



KINETIC

**KINETIC ENGINEERING LIMITED
ANNUAL REPORT 2017-18**

Vision: A Kinetic in every automobile



"Building on its strong technical knowledge, 4 decades of manufacturing experience, vertically integrated in-house capability & customer-oriented attitude, Kinetic aspires to provide a system or its part in every automobile in the world"

Promise of Kinetic Engineering Limited



"We will leverage our technical strength to deliver to our customers high-quality systems & components at competitive prices, in a timely manner by continuous upgradation, innovation & best practices in the auto industry"

Quality policy as laid out by Senior Management of KEL

" Kinetic Engineering Limited shall consistently produce products of high quality at competitive prices through excellence in design, engineering, manufacturing and service"

This policy shall be deployed through

- Customer focus in all decisions
 - Continuous improvement
- Development of capable supplier base
 - Active participation of workforce

**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
Dr. Jayashree Arun Firodia	- Non-Executive Director
Mrs. Sulajja Firodia Motwani	- Executive Director
Mr. Ajinkya A. Firodia	- Managing Director
Mr. Shirish R. Kotecha	- Independent Director
Mr. Ramesh J. Kabra	- Independent Director
Mr. Sudhir Sanghi	- Independent Director
Mr. Jinendra H. Munot	- Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Chaitanya Koranne

COMPANY SECRETARY

Mrs. Deepal Shah

STATUTORY AUDITORM/s. Pawan Jain & Associates,
Chartered Accountants,**SECRETARIAL AUDITOR**M/s DVD & Associates,
Company Secretaries**REGISTERED OFFICE**D-1 Block, Plot No. 18/2,
MIDC, Chinchwad, Pune - 411019.
Phone no.: + 91-020-66142049
Fax no. + 91-020-66142088/89
E-mail :kelinvestors@kineticindia.com
Website: www.kineticindia.com.**WORKS**Nagar-Daund Road,
Ahmednagar, Pin - 414001**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**CONTENTS**

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N O T I C E

NOTICE is hereby given that the 47th Annual General Meeting of the shareholders of KINETIC ENGINEERING LIMITED will be held on Saturday, the 29th day of September, 2018 at 11: 00 a.m., at the Registered Office of the Company at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411019, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018, together with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mrs. Sulajja Firodia Motwani (DIN: 00052851), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **To consider and, if thought fit, to pass, with or without modifications, the following as an Ordinary Resolution:**

"RESOLVED THAT" pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the company, Mrs. Jayashree Arun Firodia (holding DIN: 00328499) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 27th October, 2017 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom a notice has been received from the member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit proposing her candidature for the office of director, be and is hereby appointed as the Director of the Company.

RESOLVED FURTHER THAT any of the directors of the company be and are hereby authorized to do all such acts, deeds and things as may be required to give effect to the foregoing resolution. "

By Order of the Board of Directors
For **KINETIC ENGINEERING LIMITED**

Deepal Shah
Company Secretary

Date : 10th August, 2018
Place: Pune

NOTES:

1. M/s Pawan Jain And Associates, Chartered Accountants, Pune were appointed as Statutory Auditors of the Company at the 46th Annual General Meeting held on 29th September, 2017. Pursuant to Notification issued by the Ministry of Corporate Affairs on 07th May, 2018, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
2. 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. 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.
3. A person can act as proxy on behalf of member's 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.
4. Corporate Members/AOPs are required to send to the Company, a certified copy of the Board Resolution, pursuant to Section 113 of the Act, authorizing their representative to attend and vote at the Annual General Meeting.
5. 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.
6. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of this Notice.
7. The Annual report along with the notice of annual general meeting is being sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on Friday, the 24th August, 2018.
8. A person, whose name is recorded in the Register of



Members or in the Register of Beneficial owners maintained by the depositories as on the “cut-off date” i.e. Saturday, the 22nd September, 2018, shall be entitled to avail the facility for remote e-voting or voting at the Annual General Meeting (“AGM”) through Ballot. A person who is not a member on the cut-off date must treat this Notice for information only.

9. 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 Monday, the 24th September, 2018 to Saturday, the 29th September, 2018 (both days inclusive).
 10. The Notice of Meeting is also available on the company’s website at www.kineticindia.com and the website of Central Depository Services Limited (“CDSL”) at www.evotingindia.com.
 11. Brief details of the directors, who are seeking re-appointment, are annexed hereto as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 12. (a) **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.**
 - (b) **Pursuant to SEBI circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, Members are requested to update their PAN and Bank details with the Registrar and Transfer Agent.***
 - (c) **Pursuant to SEBI notification SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 & BSE circular no. LIST/COMP/15/2018-19 dated July 5, 2018, the requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed after December 5, 2018 unless the securities are held in demat form with the depositories. Hence, the shareholders holding securities in physical form are hereby requested to dematerialize your physical securities at the earliest.***
- * This may be treated as first reminder to

the communication send in July 2018 for the purpose of compliance of above provisions. The required KYC form is attached at the end of the Annual Report.

13. 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 has accordingly forwarded 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 Registrar and Transfer Agent of the Company. For members who have not registered their email ids, physical copies of the Annual Report 2017-18, Notice of the AGM along with Attendance slip, Electronic voting particulars and Proxy form are being sent to their registered addresses.
14. As per the provisions of the Act, the facility for making/varying/cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in Form SH-13 and any variation/cancellation thereof can be made by giving notice in Form SH-14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The forms can be obtained from the Registrar and Transfer Agent or from the website of Ministry of Corporate Affairs at www.mca.gov.in.
15. 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. at pune@linkintime.co.in.
16. 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.
17. 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.

18. Members/Proxies are requested to bring the copies of annual reports to the meeting.
19. Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
20. In case of any queries regarding content of Annual report, the same will be addressed within 7 days of the conclusion of Annual General Meeting.
21. For those members opting for remote e-voting, the process and manner of remote e-voting will be as follows:

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 provisions of Listing Regulations, 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 **Saturday, the 22nd September, 2018** being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins from **9:00 a.m. on Wednesday, the 26th September, 2018** and ends on **5:00 p.m. on Friday, the 28th September, 2018**. During this period, shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Saturday, the 22nd September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	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 Postal Ballot / Attendance Slip indicated in the PAN field.
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 (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily

enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with



- any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **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.**
- (xix) **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 mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.
22. Persons, who have acquired Shares and become Members of the Company after dispatch of Notice of the AGM, but before the **cut-off date**, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or kelinvestors@kineticindia.com. However, Members already registered with CDSL for remote e-Voting can use their existing user ID and passwords for casting their votes. If a Member has forgotten her / his password, she / he can reset her/ his password by using “Forgot User Details / Password” option available on helpdesk.evoting@cdslindia.com or contact CDSL at the following toll free No.: 1800-225-533.
23. Voting rights of Members shall be in proportion to their share in the Company’s Paid-up Equity Share Capital as on the **cut-off date**.
24. Mr. Dinesh Birla, FCS, (CP No. 13029), Practising Company Secretary, has been appointed as the Scrutinizer to enable the voting at venue of AGM and remote e-Voting processes to be conducted in a fair and transparent manner.
25. The Chairman / person shall, at the end of discussion on the Resolutions on which voting are to be held, allow voting by use of Ballot for those Members present at the AGM but have not cast their votes through the remote e-Voting facility.
26. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast

through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman / person of the Meeting or a person authorized by him / her in writing, who shall countersign the same and declare the results of the voting forthwith.

27. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the

Company at www.kineticindia.com, on the website of BSE at www.bseindia.com and also on the website of CDSL at www.evotingindia.com immediately after the declaration of result by the Chairman / person of the Meeting or the person authorized by him / her in writing.

28. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
29. The Route Map of the venue of the AGM is given at the end of this Notice.

CIN: L35912MH1970PLC014819

REGISTERED OFFICE

D-1 Block, Plot No. 18/2,

MIDC, Chinchwad, Pune - 411019.

Phone no.: + 91-020-66142049

Fax no. + 91-020-66142088/89

E-mail : kelinvestors@kineticindia.com

Website: www.kineticindia.com.

Date : 10th August, 2018

Place: Pune

**Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013****Item No. 3:**

Dr. Jayashree Arun Firodia who was appointed as an Additional Director of the Company effective from 27th October, 2017 pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director.

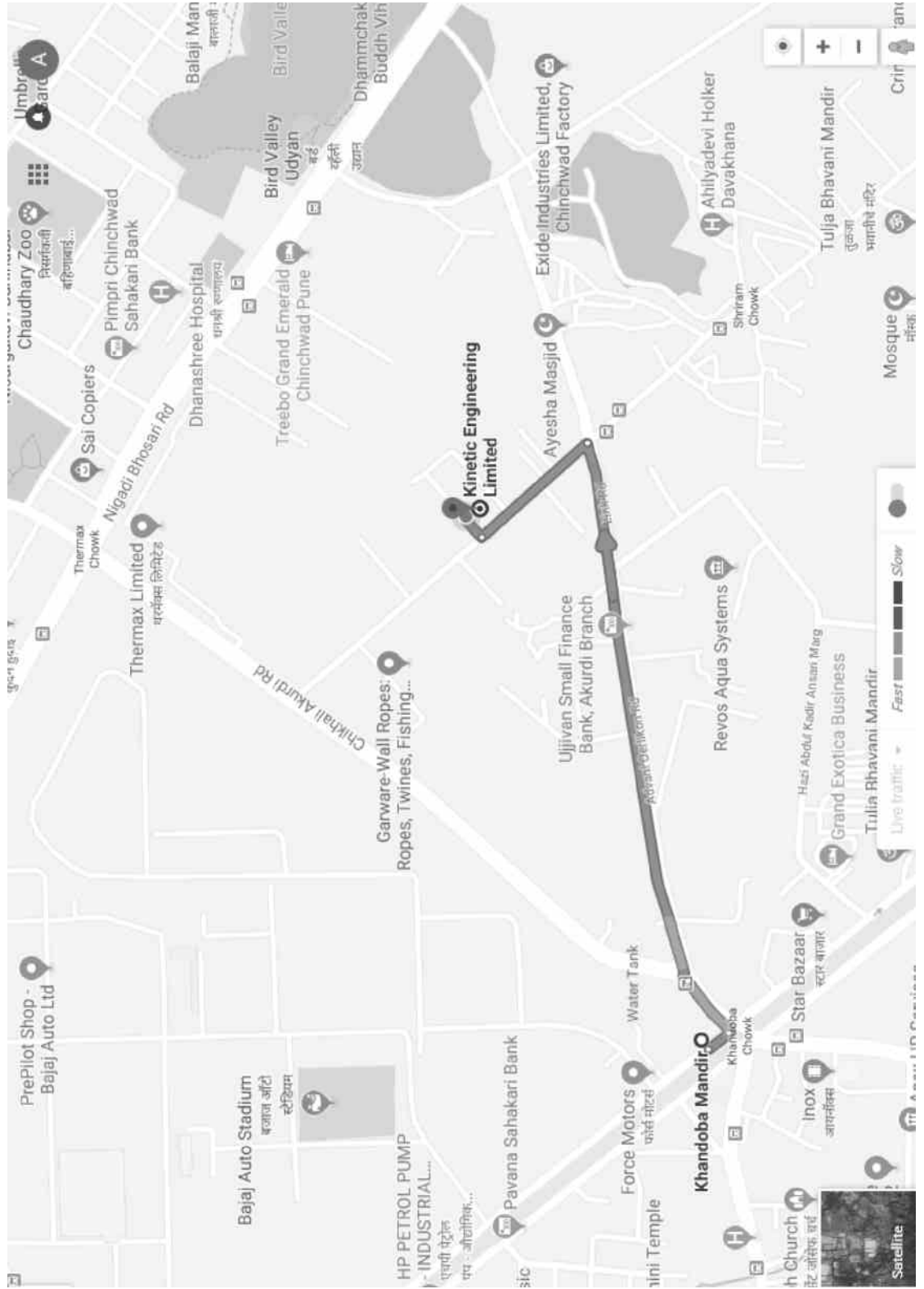
Dr. Jayashree Arun Firodia is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given her consent to act as Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Jayashree Arun Firodia as Director, for the approval by the shareholders of the Company.

