	(iii) Advance Income tax net of provision	345.50	300.56
	(iv) Receivable from Sale of Undertaking	111.00	291.01
	(v) Share Application Money	-	-
		895.61	1,099.04

Notes to Accounts - Note : A-13

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Other Non Current Assets			
(a)	Long term trade receivables		
	Unsecured, considered good	-	-
	Doubtful	14.76	-
		14.76	-
Less	Provision for doubtful advances		
		14.76	-
		-	-
	TOTAL	-	-

Notes to Accounts - Note : A-14

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Inventories			
(a)	Raw Materials	532.05	568.85
(b)	Work-in-progress (Refer Part C-2(b))	849.70	631.27
(c)	Finished goods	5.48	5.48
(d)	Stores and spares	660.59	616.13
	TOTAL	2,047.82	1,821.73

Notes to Accounts - Note : A-15

(Rs. in Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Trade receivables			
(i)	Trade receivables outstanding for a period less than six months from due date		
	Unsecured, considered good	2,427.36	1,766.29
	Unsecured, considered doubtful	-	-
		2,427.36	1,766.29
Less	Provision for doubtful debts	-	-
		2,427.36	1,766.29
(ii)	Trade receivables outstanding for a period exceeding six months from due date		
	Unsecured, considered good	128.51	177.14
	Unsecured, considered doubtful	-	-
		128.51	177.14
Less	Provision for doubtful debts	-	-
		128.51	177.14
	TOTAL	2,555.87	1,943.43

Notes to Accounts - Note : A-16

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Cash & Bank Balances			
(a)	Cash & Cash Equivalents		
	(i) Cash on hand	0.04	0.04
	(ii) Balances with banks	159.07	50.78
(b)	Other bank balances		
	(i) Fixed deposits (more than 3 months but less than 12 months) (Ermarked with banks)	5.05	4.69
		-	-
	TOTAL	164.16	55.51

Notes to Accounts - Note : A-17

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Short term loans and advances			
(a)	Others (specify nature)		
	(i) Deposits with Govt. authorities		
	Unsecured, considered good	3.67	3.64
	Doubtful	-	-
		3.67	3.64
Less	Provision for doubtful advances	-	-
		3.67	3.64
	(ii) Advances to suppliers and others		
	Unsecured, considered good	235.35	654.75
	Doubtful	-	-
		235.35	654.75
Less	Provision for doubtful advances	-	-
		235.35	654.75
	TOTAL	239.02	658.39

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

(Rs. in Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Other current assets			
(i)	Interest Accrued on Investments & Deposits	5.07	5.28
(ii)	Receivable of Sale of Undertaking	180.00	200.00
	TOTAL	185.07	205.28

Notes to Accounts - Note : A-19

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Revenue from Operations (Refer Part C-2(a))			
	Sale of Products	8,126.11	6,081.21
Less	Excise duty	613.55	480.30
		7,512.56	5,600.91
	Machining and Processing Receipts	398.31	314.91
	Other Operating Revenues	38.93	121.83
	TOTAL	7,949.80	6,037.65

Notes to Accounts - Note : A-20

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Other Income			
(a)	Interest Income		
(i)	On Fixed Deposits	0.01	2.17
(ii)	From Others	5.01	5.80
(b)	Dividend Income from:		
(i)	Long Term Investment	1.84	1.18
(ii)	Short Term Investment	-	-
(c)	Gain on Sale of Investments (Net)	-	-
(d)	Profit on Sale of Assets (Net)	-	-
(e)	Income from Units	-	-
(f)	Miscellaneous Receipts	303.63	304.24
(g)	Excise Refund Received	-	-
(h)	Sundry Credit Balances Written Back	54.42	0.75
(i)	Excess Provision Written Back	33.09	107.86
(j)	One Time Settlement Gain on Vendor payment	-	-
	TOTAL	398.00	422.00

Notes to Accounts - Note : A-21

(Rs. in Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Material Consumed	Raw Material Consumed (Refer Part C-5)	2,938.87	1,815.12
	Stores and Spares Consumed	1,125.04	702.54
	Fabrication & Processing Charges	672.80	431.41
	Freight, Octroi & Forwarding Charges	111.51	89.31
		4,848.22	3,038.38
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	Opening Stock		
	Finished Goods	5.48	5.48
	Work-In- Progress	631.26	591.03
		636.74	596.51
	Closing Stock		
	Finished Goods	5.48	5.48
	Work-In- Progress	849.70	631.26
		855.18	636.74
	(218.44)	(40.23)	

Notes to Accounts - Note : A-22

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Employee Benefits Expenses	Salaries, Wages and Bonus	1,983.77	1,662.64
	Contribution to Provident Fund and Other Funds	126.88	105.23
	Gratuity	106.72	91.34
	Staff & Labour Welfare Expenses	62.20	65.63
	TOTAL	2,279.57	1,924.84

Note: Remuneration paid to Vice Chairperson and Managing Director, including contribution to provident fund, amounting to Rs.55.58 Lakhs is approved by shareholders of the company for which approval of Central Government is awaited.

Notes to Accounts - Note : A-23

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Finance Cost	Interest Expense	319.13	315.48
	Other Borrowing Costs	9.12	49.27
	TOTAL	328.25	364.75



Notes to Accounts - Note : A-24

(Rs. in Lakhs)

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Other Expenses			
	Excise Duty Paid (Net)	8.42	16.15
	Power & Fuel	807.88	724.29
	Repairs and Maintenance:	-	-
	Buildings	37.62	32.89
	Machinery	168.88	95.44
	Others	1.90	2.16
	Service Charges & Warranty Claims	-	0.17
	Insurance	3.68	7.87
	Rent	329.43	327.16
	Rates and taxes	18.67	18.07
	Publicity & Sales Promotion	1.63	0.89
	Directors Fees & Travelling Expenses	0.99	0.42
	Travelling Expenses	34.61	61.21
	Packing and Forwarding Charges	82.27	78.49
	Legal, Professional & Consultancy Fee	80.44	376.66
	Bad Debts / Advances Written Off	15.96	23.09
	Provision For Doubtful Debts / Advances	14.06	8.43
	Miscellaneous Expenses	137.17	164.85
	Outward Freight Charges	90.37	63.98
	TOTAL	1,833.98	2,002.22

Notes to Accounts - Note : A-25

	Particulars	Figures for current reporting period ending on March 31, 2017	Figures for the previous reporting period ending on March 31, 2016
Exceptional Items			
	Profit / (Loss) on sale of Assets	0.13	4.69
	Profit / (Loss) on sale of Investments	-	978.54
	Exchange Fluctuation Gain / (Loss)	(8.43)	37.02
	Gain on waiver of loan	-	-
	Gain on Sale of Undertaking	-	453.76
	TOTAL	(8.30)	1,474.01

NOTES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2017

PART B - 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, the Companies (Accounting Standards) Amendment Rules, 2016 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) PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS:

Property, Plant & Equipment and Intangible 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 Property, Plant & Equipment and Intangible 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 Property, Plant & Equipment acquired up to 31st March, 2000 :

Depreciation on Property, Plant & Equipment 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 Property, Plant & Equipment acquired after 31st March 2000 :

"Depreciation on Property, Plant & Equipment 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."

III) On Intangible Assets:

Intangible assets are amortised over a period of four years on SLM basis.

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 recognised when significant risks and rewards of ownership of the Goods have been transferred to the buyer. Revenue from Services is recognised on completion of Services. Interest Income is recognised on time proportion basis. Dividend Income and Export Incentives are recognised 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 recognised 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 recognised 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 Property, Plant & Equipment under appropriate heads and depreciation is provided as per Accounting Policy 1(C).

L) FOREIGN CURRENCY TRANSACTIONS :

I) Gains / Losses on 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.

PART C - OTHER NOTES

1 CONTINGENT LIABILITIES AND COMMITMENTS :

Contingent Liabilities in respect of	Rs. in Lakhs	Rs. in Lakhs
a Income Tax matter under appeal, approx (See Note Below)	66.22	(272.81)
b. Sales Tax matter under appeal	908.18	(506.67)
c. Excise Duty in dispute	567.88	(517.81)
d ESIC liability in dispute	1.26	(1.26)
e. Municipal Property Tax in dispute	324.35	(324.14)
f. Labour Cases	58.78	(49.28)
g. Entry Tax in dispute	10.13	(8.49)
h. Other compensation matters	20.00	(20.00)
i. Claim against Company not acknowledged as debt.	26.07	(26.07)
Commitments :		
On Capital Account	468.99	(766.76)

Note-1 : Income Tax matter under appeal, Rs.66.22 Lakhs (Rs. 272.58 Lakhs) is excluding Rs. 158.49 Lakhs (Rs. 158.49 Lakhs) 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. 186.12 Lakhs (Rs. 1641.77 Lakhs) 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.