Except Dr. Jayashree Arun Firodia, Mr. Arun H. Firodia, Mrs. Sulajja Firodia Motwani & Mr. Ajinkya Firodia, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

“Details of Directors seeking appointment/ re-appointment at the Annual General Meeting [In pursuance of Corporate Governance provision of SEBI (LODR)]”		
Name of the Director	Mrs. Sulajja F. Motwani	Dr. Jayashree Firodia
Age	48 years	75 years
DIN	00052851	00328499
Date of Appointment	09/12/2011	27/10/2017
Qualification	MBA in Finance from Carnegie Mellon University, Pittsburgh. USA	M.B.B.S
Directorship as on 31st March, 2018	Kinetic Engineering Ltd., Kinetic Marketing and Services Ltd., Kinetic Auto Ltd., Kinetic Kids Products Pvt. Ltd., Kinetic Fgtechnopolo Engineering Services Pvt Ltd, Kinetic Motor Automotives Pvt. Ltd., Sitaram Real Estate Developers Pvt. Ltd., BZE-E Technologies Pvt. Ltd.	Kinetic Communication Ltd., Ajinkya Auto Fab Ltd., Kinetic Hyundai Elevator And Movement Technologies Ltd., Ducati Energia (I) Pvt. Ltd., Kinetic Auto Ltd., MV Agusta India Pvt Ltd., Kinetic Motor Automotives Pvt. Ltd., Karina Tourism and Adventures Pvt. Ltd., Kinetic Green Energy And Power Solutions Ltd., Children S Future India Pvt. Ltd.
Chairmanship/Membership of Committees of other Companies as on 31st March, 2018.	Nil	Nil
Shareholding in the Company	616	3475222

Route Map for 47th Annual General Meeting

Venue: Registered Office - D-1 Block, Plot No. 18/2,
MIDC, Chinchwad, Pune – 411019.





DIRECTOR'S REPORT 2017-18

(Including Management Discussion & Analysis)

Dear Members,

Your Directors present the 47th Annual Report on the business and operations of Kinetic Engineering Limited and the Audited Financial Statements for the financial year ended 31st March, 2018.

I. Financial Performance :-

Particulars	(Rs. in Lakhs)	
	31st March, 2018	31st March, 2017
Total Revenue	10,847.93	9,188.48
Profit/ (Loss) before Interest, Depreciation, Tax and other Amortizations ("EBIDTA")	509.48	8.90
Add : Exceptional (Expenses) / Income	-	-
Less : Depreciation and Amortization Expenses	791.31	813.90
Finance Cost	495.50	496.50
Tax Expenses – Net	-	-
	<u>1,286.81</u>	<u>1,310.40</u>
Profit/(Loss) for the year	(777.33)	(1,301.50)
Other Comprehensive Income (Items that will not be reclassified subsequently to the statement of profit and loss)	-	-
Remeasurement of post-employment benefit obligations	26.21	(57.04)
Income tax relating to these items	-	-
Other Comprehensive Income	26.21	(57.04)
Total comprehensive income/(loss) for the year	(751.12)	(1,358.55)

Dividend:

No dividend is recommended in view of the loss during the year and non-availability of any carry forward surplus.

Conversion of Optionally Convertible Cumulative Preference Shares :

During the year under review, the Company has converted 9,92,639, 8.5% Optionally Convertible Cumulative Preference Shares (OCCPs) into 9,77,913 equity shares of Rs. 10/- each at a premium of Rs. 81.01 each and have allotted the same to the promoters on 5th February, 2018. The Company is in process of obtaining Listing approval of BSE for the same.

Adoption of Indian Accounting Standards:

The Company adopted the Indian Accounting Standards ("IndAS") notified under the Companies

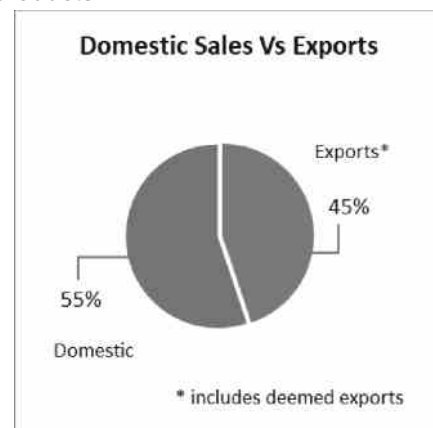
(Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these financial statements. Consequently, the Financial Statements of the previous year conform to the provisions of IndAS. The corresponding reconciliation and description of the effects of this transition from the provisions of the Companies (Accounting Standards) Rules, 2005 has been provided under Note 48 to the Financial Statements.

II. Business:

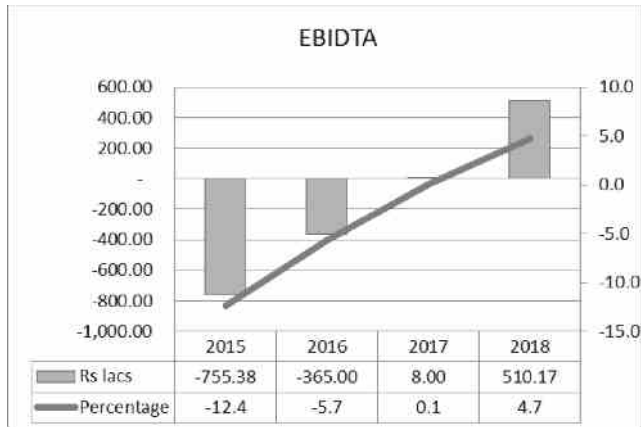
The new businesses which had started ramping up last year, reached full volumes in the current year. Apart from sustained demand from our other OE customers, your Company has shown significant improvement in the financial performance. The Company has recorded a year on year growth of 18% and earned a revenue of Rs. 108.48 crores.



The Company also continues to focus on direct as well as indirect exports through its customers, exporting nearly 45% of its products.



The increased turnover has also helped in better absorption of fixed costs and EBIDTA margin has grown from 0.09% in FY 17 to 4.70% in FY 18. The Company has also achieved a cash break even in the current year and earned a cash profit of Rs. 14 lakhs against a cash loss of Rs. 4.87 crores in FY 17. The growth momentum is continued in the current year as well.



During the financial year under review, steel prices have gone up by nearly 20%. This has put tremendous pressure on the working capital. In most cases, the increase in raw material prices has been passed on to the customers. The Company is in discussion to get timely settlement of the price increase claims. Price increase claims to the tune of Rs. 67.41 Lakhs were to be received from the customers for the supplies made upto 31 st March, 2018. As against this, Rs. 34 Lakhs has already been invoiced till date and will be collected as per the agreed payment terms.

Capital Expenditure:



Your Company has continued to invest in appropriate capacity to meet the increased demands from existing customers as well as operationalizing new businesses won. Your Company has invested Rs. 3.76 crores in new plant and equipment for the purpose. The Company is also in discussion with bankers to raise further funds to augment the working capital and to refinance the capital investments already made and expected to be made in the ensuing financial year.

The forgings production has now stabilized and the Company has been able to maintain the material costs in spite of significant increase in raw material prices. The Company is also exploring the possibility of expanding the forgings capacity in order to meet the increased demand of the products and also to further reduce material costs.

Operations:

The Company continues to improve its operations through various initiatives. The Company has now been certified for the stringent IATF Quality Standard. Your Company was one of the first few companies to be certified for the IATF Quality Standard.





Continuous improvements, use of various Quality Tools for analysis, training practices have resulted in continued improvement of quality of the products manufactured. The Directors are pleased to inform that your Company was awarded the “Best Supplier Award” for Quality Performance by Renault Nissan.

The businesses which were ramping up during the last year, have now stabilized at the full volumes. The Company has also successfully won a new business from American Axle during the year and successfully submitted PPAPs which are under final approval. The new business is expected to ramp up in the next financial year. The Company has also doubled its production of Gear Boxes being supplied to Mahindra Trucks and Buses Ltd and Ashok Leyland Ltd.

Employee Relations:



The Company has implemented regular training modules for its employees through internal and external faculties for developing and maintaining a better skilled work force and it has maintained cordial labor relations throughout the year.

MANAGEMENT DISCUSSION AND ANALYSIS:

According to the International Monetary Fund’s World Economic Outlook in April 2018, the global economic output has increased by 3.80% in 2017. In fact, the general recovery has now become more broad based and robust and stronger. Advanced economies such as USA, Germany, Japan and Korea have witnessed strong growth and the other developing economies in Latin America and Asia have posted good growth.

Domestic economy has grown by 7.10% in FY 17, overcoming the dip due to demonetization in FY 17 and GST implementation in FY 18. In fact, the third quarter of FY 18 recorded a growth of 7.20%, based on which the growth for FY 18 is expected to be 6.70%. The World Bank has projected a growth of 7.30% for FY 18 and 7.50% in the next two years. Smooth transition to the GST regime and satisfactory forecast of the monsoon augurs well for the growth projection, especially for the industries that your Company operates in.

a) Industry Structure:

The Passenger Vehicles segment has grown by 3.30% in FY18, whereas utility vehicles and vans grew by 20.97% and 5.78% respectively. Though the exports of passenger vehicles showed a decline of 1.51% over FY 17, our customers continued to grow in the export markets.

The Medium and Heavy Commercial Vehicles grew by 12.48% and Light Commercial Vehicles grew by 25.42% in FY 18 compared to FY 17.

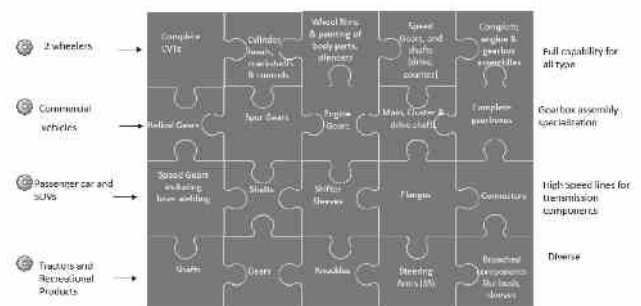
Tractors segment has grown a robust 33% over FY 17 and has crossed 711,400 nos.

Government’s keenness to increase farmer’s incomes, developing rural infrastructure and investment in large scale infrastructure projects is expected to translate into continued robust demand for medium and heavy commercial vehicles and tractors in the short term as well as the near term.

b) Outlook:

The Company is mainly supplying assemblies and components for the Medium & Heavy Commercial Vehicles, Automotive and Tractor industry. Over the years, the Company itself has transformed into an Automotive Components supplier providing components for diverse applications.