Note-2: Claims made by the suppliers on Account of Principal and overdue interest, Which work out to Rs.530.35 Lakhs, have not been considered as contingent Liability Since in the opinion of the company the same are not legally sustainable.

2. (a) TURNOVER AND STOCKS

(Rs. in Lakhs)

Class of Finished Goods	Turnover	Stock	
		Opening	Closing
Two Wheelers	-	3.20	3.20
	-	(3.20)	(3.20)
Steering Arm/ Slip Yoke	1,505.66	0.00	0.00
	(697.27)	0.00	0.00
Gear Box/ Shaft drive	3,497.61	-	-
	(1,751.85)	-	-
I C Engines	117.09	-	-
	(1,839.61)	-	-
Variator, Front Fork & Front Shockabsorber	-	-	-
	-	-	-
Auto Components & Others	3,005.75	2.28	2.28
	(1,792.49)	(2.28)	(2.28)
Grand Total	8,126.11	5.48	5.48
	(6,081.22)	(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 Lakhs)

Particulars	WIP Stock	
	31.03.2017	31.03.2016
Two Wheelers	-	-
Steering Arm/ Slip Yoke	31.84	22.35
Gear Box/ Shaft drive	471.56	329.23
I C Engine	11.16	10.87
Variator, Front Fork & Front Shockabsorber	7.16	8.20
Auto Components & Others	327.98	260.63
Grand Total	849.70	631.27

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

4. PAYMENT TO AUDITORS

	Rs. in Lakhs	Rs. in Lakhs
Audit Fees	4.75	(4.75)
(Including fees of Rs. 0.75 Lakhs (Rs. 0.75 Lakhs) for audit under Section 44AB of Income Tax Act, 1961)		
For Other Services	1.18	(1.24)
For Expenses	0.15	(0.22)

**5. CONSUMPTION OF RAW MATERIALS AND COMPONENTS**

Description	Value (Rs. in Lakhs)	(Rs. in Lakhs)
(A) Raw Materials		
Steel Sheets	0.14	(3.03)
Steel Tubes	13.58	(16.53)
Steel Tubes	64.24	(65.04)
Steel Bars	1,638.31	(969.82)
Forgings	372.73	(446.19)
Castings	123.30	(84.03)
(B) Components & Others	726.57	(230.48)
	2938.87	(1,815.12)

6. IMPORTED & INDIGENOUS RAW MATERIALS CONSUMPTION

(Including Components)

	Rs in Lakhs	%	Rs. in Lakhs	%
Imported	7.24	0.25	15.91	0.88
Indigenous	2931.63	99.75	1799.21	99.12
	2938.87	100.00	1815.12	100.00

7. CIF VALUE OF IMPORTS

	Rs. in Lakhs	Rs. in Lakhs
Components and Others	15.85	(2.25)
Capital Goods	0.00	0.00

8. EXPENDITURE IN FOREIGN CURRENCY

	Rs. in Lakhs	Rs. in Lakhs
I) Travelling and Other Expenses	1.95	(19.82)
II) Interest & Bank Charges	1.01	(0.92)
III) Others	38.48	(35.86)

9. EARNING IN FOREIGN CURRENCY

	Rs. in Lakhs	Rs. in Lakhs
I) Export of Goods (FOB)	1749.54	(1745.17)
II) Other Charges	22.83	(30.85)

10. 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.

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

	Rs in Lakhs	Rs. in Lakhs
A) Revenue		
I) Material and Other Expenses	0.00	(2.18)
II) Salary, Wages & Bonus & consultancy	0.00	(64.11)
III) Contribution to Provident Fund and Other Funds	0.00	(1.78)
IV) Depreciation	0.20	(16.37)
B) Capital	0.00	0.00

12. 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. 178.39 Lakhs (Rs. 166.90 Lakhs).
- The weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share is 165,02,215 (161,30,708).