Kinetic - Diverse Capabilities for Automotive Parts



The diverse capabilities that your Company offers, opens up good opportunities for new business.

c) Risks and Opportunities:

Market Risks:

Increasing talks about Trade war and import tariffs for import from various countries into the US is a matter of concern as it may adversely impact the companies export, both direct as well as indirect. However, a large proportion of the companies export goes to Mexico and through the Mexican subsidiary of the customer to the US. Hence the company believes that this will not impact the company's revenues. Export of products to Latin America is expected to go up through another customer, offsetting any adverse impact.

Raw Material Risks:

Over the last year, commodity prices have gone up significantly. The Company purchases nearly 400-500 T of steel to produce various components. The Steel prices have gone up nearly 20% over the last one year. Due to shortage of steel in the market, credit terms are also squeezed by the major suppliers of steel. This is putting tremendous pressure on the working capital, especially since the company is also growing at more than 25%, requiring even higher quantity of steel. Lack of timely availability of steel is also impacting our in-house production as well as our key suppliers.

The Company is in continuous discussion with steel suppliers and also adding new suppliers to ensure smooth supplies of steel.

Government Policy Risks:

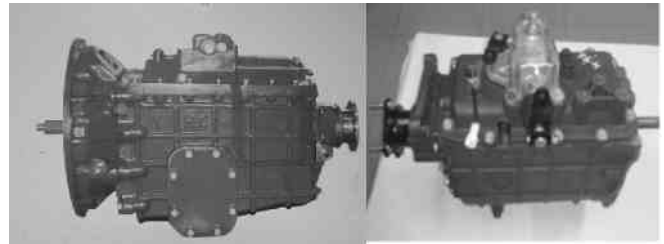
The Government has been evaluating relaxing the maximum load carrying limit for commercial vehicles along with maximum life requirement. In the short term it may impact the demand for commercial vehicles. However, the company supplies products to a niche segment of School Buses which is unlikely to get impacted due to the policy change.

Inflationary Risks:

Due to increased inflationary pressure, higher oil prices due to global political situation, domestic political and economic situation, interest rates are likely to be increasing. This may have an adverse impact on the demand for products manufactured by the company's customers.

d) Opportunities:

The Company is increasingly focusing on emerging as a gear box supplier and is exploring new businesses in that domain. The company has been in discussion with a large Engine Manufacturer for development of gear boxes for their export requirement. The business potential of the said business is Rs. 15 crores p.a.



The Company is also in discussion for a long term contract for additional volumes for components being presently supplied to Renault, which will result in additional revenue of Rs. 5 crores p.a.

The new project for which PPAPs have now been approved is expected to ramp up in FY 19, which will add Rs. 30 crores p.a. at full ramp, expected by the fourth quarter of FY 19.

The Company is also working with its sister concern, Kinetic Green, for the development of gear box for electric three-wheeler application. The Company sees a very good potential in offering this electric power train solution to other electric vehicle manufacturers. Prototypes of this new gear box have already been proven and the Company expects to productionize the same during FY19.

Given the market outlook and the initiatives taken by the management, the company is today at a cusp of sustained rapid, profitable growth with a good order position and future outlook.

III. Corporate Governance

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 Listing Regulations, 2015 forms part of the Annual Report.

Board of Directors

Board's Composition and Independence

As on 31st March, 2018, our Board comprised of eight members, headed by an Executive Chairman, two Executive Directors and five Non-Executive Directors, where in four are Independent Directors. Two out of eight members are women directors. The composition of Board is in accordance with the requirements of Listing Regulations, 2015 & Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors stating that they meet the prescribed criteria for independence.

Board Meetings

The Board met Nine times during the financial year 2017-18 viz. 8th April, 2017; 29th May 2017; 31st August, 2017; 29th September, 2017; 27th October, 2017, 21st



November, 2017, 11th December, 2017; 5th February, 2018 & 12th February, 2018. The maximum interval between any two meetings did not exceed 120 days.

Directors and Key Managerial Personnel (KMP)

Directors

During the year under review, Dr. K. H. Sancheti had resigned from the office of directorship on 26th May, 2017. The Board places its gratitude for the services rendered by him during his tenure.

Further, Dr. Jayashree Arun Firodia was inducted as an additional director of the Company from 27th October, 2017. In accordance with Section 161 of Companies Act, 2013, the Company has received notice proposing her candidature for appointment as regular director. Your directors have placed the same for approval of members in the ensuing Annual General Meeting.

Ms. Sulajja Firodia Motwani, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Key Managerial Personnel (KMP)

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

- a) Mr. Ajinkya A. Firodia – Managing Director & CFO (DIN:00332204)
- b) Mrs. Deepal Shah – Company Secretary (CS)*

*Mr. Sourav Chowdhury, Company Secretary of the Company resigned during the year. In his place, Mrs. Deepal Shah was appointed as Company Secretary of the Company on 14th September, 2017.

Appointment of Chief Executive officer (CEO)

Mr. Chaitanya Koranne was appointed as the Chief Executive officer of the Company with effect from 21st November, 2017.

Audit Committee

This Committee comprises of the following Directors viz. Mr. Shirish R. Kotecha (Chairman of the Committee), Mr. Jinendra H. Munot, and Mr. Ramesh J. Kabra. All the Members are Independent Directors. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee. All the recommendations of the Audit Committee were accepted by the Board.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013

and Listing Regulations, 2015, Independent Directors at their meeting, without the participation of the Non-independent Directors and Management, evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors.

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 forms part of the Annual Report.

Remuneration Policy

The Remuneration policy of the Company comprising of 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 the Directors and other related matters has been framed by Nomination and Remuneration Committee and has been briefed in Annexure-III to this Report.

Vigil Mechanism

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Regulations, 2015, 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 victimization 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 www.kineticindia.com/investors.

Information required under Sexual Harassment of Women at Work place

The Company has in place the requisite Internal Committee as envisaged in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints on the issues covered by the above Act were received, during the year.

Contracts or Arrangements with Related Parties

As required under the Listing Regulations, 2015, Related party transactions are placed before the Audit Committee for approval. Wherever required, prior approval of the Audit Committee is obtained on an omnibus basis for continual transactions. The corresponding actual transactions then become a subject of review by the Committee at subsequent meetings.

All related party transactions/arrangements entered into by the Company during the year, were on an arm's length basis and in ordinary course of business.

There was no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which could conflict with the interest of the Company as a whole. Consequently, disclosures in form AOC-2 pursuant to Rule 8 (2) of the Companies (Accounts) Rules, 2014 are not required.

The policy on Related Party Transactions as approved by the Board is available on the Company's website at www.kineticindia.com/investors.

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 4 & 5 of Notes to the Financial Statements.

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, 2018, 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, 2018 and of the Loss 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, 2018;

- (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, 2018.

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, there are no employees drawing remuneration in excess of the limits set out in the said Rules.

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 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.

IV. Audit and Internal Financial Control

Statutory Auditor

The members of the Company had approved the appointment of M/s Pawan Jain And Associates, (FRN 0107867W) Chartered Accountants, Pune to hold office for five years until the conclusion of Annual General Meeting to be held in the calendar year 2022 in accordance with the provisions of Section 139 of the Companies Act, 2013. However, as per recently amended Companies (Audit and Auditors) Amendment Rules, 2018, the requirement of ratification of appointment of auditors in subsequent general meetings has been done away with.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by M/s. Pawan Jain And Associates, Statutory Auditors, in their report for the financial year ended 31st March, 2018.

Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the statutory auditors have not reported any incident of fraud to the Audit Committee during the year under review.

**Secretarial Audit**

Mr. Devendra Deshpande, partner of DVD & Associates, Practicing Company Secretaries was appointed by the Board to conduct the audit of the Company's Secretarial Records in respect of the financial year 2017-18.

The report of the Secretarial Audit appears as Annexure – II to this Report. There are no qualifications in the Report.

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. Dinesh Birla, Practicing Company Secretary (Certificate of Practice No.: 13029) to undertake the Secretarial Audit of the Company for the financial year 2018-19.

Internal Control System and their adequacy

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.

V. Other Disclosures**Postal Ballot:**

During the year under review, the Company had conducted two Postal Ballot activities which were conducted in accordance with the provisions of Section 110 of Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014. The details are provided in Corporate Governance Report.

Deposits:

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

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 as Annexure-I to this Report.

Extract of Annual Return:

Pursuant to Section 134 and 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, 2018 in Form No. MGT-9 is attached herewith as Annexure-IV and forms part of this Report.

Material changes and commitments between the end of the Financial year and Date of Report:

There have been no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of the Report.

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.

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.

On behalf of the Board of Directors
For, Kinetic Engineering Limited

A. H. Firodia
Chairman
(DIN : 00057324)

Date: 10th August, 2018.

Place: Pune.

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]

A) Conservation of energy

1) 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 shop wise, cell wise energy audit and record
9	Introducing thyristor controller to tempering furnace

2) Steps taken by the Company for utilizing alternative sources of energy; **Nil**

3) 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. Up-gradation of existing products to the need of customers PAS for Tractors introduced.
 - c. Modernization and automation of the plant to produce and test the products to its accuracy.
 - d. Developed 2 speed gear box for electric 3 wheeler, to use low torque motor.
 - e. Ratio changed on 2nd gear of 320 NM gear box, to enhance starting speed,
 - f. Upgraded 320 NM gear box design to 360 Nm for higher torque requirement.
 - g. Development of Driveline parts like Yokes and Stub Shafts – new product category,
- 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.
- i. Meet customer demands.
- 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
- 4) The Expenditure incurred on Research and Development : **Nil**

C) Foreign Exchange Earnings and Outgo:-

The Company continues to strive to improve its export earnings. The information on foreign exchange earnings and outgo is contained in Note No. 36(C) of Notes to the Financial Statements.

On behalf of the Board of Directors
For, Kinetic Engineering Limited

A. H. Firodia
Chairman
(DIN : 00057324)

Date: 10th August, 2018.
Place: Pune.



Annexure - II
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

[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 2017 to 31st March 2018, 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 2018, 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 2018 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

(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, 1992;
- 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 & 9,92,639 Optionally Convertible Cumulative Preference Share Capital (OCCPs) allotted on Preferential basis respectively for which the Company was in the process of obtaining necessary approval from BSE/SEBI. In respect of conversion of 992639 shares, the Company has revised the number of shares on the basis of share application money received in compliance with the stipulation of BSE.

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

7,31,707 equity shares issued by the Company allotted on Preferential basis to Mr. Ajinkya Firodia for which the Company is in the process of obtaining necessary approval from BSE/SEBI.

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not applicable during the Audit Period]**
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the Audit Period] and
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the Audit Period]**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not applicable during the Audit Period]**
- (h) 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:

(i) 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.

(ii) 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 except mentioned in this report and especially the following:

a. Board Meeting for approval of quarterly results for the quarter ended on 30.06.2017 was held on 29.09.2017. There was a notice received by BSE Limited on 14.08.2017 for not conveying the meeting and the Company has satisfactorily replied and there was no further communication from BSE Limited on the same.

b. Share Reconciliation Audit report for the quarter ended on 30.06.2017 was submitted to BSE Limited on 26.10.2017 as there was change of Compliance officer during the period.

c. The most of the promoters shareholding is in Demat mode and some of the shares which are pending for listing approval are not in demat mode which is currently in process.

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 which 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. The managerial remuneration paid of Rs. 53.61 Lakhs is subject to approval of Central Government.
2. The basis of company's ability to continue as a Going Concern needs to be examined in the light of Note 45 of the Notes to accounts.

Note 45 - 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.

3. According to the information and explanation provided to us, undisputed amounts payable in respect of Provident Fund and ESIC amounting to Rs. 8.07 lakhs and in respect of Income Tax Deducted at Source amounting to Rs. 5.38 Lakhs were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Devendra Deshpande
FCS No. 6099 CP No. 6515

Place: Pune
Date: 07.08.2018

ANNEXURE A

To,
The Members
KINETIC ENGINEERING LTD
D-1 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: 07.08.2018

Annexure III

POLICIES AT THE GLANCE:

A. Preservation & Archival Policy:

Pursuant to Regulation 9 of Listing Regulations, 2015, the Board of Directors has adopted Policy on Preservation of Documents. This Policy envisages the procedure governing preservation of documents as required to be maintained under the various statutes. The Policy can be accessed from the Company's website at www.kineticindia.com/investors.

Pursuant to Regulation 30(8) of Listing Regulations, 2015, every listed company shall disclose on its website, all such events or information which have been disclosed to the stock exchange(s) under Regulation 30. Such disclosures shall be posted on the website of the company for a minimum period of five years and thereafter as per the archival policy of the company. Accordingly, the Board of Directors has approved the 'Archival Policy'. The Policy can be accessed from the Company's website at www.kineticindia.com/investors.

B. Policy on Determination of Materiality for Disclosures of Events or Information:

Pursuant to Regulation 30 of the Listing Regulation 2015, the Board of Directors has adopted the Policy for Determination of Material Events or Information. The objective of the Policy is to ensure timely and adequate disclosure of material events or information. The Policy can be accessed from the company's website at www.kineticindia.com/investors.

C. Remuneration Policy:

The Committee also reviewed the existing tenure of all its directors and criteria for the appointment/re-appointment of directors wherein it 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. The Policy can be accessed from the company's website at www.kineticindia.com/investors.

D. 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 victimization 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 have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Policy can be accessed from the Company's website at www.kineticindia.com/investors.



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

as on the financial year ended on 31st March, 2018
[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	D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune 411 019 Tel: 020 6614 2078/ 2088
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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,471,213	-	4,471,213	26.72	4,471,429	274,694	4,746,123	26.80	0.08
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,026,105	224,359	3,250,464	19.43	3,026,105	927,578	3,953,683	22.33	2.90
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	7,497,318	224,359	7,721,677	46.15	7,497,534	1,202,272	8,699,806	49.13	2.98

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% 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)	7,497,318	224,359	7,721,677	46.15%	7,497,534	1,202,272	8,699,806	49.13%	2.98
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	12	682	694	0.00	12	682	694	0.00	0.00
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate investment funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital investors	-	-	-	-	-	-	-	-	-
e) Foreign portfolio Investor	64	192	256	0.00	64	192	256	0.00	0.00
f) Financial Institutions /Banks	140564	2465	143029	0.85	69714	2465	72179	0.40	(0.45)
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident fund/ Pension fund	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-	140640	3339	143979	0.86	69790	3339	73129	0.41	(0.45)
2. Central Govt/State Govt/ President of India	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
3. Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 Lakhs.	2104597	480832	2585429	15.45	3119074	469796	3588870	20.27	4.82
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs.	730476	620950	1351426	8.07	874959	845309	1720268	9.72	1.65
b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs)	-	-	-	-	-	-	-	-	-
e) Any Others (specify)	-	-	-	-	-	-	-	-	-
Trusts	300	18	318	0.00	44	18	62	0.00	0.00
Hindu Undivided Family	181883	0	181883	1.08	262890	0	262890	1.48	0.40
Foreign companies	1142223	0	1142223	6.82	530516	0	530516	2.99	(3.83)
Non Resident Indians (Non Repat & Re-pat)	35876	24600	60476	0.36	63270	24536	87806	0.50	0.14
Overseas Corporate Bodies	0	342	342	0.00	0	342	342	0.00	0.00
Clearing Members	30228	0	30228	0.18	78159	0	78159	0.44	0.26
Bodies corporate	3504818	7909	3512727	21.00	2658876	7897	2666773	15.06	(5.94)
Sub-total (B)(3):-	7730401	1134651	8865052	52.98	7587788	1347898	8935686	50.45	(2.53)
Total Public (B)	7871041	1137990	9009031	53.85	7657578	1351237	9008815	50.87	(2.98)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15368359	1362349	16730708	100	15155112	2553509	17708621	100	-

**(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	Arun H. Firodia	108061	0.64	-	141230	0.80	-	0.16
2	Jayashree A. Firodia	3233481	19.32	-	3475222	19.62	-	0.30
3	Sulajja F. Motwani	616	0.00	-	616	0.00	-	0.00
4	Ajinkya A. Firodia	1129055	6.75	-	1129055	6.38	-	(0.37)
5	Micro age Instruments Pvt. Ltd. *	3250464	19.43	-	3953683	22.33	-	2.90

* The demat account of Ajinkya Holdings Pvt. Ltd and Micro age Instruments Pvt. Ltd. were merged during the year 2017-18.

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

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
1.	Mr. Arun H. Firodia:				
	a. At the beginning of the year	108061	0.64		
	b. Any change during the Year purchase Allotment*	206 32963	- -		
c.	At the end of the year			141230	0.80
2.	Dr. Jayashree Firodia:				
	a. At the beginning of the year	3233481	19.32		
	b. Any change during the Year purchase Allotment*	10 241731	- -		
c.	At the end of the year			3475222	19.62
3.	Mrs. Sulajja Firodia Motwani:				
	a. At the beginning of the year	616	0.00		
	b. Any change during the Year	-	-		
c.	At the end of the year			616	0.00
4.	Mr. Ajinkya A Firodia:				
	a. At the beginning of the year	1129055	6.75		
	b. Any change during the Year	-	-		
c.	At the end of the year			1129055	6.38
5.	Microage Instruments Private Limited**				
	a. At the beginning of the year	3250464	19.43		
	b. Any change during the Year Allotment*	703219	-		
c.	At the end of the year			3953683	22.33

* Allotment made pursuant to conversion of Optionally Convertible Cumulative Preference Shares on 5th February, 2018.

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year 1st April, 2017		Transactions during the year		Cumulative Shareholding at the end of the year 31st March, 2018	
		No. of Shares held	% of total Shares of the Company	No. of Shares held	% of total Shares of the Company	No. of Shares held	% of total Shares of the Company
1.	Ashoka Investment Holdings Limited	2600334	15.54				
	Sale			14-04-2017	(2910)	2597424	
	Sale			21-04-2017	(18168)	2579256	
	Sale			28-04-2017	(12953)	2566303	
	Sale			05-05-2017	(154598)	2411705	
	Sale			12-05-2017	(160977)	2250728	
	Sale			19-05-2017	(78451)	2172277	
	Sale			09-06-2017	(12961)	2159316	
	Sale			16-06-2017	(1609)	2157707	
	Sale			23-06-2017	(92258)	2065449	
	Sale			30-06-2017	(5474)	2059975	
	Sale			07-07-2017	(24629)	2035346	
	Sale			14-07-2017	(3266)	2032080	
	Sale			21-07-2017	(45532)	1986548	
	Sale			28-07-2017	(3688)	1982860	
	Sale			24-11-2017	(58192)	1924668	
	Sale			12-01-2018	(106788)	1817880	
	Sale			19-01-2018	(22420)	1795460	
	Sale			16-02-2018	(8166)	1787294	
	At the end of the year					1787294	10.09
2.	Reliance Corporate Advisory Services Limited	715000	4.27				
	Sale			12-05-2017	(68300)	646700	
	Sale			19-05-2017	(47000)	599700	
	At the end of the year					599700	3.38
3.	Harsh Hitesh Javeri	374971	2.24				
	At the end of the year					374971	2.11
4.	AIA Singapore Private Limited	466681	2.79				
	Sale			07-04-2017	(570)	466111	
	Sale			21-04-2017	(3155)	462956	
	Sale			28-04-2017	(1342)	461614	
	Sale			05-05-2017	(10447)	451167	
	Sale			12-05-2017	(14143)	437024	
	Sale			19-05-2017	(39622)	397402	
	Sale			09-06-2017	(2693)	394709	
	Sale			16-06-2017	(336)	394373	
	Sale			23-06-2017	(19308)	375065	
	Sale			30-06-2017	(993)	374072	
	Sale			07-07-2017	(4463)	369609	
	Sale			14-07-2017	(592)	369017	
	Sale			21-07-2017	(8252)	360765	



	Sale			28-07-2018	(669)	360096	
	Sale			17-11-2017	(8858)	351238	
	Sale			28-11-2017	(1691)	349547	
	Sale			12-01-2018	(19389)	330158	
	Sale			19-01-2018	(4073)	326085	
	Sale			16-02-2018	(1483)	324602	
	At the end of the year					324602	1.83
5.	AIA International Limited	296602	1.77				
	Sale			07-04-2017	(324)	296278	
	Sale			21-04-2017	(2164)	294114	
	Sale			28-04-2017	(814)	293300	
	Sale			05-05-2017	(6442)	286858	
	Sale			12-05-2017	(8823)	278035	
	Sale			19-05-2017	(23639)	254396	
	Sale			09-06-2017	(1994)	252402	
	Sale			16-06-2017	(248)	252154	
	Sale			23-06-2017	(14268)	237886	
	Sale			30-06-2017	(628)	237258	
	Sale			07-07-2017	(2825)	234433	
	Sale			14-07-2017	(375)	234058	
	Sale			21-07-2017	(5223)	228835	
	Sale			28-07-2017	(423)	228412	
	Sale			17-11-2017	(5606)	222806	
	Sale			24-11-2017	(1071)	221735	
	Sale			12-01-2018	(12295)	209440	
	Sale			19-01-2018	(2585)	206855	
	Sale			16-02-2018	(941)	205914	
	At the end of the year					205914	1.16
6.	Hitesh Ramji Javeri	148856	0.89				
	Purchase			16-02-2018	100	148956	
	At the end of the year					148956	0.84
7.	Life Insurance Corporation of India	69604	0.42				
	At the end of the year					69604	0.39
8.	Siraj Ali	10000	0.06				
	Purchase			23-06-2017	25932	35932	
	Purchase			30-06-2017	12600	48532	
	Purchase			07-07-2017	17000	65532	
	Sale			21-07-2017	(65532)	0	
	Purchase			28-07-2017	75532	75532	
	Sale			17-11-2017	(1600)	73932	
	Purchase			29-12-2017	7783	81715	
	Sale			09-02-2018	(20000)	61715	
	At the end of the year					61715	0.35
9.	Bharati Bharat Dattani*	0	0.00				
	Purchase			15-09-2017	20000	20000	
	Purchase			13-10-2017	5619	25619	
	Purchase			24-11-2017	7489	33108	
	Purchase			16-02-2018	2000	35108	

	Purchase			02-03-2018	3344	38452	
	Purchase			09-03-2018	9188	47640	
	Purchase			16-03-2018	3261	50901	
	Purchase			23-03-2018	1944	52845	
	At the end of the year					52845	0.30
10.	Samyak Akshaykumar Doshi*	0	0.00				
	Purchase			17-11-2017	45000	45000	
	At the end of the year					45000	0.25
11.	Billion Ally Limited**	378940	2.26				
	Sale			08-09-2017	(150000)	228940	
	Sale			15-09-2017	(219940)	9000	
	Sale			06-10-2017	(9000)	0	
	At the end of the year					0	0.00
12.	General Insurance Corporation of India**	70850	0.42				
	Sale			22-12-2017	(39248)	31602	
	Sale			29-12-2017	(31602)	0	
	At the end of the year					0	0.00

*were Top 10 Shareholders as on 31st March, 2018.