13. 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. 1769.51 Lakhs (Rs. Rs. 1988.22 Lakhs) has been carried in the Fixed Assets as on 31.03.2017.

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

Loans :

Payables :

Trade Payables in USD \$ 6,735 (4,414)

Trade Payables in EURO € 3,120 (1,820)

Receivables :

Sundry Debtors in USD \$ 1,276,061 (1,334,597)

Sundry Debtors in EURO € - -

15. 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.

16. 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 net worth, 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.

17. Employee Benefits:

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 Lakhs	Rs. in Lakhs
Employer's contribution to Provident fund	42.97	(38.21)
Employer's contribution to Employees Pension Scheme	78.57	(65.47)

Defined benefit plan as per the actuarial valuation as on 31st March,2017 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. Lakhs	Rs. Lakhs
(I) The present value of the defined benefit obligations :	31.03.2017	31.03.2016
Obligation as at 01.04.2016	792.62	737.62
Liability of Merged entity written back	(28.90)	---
Interest Cost	57.06	57.66
Past Service Cost	---	---
Current Service Cost	24.84	25.66
Curtailment Cost / (Credit)	---	---
Settlement Cost / (Credit)	---	---



Benefits paid	(70.98)	(30.69)
Actuarial (gain)/ loss on obligations	57.23	2.37
Present Value of Obligation as at the end of the year 31.3.2017	831.87	792.62
(II) Changes in Fair Value of Plan Assets :	31.03.2017	31.03.2016
Fair Value of Plan Assets at 01.04.2016	25.22	38.93
Acquisition Adjustments	----	----
Expected Return on Plan Assets	0.74	1.41
Contributions	68.50	16.13
Mortality Charges and Taxes	(1.26)	----
Benefits Paid	(70.98)	(30.69)
Actuarial Gain /(loss) on Plan Assets	0.17	(0.56)
Plan Assets at 31.3.2017	22.39	25.22
(III) Actuarial Gain / Loss recognised	31.03.2017	31.03.2016
Actuarial (loss)/gain for the year – Obligation	(57.23)	(2.37)
Actuarial (loss)/gain for the year - Plan Assets	(0.17)	(0.56)
Total (loss) / gain for the year	(57.06)	(2.93)
Actuarial (loss) / gain recognized in the year	(57.06)	(2.93)
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	31.03.2017	31.03.2016
Present Value of Obligation as at the end of the year 31.03.2017	831.87	792.62
Fair Value of Plan Assets as at the end of the year as on 31.03.2017	22.39	25.22
Funded Status	(809.48)	(767.40)
Unrecognized Actuarial (gains) / losses	0.00	0.00
Net Liability to be Recognized in Balance Sheet	809.48	767.40
(V) EXPENSE RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS	31.03.2017	31.03.2016
Current Service Cost	24.84	25.66
Past Service Cost	----	----
Interest Cost	57.06	57.66
Expected Return on Plan Assets	(0.74)	(1.41)
Curtailment Cost / (Credit)	----	----
Settlement Cost / (Credit)	----	----
Net actuarial (loss)/gain recognized in the year	(57.06)	(2.93)
Liability of Merged entity written back (Profit)	28.90	----
Expenses to be recognized in the statement of Profit & Loss at the end of period 31.03.2017	106.72	84.84
(VI) Leave Encashment		
Provision for leave encashment is made as per actuarial valuation at Rs. 81.06 Lakhs (Rs. 71.67 Lakhs)	As of	As of
(VII) Assumptions:	31.03.2017	31.03.2016
Discount Rate	7.00%	8.00%
Rate of increase in Compensation levels	3.00%	3.00%
Rate of return on plan assets	8.25%	8.50%
Expected Average remaining working lives of employees (years)	10.00	9.25

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

A) Name of Related Parties : Jaya Hind Sciaky Ltd., Kinetic Communications Ltd., Ajinkya Holdings Pvt. Ltd., Microage Instruments Pvt. Ltd., Ajinkya Auto Fab Ltd., Kinetic Hyundai 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 Agusta India Private Limited,Kinetic kids Products Private Limited.