**The shareholding had ceased and was not part of top ten shareholders as on 31st March, 2018.

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

1.Mr. Arun H. Firodia:

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
a.	At the beginning of the year	108061	0.64		
b.	Any change during the Year				
	purchase	206	-		
	Allotment*	32963	-		
c.	At the end of the year			141230	0.80

2.Dr. Jayashree Firodia:

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
a.	At the beginning of the year	3233481	19.32		
b.	Any change during the Year				
	purchase	10	-		
	Allotment*	241731	-		
c.	At the end of the year			3475222	19.62

**3.Mrs. Sulajja Firodia Motwani:**

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
a.	At the beginning of the year	616	0.00		
b.	Any change during the Year	-	-		
c.	At the end of the year			616	0.00

4.Mr. Ajinkya A Firodia:

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
a.	At the beginning of the year	1129055	6.75		
b.	Any change during the Year	-	-		
c.	At the end of the year			1129055	6.38

5.Mr. J. H. Munot:

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
a.	At the beginning of the year	28712	0.17		
b.	Any change during the Year	-	-		
c.	At the end of the year			28712	0.16

6.Mr. R. J. Kabra:

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
a.	At the beginning of the year	525	0.00		
b.	Any change during the Year	-	-		
c.	At the end of the year			525	0.00

7.Mr. S. R. Sanghi:

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
a.	At the beginning of the year	32	0.00		
b.	Any change during the Year	-	-		
c.	At the end of the year			32	0.00

8.Mr. S. R. Kotecha:

Sr No.	Name of Shareholder, Date and Reason of Change	At the beginning of Year		At the end of Year	
		No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
a.	At the beginning of the year	-	-		
b.	Any change during the Year	-	-		
c.	At the end of the year			-	-

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

(Amt. in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	99,999,856	591,639,991	-	691,639,847
ii) Interest due but not paid	-	12,408,604	-	12,408,604
iii) Interest accrued but not due	-	7,450,181	-	7,450,181
Total (i+ii+iii)	99,999,856	611,498,776	-	711,498,632
Change in Indebtedness during the financial year				
Addition	1,121,250	28,953,742	-	30,074,992
Reduction	-	34,167,481	-	34,167,481
Net Change	1,121,250	(5,213,739)	-	(4092489)
Indebtedness at the end of the financial year				
i) Principal Amount	101,121,106	589,253,608	-	690,374,714
ii) Interest due but not paid	-	12,408,604	-	12,408,604
iii) Interest accrued but not due	-	4,622,825	-	4,622,825
Total (i+ii+iii)	101,121,106	606,285,037	-	707,406,143

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

(Amt in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Ajinkya A Firodia		
1.	Gross Salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	47,15,930		47,15,930
	(b) Value of perquisites us 17(2) Income Tax Act, 1961	15,000		15,000
	(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	6,30,000		6,30,000
	- others, specify	-		-
5.	Others, Please Specify:	-		-
	Total (A)	53,60,930		53,60,930

B. Remuneration to other directors:**(I). INDEPENDENT DIRECTORS:**

(Amt in Rs.)

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

• Fee for attending board / committee meetings	12,000	20,000	20,000	--	--	52,000
• Commission	--	--	--	--	--	--
• Others, please specify	--	--	--	--	--	--
Total (I)	12,000	20,000	20,000	--	--	52,000

* Mr. K.H.Sancheti has resigned from directorship w.e.f 26th May, 2017.

(II) OTHER NON-EXECUTIVE DIRECTORS:

(Amt in Rs.)

Particulars of Remuneration	Name of the Directors		Total Amount
	Jayashree A. Firodia		

• Fee for attending board / committee meetings		4000	4000
• Commission		--	--
• Others, please specify		--	--
Total (II)		4000	4000
Total (B)=[I+II]			56,000

C. REMUNERATION OTHER THAN MD/ WTD/ MANAGER:

(Amt in Rs.)

Sr. No.	Particulars of Remuneration	CEO	CS	Total Amount
		Chaitanya Koranne*	Deepal Shah**	
1.	Gross Salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,641,155	359,475	2,000,630
	(b) Value of perquisites us 17(2) Income Tax Act, 1961	193,833	8,458	202,291
	(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 (C)	1,834,988	367,933	2,202,921

* Appointment w.e.f 21.11.2017/ **Appointment w.e.f. 14.09.2017.

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.



REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2018.

1. Corporate Governance Philosophy:

The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders, and strong commitment to values, ethics and business conduct. The Company is committed to good corporate governance, based on an effective Independent Board, separation of supervisory role from the executive management and the constitution of committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plans to performance measurement and consumer satisfaction. Kinetic Engineering Limited Corporate Governance philosophy is about intellectual honesty, whereby the governance is not just about encompassing regulatory and legal requirements but also strives to enhance stakeholders' value as a whole. The Company's philosophy includes protection and facilitation of shareholders' rights, provide adequate and timely information and ensuring equitable treatment to all shareholders. The Company also ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

2. Board of Directors:

2.1 We believe that our Board needs to have an appropriate mix of Executive, Non-Executive and

Independent Directors to maintain its independence, and separate its functions of governance and management. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereby referred to as "Listing Regulations, 2015") mandate that for a Company with an Executive Chairman, who is a promoter, at least fifty percent of the Board should comprise of Independent Directors.

As on 31st March, 2018, our Board comprised of eight members, consisting of an Executive Chairman, two Executive Directors and five Non-Executive Directors, where in four are Independent Directors. Two out of eight members are Women Directors. The composition of Board is in accordance with the requirements of Listing Regulations, 2015 & Companies Act, 2013.

All the directors possess the requisite qualifications and experience in corporate management and finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

All the Independent Directors of the Company furnish declaration annually that they qualify the conditions of their being independent. All such declarations are placed before the Board. Further all the Directors provide declarations annually that they have not been disqualified to act as Director under Section 164 (2) of the Companies Act, 2013.

2.2 The Composition of the Board as on 31st March, 2018 and category of Directors are as under:

Name of the Director	Designation	Category	No of other Directorships held #	No. of Independent Directorships held in Listed Companies#	No. of other Board committees ##	
					Chairman	Member
Mr. A. H. Firodia	Chairman	Promoter/ Executive	4	-	-	-
Dr. J. A. Firodia*	Director	Promoter/Non- Executive	6	-	-	-
Mrs. S. F. Motwani	Director	Promoter/ Executive	6	-	-	-
Mr. A. A. Firodia	Director	Promoter/ Executive	2	1	-	-
Mr. J. H. Munot	Director	Independent	2	-	-	-
Mr. S. Sanghi	Director	Independent	1	-	-	-
Mr. S. R. Kotecha	Director	Independent	-	-	-	-
Mr. R. J. Kabra	Director	Independent	-	-	-	-
Dr. K. H. Sancheti**	Director	Independent	-	-	-	-

*Appointed as an Additional director on 27th October, 2017

** Resignation from Dr. K. H. Sancheti was received on 26th May 2017 from the Directorship of the Company.

Excludes Directorship in Indian 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 Kinetic Engineering Limited.

2.3 None of the Directors of the Company holds membership of more than ten Board Committees or holds Chairmanship of more than five Board Committees.

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

During the 12 months period ended 31st March, 2018, Nine Board Meetings were held on 8th April, 2017; 29th May, 2017; 31st August, 2017; 29th September, 2017; 27th October, 2017; 21st November, 2017; 11th December, 2017; 5th February, 2018 and 12th February, 2018. The maximum time gap between any two Board Meetings did not exceed 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 29th September, 2017
Mr. Arun H. Firodia	9	9	Present
Dr. Jayashree Arun Firodia	9	3	-
Mrs. Sulajja Firodia Motwani	9	9	Present
Mr. Ajinkya Arun Firodia	9	9	Present
Mr. Ramesh J. Kabra	9	9	Present
Mr. Shirish R. Kotecha	9	8	Present
Mr. Jinendra H. Munot	9	4	Absent
Mr. Sudhir Sanghi	9	3	Absent
Dr. Kantilal. H. Sancheti	9	0	-

2.5 Pecuniary relationship or transactions of Non-Executive Directors: NIL

3. Audit Committee:

3.1 Brief description of Terms of Reference:

The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the Independent Auditors and notes the processes and safeguards employed by each of them. The audit committee is responsible to select, evaluate and where appropriate, replace the independent auditors in accordance with the law. All possible measures are taken by the committee to ensure the objectivity and independence of Independent Auditors.

3.2 Composition:

The Committee is comprised solely of Independent Directors and is in compliance with the requirements of Section 149 of the Companies Act, 2013 & Regulation 18 of the Listing Regulations, 2015.

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

3.3 Meetings and attendance during the period under review:

During the 12 months period ended on 31st March, 2018, Five Meetings of the Audit Committee were held on 29th May, 2017; 31st August, 2017; 29th September, 2017; 11th December, 2017 and 12th February, 2018. Details of attendance of the Members at the meeting are as follows:



Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. S. R. Kotecha	5	5
Mr. J. H. Munot	5	3
Mr. R. J. Kabra	5	5

The Head of Finance Department, CEO, Internal Auditors, Representative of Statutory Auditors, and other Senior Executives members of the Company were also invited to attend the Audit Committee Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 29th September, 2017. The Company Secretary acts as a secretary to the Audit Committee.

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

4.1 Brief description of Terms of reference:

- 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;
- Recommending to the Board on candidates for any Board vacancies that are to be filled.

4.2 Composition:

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

4.3 Meetings and attendance during the period under review:

During the period ended on 31st March, 2018, Two Meetings of the Nomination and Remuneration Committee were held on 8th April, 2017 and 31st August, 2017. Details of attendance of the Members at the meeting are as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. S. R. Kotecha	2	2
Mr. J. H. Munot	2	1
Mr. R. J. Kabra	2	2

The Chairman of the Nomination and Remuneration Committee was present at the 46th Annual General Meeting of the Company held on 29th September, 2017.

Following the provisions of Companies Act, 2013, Mrs. Sulajja Firodia Motwani will retire by rotation at the ensuing Annual General Meeting. The Committee considered her performance and recommended that shareholders approve the necessary resolution for her re-appointment. The Company Secretary acts as a secretary to the Nomination and Remuneration Committee.

4.4 Details of Remuneration:

The details of remuneration paid to Executive Directors, as required under Regulation 34 read with Schedule V of the Listing Regulations, 2015 during the financial year ended on 31st March, 2018 are as follows:

(Amt. in Rs.)

Particulars	Mr. Ajinkya Firodia Managing Director
Basic Salary (₹)	29,94,924.00
HRA (₹)	9,66,312.00
Conveyance (₹)	-
Perquisites (₹)	15,000.00
Incentives on profit	6,30,000.00
Other (₹)	3,95,304.00
PF Contribution (₹)	3,59,390.00
Total	53,60,930.00

All the above remuneration was fixed/ varies with respect to time-scale. The Company has filed relevant forms with the Central Government, seeking approval for the remuneration fixed for the Managing Director, which is awaited.