Relationship : Associate Companies

Nature of Transaction	Volume of Transactions (Rs. In Lakhs)	
	Net Dr	Cr
Purchases of Goods	58.38	4.50
Sales of Goods	2.07	3.59
Interest Payments/ (-)Receipts (Net)	1.23	0.73
Rendering of Other services (Income)	10.91	86.62
Rendering of Other services (Expense)	22.62	0.00
Sale of Undertaking	0.00	491.00
Rent Received	3.45	2.28
Rent Paid	0.00	321.43
Sale of Assets	734.98	0.00
ICD Received	0.00	440.00
ICD Repaid	815.61	0.00
Investment in Preference Shares	0.00	650.00
Amounts written off	0.12	0.00
Dividened received	1.80	0.89
Outstanding Balances as on 31.03.2017	219.34	430.50
Outstanding ICD/Loan Including Interest	2790.97	3606.58 B)

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 Lakhs)

Services rendered	Remuneration as shown below:	
	Salary	51.31
	Incentive	0.00
	Contribution to Provident Fund, Superannuation Scheme	4.09
	Perquisites	0.18
		<u>55.58</u>
Rent Paid to Mr. A.H Fiordia (Chairman)		0.05
Outstanding Balance as on 31.03.2017 Cr	921.40	321.40

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

1. Purchases from Ajinkya Auto Fab Limited Rs. NIL Lakhs (Previous Year Rs. 0.37 Lakhs) and MV Agusta India Private Limited Rs 58.38 Lakhs (Previous Year 4.13 Lakhs)
2. Sales include to Ducati Energia India Private Limited Rs. 2.07 Lakhs (Previous Year Rs. 3.58 Lakhs).
3. Interest payment includes Microage Instruments Private Limited Rs.1.23 Lakhs (Previous Year Rs.0.73 Lakh).
4. Income from Rendering of services include to Jaya Hind Sciaky Limited Rs. NIL Lakhs (Previous Year Rs. 45.02 Lakhs), Microage Instruments Pvt. Ltd. Rs.10.91 Lakh (Previous Year Rs. 33.83 Lakhs), Kinetic Green Energy and Power Solutions Ltd. Rs. NIL Lakhs (Previous Year Rs.7.76 Lakhs).
5. Expenses for receiving of other services paid to Microage Instruments Private Limited Rs.11.36 Lakhs (Previous Year Rs. NIL Lakhs),Jaya Hind Sciaky Limited Rs.0.46 Lakhs (Previous Year Rs. NIL Lakhs),Kinetic Green Energy and Power Solutions



- Limited Rs.10.79 Lakhs (Previous Year Rs. NIL Lakhs),MV Agusta India Pvt Limited Rs.0.01 Lakhs (Previous Year Rs. NIL Lakhs).
6. Other receipts from Kinetic Green Energy and Power Solutions Limited for E-Rickshaw and Genset Business transferred Rs NIL Lakhs (Previous year Rs.491 Lakhs).
 7. Rent received from Kinetic Green Energy and Power Solutions Limited Rs. 2.76 Lakhs (Previous Year Rs.2.28 Lakhs),MV Agusta India Pvt Limited Rs.0.69 Lakhs (Previous Year Rs. NIL Lakhs).
 8. Rent paid to Microage Instruments Private Limited Rs. NIL Lakhs (Previous Year Rs. 321.43 Lakhs) and Mr. A.H. Firodia Rs 0.05 Lakhs (Previous Year Rs 0.05 Lakhs).
 9. Sale of assets include Microage Instruments Private Limited Rs.734.98 Lakhs (Previous Year Rs. NIL Lakhs).
 10. ICD received include from Microage Instruments Private Limited Rs NIL Lakhs (Previous Year Rs.440 Lakhs).
 11. ICD repaid include Microage Instrument Private Limited Rs 815.61 (Previous Year Rs. NIL Lakhs.).
 12. Investment in Preference shares of Kinetic Green Energy and Power Solutions Limited Rs. NIL Lakhs (Previous Year Rs. 650 Lakhs).
 13. Remuneration to key managerial personnel include to Mr. Ajinkya Firodia Rs. 45.27 Lakhs (Previous Year Rs. 42.40 Lakhs) and Mrs. S.F. Motwani Rs. 10.31 Lakhs (Previous Year Rs. 36.31 Lakhs).
 14. Sundry Debit balance Wirtten Off of Jaya Hind Sciaky Limited Rs. 0.12 Lakhs (Previous Year Rs. NIL Lakhs).
 15. Dividened received from Kinetic Communications Limited Rs.NIL Lakhs (Previous Year Rs.0.35 Lakhs) Kinetic Hyundai Elevator & Movement Technologies Private Limited Rs.1.80 Lakhs (Previous Year Rs.0.54 Lakhs).
19. Disclosure of details of Specified Bank Notes (SBN) held & transacted during the period 8th Nov 2016 to 30th Dec 2016 has been provided in the table below. (In Rupees)