The Non-Executive Directors of the Company are paid sitting fees @ 2,000 per meeting of the Board or Committee thereof attended by them besides reimbursement of expenses on travelling 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, 2018, are as follows:

Name of the Executive Director	Sitting Fees (₹)	No. of Shares Held in the Company
Dr. Jayashree A. Firodia	4000	3475222
Mr. R. J. Kabra	20000	525
Mr. S. R. Kotecha	20000	-
Mr. S. Sanghi*	-	32
Mr. J. H. Munot	12000	28712
Dr. K. H. Sancheti	-	-

* No Sitting Fees is paid. However, travelling expenses are being paid on actual basis.

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

5.1 The Committee assists the Board and the Company in maintaining healthy relationships with all stakeholders. The Committee oversees the mechanisms for redressing grievances and complaints from stakeholders and reviews the matters connected therewith. The Company Secretary acts as a secretary to the Stakeholders Relationship Committee.

5.2 Composition:

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

5.3 Meetings and attendance during the period under review:

During the period ended on 31st March, 2018, Four Meetings of the Stakeholders Relationship Committee were held on 29th May, 2017; 29th September, 2017; 11th December, 2017 and 12th February, 2018. Details of attendance of the Members at the meeting are as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. S. R. Kotecha	4	4
Mr. J. H. Munot	4	2
Mr. R. J. Kabra	4	4

No. of shareholders complaints/request received during the period under review : 90
 No. of complaints/request not resolved to the satisfaction of the shareholders : Nil

No. of pending Complaints/ request as on 31st March, 2018 : Nil
 As on 31st March, 2018, no complaints were outstanding.

6. Evaluation of Board's performance:

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of the Board and Individual Directors, including the Chairman of the Board. The exercise was carried out through evaluation process covering various aspects.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees.

7. Meeting of Independent Directors:

As stipulated by code for Independent Directors under the Companies Act, 2013 and the Listing Regulations, 2015, a separate meeting of Independent Directors was held on 8th April, 2017 to review the performance of Non-Independent Directors and 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.

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. All Board Members and Senior Management personnel have affirmed compliance with these Codes of Conduct. The code of conduct is available on the website of the Company at www.kineticindia.com/investors. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

9. Code of Conduct for Prohibition of Insider Trading:

The Company has adopted an Insider Trading policy to



regulate, monitor and report trading by insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosures. The policy is available on Company's website at www.kineticindia.com/investors.

10. Auditors' certificate on Corporate Governance:

As required under Schedule V of the Listing Regulations, 2015 the Auditors' certificate on Corporate Governance is enclosed as Annexure to Corporate Governance Report.

11. CEO and CFO certification:

As required by the Listing Regulations, 2015 the CEO and CFO certification is enclosed as Annexure to Corporate Governance Report.

12. Compliance Officer:

*Mrs. Deepal Shah, Company Secretary was appointed as Compliance Officer for complying with the requirements of Companies Act, 2013, SEBI Regulations, Secretarial Standards etc. w.e.f 14th September, 2017.

* Mr. Sourav Chowdhary, Company Secretary & Compliance officer resigned w.e.f. 13th September, 2017.

13. 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, 2017	29th September 2017	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	None
31st March, 2016	30th September 2016	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	None
31st March, 2015	30th September, 2015	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	Allotment of 224359 equity shares to Micro age Instruments Pvt Ltd on preferential basis.

14. Postal Ballot:

During the year, the Company approached the shareholders twice through Postal Ballot. The details of Postal Ballot for the financial year are as follows:-

- 1) Date of Postal Ballot Notice: 8th April, 2017 Voting Period: 16th April, 2017 to 15th May, 2017
Date of Approval: 15th May, 2017 Date of Declaration of result: 16th May, 2017

Name of the Resolution	Type of Resolution	No. of Votes polled	Votes Cast in Favor	%	Votes Cast in Favor	%
Authorizing the Board of Directors of the Company, for offer, issue and allot Equity Shares of the Company on Preferential Basis.	Special Resolution	10891549	10861331	99.72	30218	0.28

2) Date of Postal Ballot Notice: 12th February, 2018
Date of approval: 02nd April, 2018

Voting Period: 04th March, 2018 to 02nd April, 2018
Date of Declaration of result: 03rd April, 2018

Name of the Resolution	Type of Resolution	No. of Votes polled	Votes Cast in Favor	%	Votes Cast in Favor	%
Adoption of new set of Memorandum of Association of the company pursuant to the Companies Act, 2013.	Special Resolution	6323766	6323754	99.99	12	0.00
Adoption of new set of Articles of Association of the company pursuant to the Companies Act, 2013.	Special Resolution	6323766	6323754	99.99	12	0.00
To limits u/s 186 (2) of the Companies Act, 2013 for extending loans, providing guarantees or giving securities for loans taken by any person or body corporate.	Special Resolution	6323766	6323754	99.99	12	0.00
To reiterate the Resolution No. 4 passed by the members of the Company in the 44th Annual General Meeting of the Company held on September 30, 2015 pertaining to Issue of Equity Shares on Preferential Basis	Special Resolution	6323766	6323754	99.99	12	0.00
To reiterate the Resolution No. 1 passed by the members of the Company through Postal Ballot dated June 12, 2016 pertaining to Issue of Equity Shares on Preferential Basis	Special Resolution	6323766	6323754	99.99	12	0.00
To reiterate the Resolution No. 2 passed by the members of the Company through Postal Ballot dated June 12, 2016 pertaining to Issue of Preference Shares on Preferential Basis	Special Resolution	6323766	6323754	99.99	12	0.00
To reiterate the Resolution No. 1 passed by the members of the Company through Postal Ballot dated May 15, 2017 pertaining to Issue of Equity Shares on Preferential Basis	Special Resolution	6323766	6323754	99.99	12	0.00



In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of CDSL.

Postal ballot notices forms are dispatched, along with postage-prepaid business reply envelopes to registered members/ beneficiaries. The same notice is sent to email to members who have opted for receiving communication through the electronic mode. The company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman/ authorized officer. The results are also displayed on the company website at www.kineticindia.com besides being communicated to the stock exchanges, Depository and Registrar and Share Transfer Agent. The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Remote e-voting and ballot voting at the AGM

To allow the shareholder to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the members. Members, whose name appears on the Register of Members as on Saturday, the 22nd September, 2018 shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM and the members, who have not cast their vote by remote e-voting, can exercise their vote at the AGM.

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

15. 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 Note No. 46 (c) of Notes Forming part of the Financial Statements for the year ended on 31st March, 2018.

(ii) There were no penalties, nor any restrictions imposed on the Company by SEBI or any Statutory authority, on any matter related to capital markets.

(iii) The Company has complied with all mandatory requirements of the Listing Regulations, 2015, in respect of Corporate Governance.

16. Means of Communication:

The Company's quarterly/half-yearly/annual financial results are sent to Stock Exchange and published in 'Financial Express' and 'Loksatta' newspapers. Simultaneously, they are also hosted on Company's website at www.kineticindia.com. In terms of SEBI circular, the Company has designated an email address- kelinvestors@kineticindia.com for enabling investors to post their grievances and to enable timely action on investor grievances, if any.

17. Press Releases, News Release:

Official Press Releases are sent to Stock Exchange and are hosted on Company's website. No presentation was made to Institutional Investors or Analysts.

18. General Shareholders Information:

The 47th Annual General Meeting is proposed to be held on Saturday the 29th September, 2018 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 Financial Statements for the financial year ended 31st March, 2018.

19. Financial Calendar (Tentative):

Quarter Ending	Date
30th June, 2018	10th Aug., 2018
30th Sep., 2018	14th Nov., 2018
31st Dec., 2018	14th Feb., 2018
31st March, 2019	29th May, 2019

Date of Book Closure: 24th September, 2018 to 29th September, 2018.

Dividend Payment Date:

The Directors have not recommended any Dividend for the financial year ended on 31st March, 2018.

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 Fees for the year 2018-19 has been paid by the Company to the stock exchange.

Payment of Annual Custodian Fees:

Annual Custodian fees for the year 2018-19 has been paid by the Company to the Central Depository Services Limited (CDSL) and will be paid to National Securities Depository Limited (NSDL) on receipt of invoice.

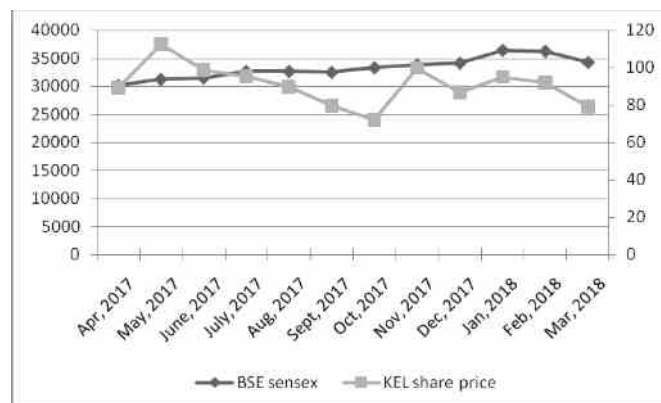
Stock Code and ISIN:

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

Month & Year	KEL Share Price			BSE Sensex		
	High (₹)	Low (₹)	Close (₹)	High	Low	Close
April, 2017	89.00	75.00	83.90	30184.22	29241.48	29918.40
May, 2017	112.40	83.55	88.55	31255.28	29804.12	31145.80
June, 2017	98.50	84.00	86.75	31522.87	30680.66	30921.61
July, 2017	95.10	84.35	86.10	32672.66	31017.11	32514.94
August, 2017	89.40	70.50	76.30	32686.48	31128.02	31730.49
September, 2017	79.70	60.45	63.05	32524.11	31081.83	31283.72
October, 2017	71.90	62.20	67.50	33340.17	31440.48	33213.13
November, 2017	99.75	62.15	77.05	33865.95	32683.59	33149.35
December, 2017	86.75	73.00	78.95	34137.97	32565.16	34056.83
January, 2018	95.00	75.50	86.05	36443.98	33703.37	35965.02
February, 2018	91.90	75.00	77.00	36256.83	33482.81	34184.04
March, 2018	79.00	66.00	68.95	34278.63	32483.84	32968.86

Performance in comparison to broad based BSE Sensex:

Kinetic Engineering Ltd (KEL) Share price on BSE vis-à-vis BSE Sensex (2017-18)



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

are 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, 2018:

Shareholding of Nominal value (INR)	No. of Shareholders	% of No. of Shareholders	Amount (Rs.)	% to paid-up Capital
Upto 5000	20925	94.01	144222040	8.50
5001-10000	649	2.91	5233300	3.13
10001-20000	319	1.43	4886540	2.92
20001-30000	101	0.45	2561640	1.53
30001-40000	52	0.23	1862280	1.11
40001-50000	54	0.24	2559820	1.53
50001-100000	74	0.33	5129000	3.06
100001 and above	83	0.37	130852460	78.21
Total	22257	100	177086210	100

Shareholding Pattern as on 31st March, 2018

Sr. No.	Category	No. of Shares	%
A.	Shareholding of Promoter & Promoter Group		
1	Indian	8699806	49.13
2	Foreign	-	-
	Total (A)	8699806	49.13
B.	Public Shareholding		
1	Institutions:		
a)	Mutual Funds / UTI	694	0.00
b)	Financial Institutions / Banks	72179	0.41
c)	Insurance Companies	-	-
d)	Foreign Portfolio Investors	256	0.00
	Total B (I)	73129	0.41
2	Non-Institutions		
a)	Bodies Corporate	2666773	15.06
b)	Individuals	5309138	29.99
c)	Clearing Members	78159	0.44
d)	NRI / NRN	87806	0.49
e)	Foreign Companies	530516	3.00
f)	OCB	342	0.00
g)	Trusts	62	0.00
h)	HUF	262890	1.48
	Total B (II)	8935686	50.45
	Total B (I + II)	9008815	50.86
	GRAND TOTAL(A+B)	17708621	100

Dematerialization of Shares:

The Company's Shares are compulsory traded on BSE in dematerialized form. As on 31st March, 2018, the details of the Shares of the Company held in physical and demat form are given below:

Sr. No.	Particulars	No. of Shares	% to the Capital
1.	Shares held in Physical Form	23,29,356	13.16
2.	Shares held in Demat Form - NSDL	1,34,34,731	75.86
3.	Shares held in Demat Form - CDSL	19,44,534	10.98
	TOTAL	1,77,08,621	100.00

Outstanding GDRs/ADRs/Warrants: Not applicable as not issued.

However on 5th February, 2018, 992639 8.5% Optionally Convertible Cumulative Preference Shares were converted into 977913 equity shares of Rs. 10/- each which were allotted to promoters.

Plant Locations:

The Company's plant is located at Ahmednagar - Daund Road, Ahmednagar (Maharashtra).

Address for correspondence:

Shareholder's correspondence may be addressed to the Registrars & Transfer Agent, 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

On behalf of the Board
For, Kinetic Engineering Limited

A. H. Firodia
Chairman
(DIN : 00057234)

Date: 10th August, 2018.

Place: Pune.



CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I, Ajinkya A. Firodia, Managing Director of the Company hereby declare that the all the members of the Board of Directors and Senior Management Personnel have affirmed their compliance with the 'Code of Conduct for Members of the Board and Senior Management' in respect of financial year 2017-18 in terms of Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On behalf of the Board
For Kinetic Engineering Limited

Ajinkya A. Firodia
Managing Director & CFO
(DIN: 00332204)

Date: 10th August, 2018
Place: Pune

CEO & CFO CERTIFICATION

The Chief Executive Officer and Chief Financial Officer 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.

Chaitanya Koranne
Chief Executive Officer

Ajinkya A. Firodia
Managing Director & CFO
(DIN: 00332204)

Date: 10th August, 2018
Place: Pune

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

Kinetic Engineering Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

This certificate is issued in accordance with the terms of our engagement with Kinetic Engineering Limited ('the Company').

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

The compliance of conditions /of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

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

For Pawan Jain And Associates
Chartered Accountants

Firm's Registration No.: 0107867W

Pawan Jain

Partner

Membership No.: 032900

Pune

29th May, 2018



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINETIC ENGINEERING LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Kinetic Engineering Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year ended on 31st March, 2018 and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, Cash Flows and changes in Equity of the company in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 Standalone Ind AS 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 Standalone Ind AS Financial Statements based on our Audit.

In conducting 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 and the Order issued under Section 143(11) of the Act.

We conducted our Audit of the Standalone Ind AS 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 Standalone Ind AS Financial Statements are free from material misstatement.

An Audit involves performing procedures to obtain Audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements.

We believe that the Audit evidence obtained by us is sufficient and appropriate to provide a basis for our Audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Loss, total Comprehensive Income, its Cash Flows and the changes in Equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Ind AS Financial Statements:

- a. The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Standalone Ind AS Financial Statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by predecessor, on which they expressed an unmodified opinion dated May 29, 2017 and May 28, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.
- b. Refer Note No. 31, relating to Managerial remuneration, which is subject to approval of Central Govt.
- c. Refer Note No. 45 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, based on our Audit, we report to the extent applicable 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 accounts 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 including Other Comprehensive Income, the

Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report, are in agreement with the relevant books of accounts.

- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the Written Representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 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 litigation on its financial position in its Standalone Ind AS Financial Statements – Refer Note No. 39.
- 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 amount required to be transferred to the Investor Education and Protection Fund by the Company.

For Pawan Jain And Associates
Chartered Accountants

Firm's Registration No.: 0107867W

Pawan Jain

Partner

Membership No.: 032900

Pune
29th May, 2018



Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under the heading, “Report on Other Legal and Regulatory Requirements” of our report on even date)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As informed to us, the fixed assets are been physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. All the major fixed assets have been verified by the management in the current year and discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account.
(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- 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 Sections 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, provident fund, employees’ state insurance, income-tax, goods and service 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. 8.07 lakhs and in respect of Income Tax Deducted at Source amounting to Rs. 5.38 Lakhs were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
(b) According to the information and explanation provided to us, following dues of Income Tax, Sales Tax, CST, Service Tax, Entry Tax, Excise Duty, Value Added Tax, have not been deposited on account of some dispute:

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
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	361.12	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. 53.61 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 Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- 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 Pawan Jain And Associates
Chartered Accountants

Firm's Registration No.: 0107867W

Pawan Jain

Partner

Membership No.: 032900

Pune
29th May, 2018



Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under the heading, “Report on Other Legal and Regulatory Requirements” of our report on even date)

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2018 in conjunction with our Audit of the Standalone Ind AS 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 (“ICAI”). 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 respective 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 of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of internal financial controls. 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.

Our Audit involves performing procedures to obtain Audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the Company’s internal financial controls system over financial reporting.

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and

such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by 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 ICAI.

For **Pawan Jain And Associates**
Chartered Accountants
Firm's Registration No.: 0107867W

Pawan Jain
Partner
Membership No.: 032900

Pune
29th May, 2018

**BALANCE SHEET AS AT 31ST MARCH, 2018**

(Rs. in Lakhs)

Particulars	Note	31st March, 2018	31st March, 2017	1st April 2016
ASSETS				
1) Non-current assets				
a) Property, Plant & Equipment	3	8,770.70	9,019.86	9,768.23
b) Capital work-in-progress		-	-	-
c) Other Intangible Assets	3	8.72	12.58	-
d) Financial Assets				
(i) Investments	4	709.64	734.82	724.82
(ii) Loans	5	-	-	-
(iii) Others	6	447.01	504.44	745.18
f) Deferred Tax Assets	7	-	-	-
e) Other Non Current Assets	8	73.43	45.67	53.29
		10,009.50	10,317.37	11,291.52
2) Current assets				
a) Inventories	9	2,311.64	2,047.82	1,821.73
b) Financial Assets				
(i) Investments	4	1.03	3.33	3.07
(ii) Trade receivables	10	2,542.68	2,555.85	1,943.43
(iii) Cash and cash equivalents	11	49.27	159.12	50.82
(iv) Bank Balances other than (iii) above	12	5.22	5.05	4.69
(v) Loans	13	3.65	3.65	3.64
(vi) Others	14	116.14	185.07	205.28
c) Current Tax Assets(Net)	15	297.13	345.50	300.56
d) Other current assets	16	207.17	235.35	654.75
		5,533.93	5,540.75	4,987.97
TOTAL		15,543.43	15,858.12	16,279.49
EQUITY AND LIABILITIES				
Equity				
a) Equity Share capital	17	1,770.86	1,673.07	1,613.07
b) Other Equity	18	1,435.70	2,284.62	3,172.53
		3,206.56	3,957.69	4,785.60
LIABILITIES				
1) Non-current liabilities				
a) Financial Liabilities				
(i) Borrowings	19	2,502.16	2,483.01	2,675.68
b) Provisions	20	702.45	707.22	688.50
c) Deferred tax liabilities (Net)	8	-	-	-
d) Other Liabilities	21	1,516.42	1,741.52	2,134.11
		4,721.03	4,931.75	5,498.30
2) Current liabilities				
a) Financial Liabilities				
(i) Borrowings	22	2,508.56	2,309.48	2,172.25
(ii) Trade payables	23	3,283.00	3,004.03	2,197.12
(iii) Others	24	1,294.03	1,056.19	1,234.93
c) Other liabilities	25	353.82	415.66	239.35
b) Provisions	26	176.43	183.32	151.94
		7,615.84	6,968.68	5,995.59
TOTAL		15,543.43	15,858.12	16,279.49

Summary of significant accounting policies

2

Notes are integral part of the balance sheet & statement of profit & loss

As per our report of even date
For **Pawan Jain And Associates**
Chartered Accountants

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:0107867W
Place : Pune
Date : 29th May, 2018

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

A. H. Firodia
(Chairman)
DIN:00057324

Chaitanya Koranne
(Chief Executive Officer)

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Deepal Shah
(Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	Note	31st March, 2018	31st March, 2017
INCOME :			
Revenue from Operations	27	10,256.16	8,563.34
Other income	28	591.77	625.14
Total Revenue		10,847.93	9,188.48
EXPENDITURE :			
Cost of materials consumed	29	6,036.52	4,848.22
Purchases of Stock-in-Trade	-	-	-
Changes in inventories of finished goods, work-in-progress	30	(227.25)	(218.44)
Excise Duty on Sales	-	162.39	613.55
Employee benefits expenses	31	2,429.19	2,222.52
Finance costs	32	495.50	496.50
Depreciation and amortization expenses	3	791.31	813.90
Other expenses	33	1,937.61	1,713.72
Total Expenditures		11,625.26	10,489.98
Profit before exceptional and extraordinary items and tax		(777.33)	(1,301.50)
Exceptional items		-	-
Profit before extraordinary items and tax		(777.33)	(1,301.50)
Extraordinary Items			
Prior year adjustments		-	-
Profit before tax		(777.33)	(1,301.50)
Tax expenses :			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the period from continuing operations		(777.33)	(1,301.50)
Profit/(Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit/(Loss) for the year		(777.33)	(1,301.50)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
(i) Re-measurement of the net defined benefit plan (net of tax)		26.21	(57.04)
(ii) Income Tax Effect		-	-
Other Comprehensive Income		26.21	(57.04)
Total Comprehensive Income for the period		(751.12)	(1,358.55)
Earnings Per Share (of Rs. 10/- each) (not annualized)			
Basic		(4.24)	(8.12)
Diluted		(4.24)	(8.12)

Summary of significant accounting policies

2

Notes are integral part of the balance sheet & statement of profit & loss

 As per our report of even date
 For **Pawan Jain And Associates**
 Chartered Accountants

Pawan Jain
 Partner
 Membership Number- 032900
 Firm Reg No.:0107867W
Place : Pune
Date : 29th May, 2018

 For and on behalf of Board of Directors
 For **Kinetic Engineering Limited**
A. H. Firodia
 (Chairman)
 DIN:00057324

Chaitanya Koranne
 (Chief Executive Officer)

A. A Firodia
 (Managing Director & CFO)
 DIN:00332204

Deepal Shah
 (Company Secretary)



**Statement of changes in equity
A. Equity share capital**

(Rs. in Lakhs)