Particulars	SBN's	Other Denominations	Total
Closing Balance of cash in hand as on 8th Nov 2016	-	4,606	4,606
Add: Permitted Receipts	-	123,058	123,058
Less: Permitted Payments	-	120,630	120,630
Amount Deposited into the Bank	-	-	-
Closing Balance of cash in hand as on 30th Dec 2016	-	7,034	7,034

20. 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

SOURAV CHOWDHURY
Company Secretary

A. H. FIRODIA
Chairman

A. A. FIRODIA
Managing Director & CFO

Place : PUNE

Date : May 29, 2017

**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 _____ of the Company to be held on Friday, _____ at 11.00 a.m. at Kinetic Engineering Ltd., D 1 Block, MIDC, Chinchwad, Pune 411019.

Members/ Proxys name in Block letters**Members/ Proxys 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.
170831118	

* 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 46th Annual General Meeting of the Company to be held on _____ at 11.00 a.m.
- 2) The remote e-Voting period starts from 9.00 a.m. IST on 26th September, 2017 and ends at 5.00p.m. on 28th September, 2017. The Voting module shall be disabled by Central Depository Services (India) Limited (CDSL) for voting thereafter.

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PROXY FORM

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

Name of the Member(s) : _____

Registered Address: _____

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

DP ID: _____

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/behalf at the 45th Annual General Meeting of the Company to be held on _____ 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, 2017 and the Profit and Loss Account for the financial year ended on that date, together with the Reports of Auditors and Directors thereon.		
2	To appoint a director in place of Mr. Arun H. Firodia (DIN : 00057324), who retires by rotation and is eligible for re-appointment.		
3	To appoint auditors and fix their remuneration		

Signed this _____ day of _____ 2017

Signature of the Shareholder _____

Affix Rs 1 revenue stamp

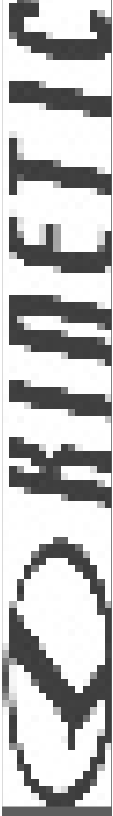
Signature of first proxy holder

Signature of Second proxy holder

Signature of third proxy holder

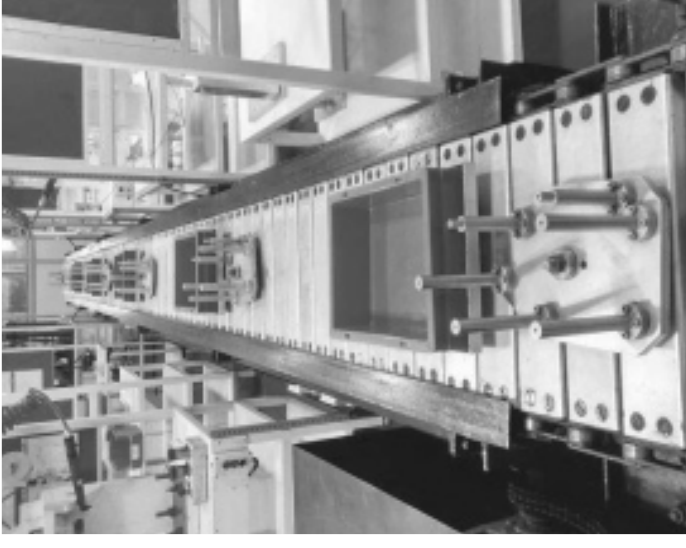
Notes:

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



Leaders In Transmissions

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



Our Customers:



A Firodia
Group Company