Particulars	Number	Amount
As at 1st April 2016	1,61,30,708	1,613.07
Changes in equity share capital	6,00,000	60.00
As at 31st March 2017	1,67,30,708	1,673.07
Change in equity share capital	9,77,913	97.79
As at 31st March 2018	1,77,08,621	1,770.86

B. Other equity

(Rs. in Lakhs)

Particulars	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/ Surplus	Other Comprehensive Income	Total
As at 1st April 2016	3,463.52	3,330.56	7,715.85	8,669.25	0.46	(20,007.10)	-	3,172.53
Increase/(Decrease)	(1,281.62)	204.63	1,547.62	-	-	-	(57.04)	413.59
Profit for the year	-	-	-	-	-	(1,301.50)	-	(1,301.50)
Changes during the year	(1,281.62)	204.63	1,547.62	-	-	(1,301.50)	(57.04)	(887.91)
Balance as at 31st March 2017	2,181.90	3,535.19	9,263.47	8,669.25	0.46	(21,308.61)	(57.04)	2,284.62
Particulars	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/ Surplus	Other Comprehensive Income	Total
As at 1st April 2017	2,181.90	3,535.19	9,263.47	8,669.25	0.46	(21,308.61)	(57.04)	2,284.62
Increase/(Decrease)	(218.38)	-	120.59	-	-	-	26.21	(71.59)
Profit for the year	-	-	-	-	-	(777.33)	-	(777.33)
Changes during the year	(218.38)	-	120.59	-	-	(777.33)	-	(848.92)
Balance as at 31st March 2018	1,963.52	3,535.19	9,384.06	8,669.25	0.46	(22,085.94)	(30.83)	1,435.70

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date
For **Pawan Jain And Associates**
Chartered Accountants

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.: 0107867W
Place : Pune
Date : 29th May, 2018

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

A. H. Firodia
(Chairman)
DIN:00057324
A. A Firodia
(Managing Director & CFO)
DIN:00332204
DeePal Shah
(Company Secretary)
Chaitanya Koranne
(Chief Executive Officer)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

	Particulars	31st March, 2018	31st March, 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) before Tax and after Extraordinary items	(751.12)	(1,358.55)
	Adjustments For :		
	Depreciation	791.31	813.90
	Interest & Finance charges (Net)	257.81	274.74
	Dividend Received	(2.08)	(1.84)
	Excess provisions / credit balances written back	0.50	(87.52)
	Unrealised gain on fair value of Investments	(0.15)	(10.26)
	Provision for Doubtful Debts / advances	-	14.06
	Bad debts / advances / claims written off	-	15.96
	Exchange difference loss / (gain)	(9.88)	27.24
	Profit (-) / Loss (+) on sale of Investments	(1.03)	-
	Profit (-) / Loss (+) on sale of Assets	-	(0.13)
	Operative Profit before Working Capital Changes	285.36	(312.39)
	Adjustment For :		
	Trade and Other Receivables	177.51	10.08
	Inventories	(263.82)	(226.10)
	Trade & Other payable	517.21	883.67
	Cash Generation from Operations	716.26	355.26
	Direct Taxes paid	48.37	(44.93)
	Net Cash Flow from operating activities	764.63	310.33
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment including Intangible Assets	(576.40)	(579.00)
	Sale of Property, Plant & Equipment including Intangible Assets	-	735.11
	Sale of Investment (Net)	28.66	-
	Dividend received	2.08	1.84
	Interest Received	20.89	5.23
	Net Cash used in investing activities	(524.78)	163.18
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Share Capital / Warrants/ share application money	(0.00)	1,826.00
	Redemption of Preference Shares	-	(1,500.00)
	Redemption premium paid	(30.00)	(101.41)
	Interest and Financial Charges	(347.91)	(356.99)
	Proceeds from Long Term Borrowings	(170.86)	(370.05)
	Proceeds from Short Term Borrowings	199.08	137.23
	Net Cash used in financing activities	(349.70)	(365.21)
D.	Net Change In Cash And Cash Equivalents (A+B+C)	(109.84)	108.30
	Cash and Cash Equivalents (Opening)	159.12	50.82
	Cash and Cash Equivalents (Closing)	49.27	159.12

- Notes : 1. Figures in brackets represent cash outflows.
 2. Previous year figures have been regrouped wherever necessary.
 3. Cash and cash equivalents comprises of :

	31st March, 2018	31st March, 2017
Cash and cheques on hand	0.21	0.04
Balances with banks	49.06	159.07
Balances at the end of the year	49.27	159.12

As per our report of even date
 For **Pawan Jain And Associates**
 Chartered Accountants

Pawan Jain
 Partner
 Membership Number- 032900
 Firm Reg No.:0107867W
 Place : Pune
 Date : 29th May, 2018

For and on behalf of Board of Directors
 For **Kinetic Engineering Limited**

A. H. Firodia
 (Chairman)
 DIN:00057324

Chaitanya Koranne
 (Chief Executive Officer)

A. A Firodia
 (Managing Director & CFO)
 DIN:00332204

Deepal Shah
 (Company Secretary)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****1 The corporate overview**

Kinetic Engineering Limited('the company') is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The company's registered office is D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune. The company's ordinary shares are listed on the Bombay Stock Exchange.

The company is engaged in the business of supply of automotive components. The company caters to both domestic and international markets.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act.

These are the company's first financial statements prepared in accordance with Ind AS and 'Ind AS 101 - First-time Adoption of Indian Accounting Standards' (Ind AS 101) has been applied. The transition has been carried out from Indian GAAP which is considered as the Previous GAAP, as defined in Ind AS 101. An explanation of how the transition to Ind AS has affected the reported balance sheet, profit or loss and cash flows of the company is provided in note 48.

The financial statements were authorised for issue by the Board of Directors on 29 May 2018

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss	Fair value
Defined benefit plan assets	Fair value

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All amounts have been rounded-off to the nearest lakhs, as per the requirements of Schedule III, unless otherwise stated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual estimates may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

Estimation of current tax expense and payable – Note 15

Estimation of defined benefit obligation – Note 26

Recognition of revenue – Note 27

Recognition of deferred tax assets for carried forward tax losses – Note 7

Impairment of trade receivables – Note 10

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

2.5 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle;

Held primarily for the purpose of trading;

Expected to be realised within twelve months after the reporting period; or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liability is current when:

It is expected to be settled in normal operating cycle;

It is held primarily for the purpose of trading;

It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Property, plant and equipment (PPE)

Recognition and measurement

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other non-current assets'.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the statement of profit and loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

On PPE acquired on or before 31March 2000: Depreciation is recognised in the statement of profit and loss on a written down value basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation.

On PPE acquired after 31March 2000: Depreciation is

recognised in the statement of profit and loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation.

Freehold land is not depreciated.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

Estimated useful lives of the property, plant and equipments are as follows:

Category	Useful life
Building	30 to 60 years
Plant and Machinery	15 to 25 years
Electrical installation and Fittings	10 years
Dies, Jigs & Fixtures	10 to 15 years
Furniture and Fixtures	5 to 15 years
Office Equipments	3 to 5 years
Vehicles	8 to 10 years

2.7 Intangible assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

Intangible assets acquired by the company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern



of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for current and comparative periods are as follows:

Asset	Useful life
Software	4 Years

2.8 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is initially measured at cost, including related transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortises the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule II to the Act. Investment property in the form of land is not depreciated.

Investment properties derecognised either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

2.9 Impairment of tangible and intangible assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of

profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable. Amounts included in revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and services tax and amounts collected on behalf of third parties.

2.13 Other income

Interest income

Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross

carrying amount of the financial asset or to the amortised cost of a financial liability.

Dividends

Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

Export benefits

Export benefits in the form of Duty Draw Back/ Merchandise Exports Incentive Scheme (MEIS) claims are recognised in the statement of profit and loss on receipt basis.

2.14 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.15 Employee benefits**Short-term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

Post-employment benefits**Defined contribution plans**

Contributions to the provident fund and superannuation fund, which are defined contribution schemes, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having

maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.16 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the



asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.17 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange

differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.18 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused

tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.19 Provisions and contingencies

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, for example, under an insurance

contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of

a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

present obligation arising from past events, when no reliable estimate is possible

a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.20 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.22 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The company classifies its financial assets in the following measurement categories:

those to be measured subsequently at fair value (either through OCI, or through profit or loss);

those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company classifies debt investments when and only when its business model for managing those assets changes.

Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

Debt instruments at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains/ losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains / losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in the scope of 'Ind AS 109 - Financial instruments' are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Non-derivative financial liabilities**Recognition**

The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Measurement

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred.

Subsequent to initial recognition, these liabilities are measured at amortised cost using EIR method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with 'Ind AS 37 - Provisions, contingent liabilities and contingent assets' and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.23 Cash dividend to equity holders

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.24 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the



useful life of the asset.

2.25 Recent accounting pronouncements

Ind AS 115 - Revenue from Contracts with Customers

On 28 March 2018, the Ministry of Corporate Affairs (the MCA) notified the Ind AS 115. The effective date for adoption of Ind AS 115 is financial period beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the requirements of Ind AS 115 and its impact on the financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

On 28 March 2018, the MCA notified the Indian Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21. The Appendix clarifies that, in determining the spot exchange

rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. The Company is evaluating its requirements and its impact on the financial statements.

(Rs. In Lakhs)

NOTE-3 :PROPERTY PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Leasehold Land **	Free-hold Land	Buildings	Plant & Machinery	Electrical Installation & Fittings	Dies, Jigs & Fixtures	Furniture Fixture	Office Equipment	Vehicles	Balance As At 31st March 2018	Technical Know-how **
Gross carrying amount											
Balance as at 1st April 2016	624.94	2,080.00	3,087.72	16,859.42	203.27	6,242.43	393.54	550.35	63.34	30,105.03	594.39
Additions	-			419.86	2.25	155.85	7.08	7.98		593.03	15.43
Acquisition through business combination											
Disposals	530.34									530.72	
Revaluation increases											
Net exchange differences											
Balance as at 31st March 2017	94.60	2,080.00	3,087.72	17,279.29	205.53	6,398.28	400.62	557.95	63.34	30,167.33	609.82
Additions				376.23	0.36	147.29	5.05	9.37	-	538.29	-
Acquisition through business combination											
Disposals											
Revaluation increases											
Net exchange differences											
Balance as at 31st March 2018	94.60	2,080.00	3,087.72	17,655.51	205.88	6,545.58	405.67	567.32	63.34	30,705.62	609.82
Depreciation and impairment											
Balance as at 1st April 2016	20.57	-	2,881.61	10,832.41	172.76	5,502.95	344.30	537.64	44.54	20,336.80	594.39
Net exchange differences						-0.38		-0.38			
Depreciation	0.96		30.03	649.19	5.48	107.54	8.89	4.83	4.14	811.06	2.85
Balance as at 31st March 2017	21.53	-	2,911.64	11,481.60	178.25	5,610.49	353.19	542.10	48.68	21,147.47	597.24
Disposal											
Net exchange differences											
Depreciation	0.96		22.36	634.46	5.54	106.89	6.72	6.50	4.02	787.45	3.86
Balance as at 31st March 2018	22.49	-	2,934.00	12,116.07	183.78	5,717.38	359.91	548.59	52.70	21,934.92	601.10
Net Block as at 1st April 2016	604.37	2,080.00	206.11	6,027.01	30.51	739.48	49.24	12.71	18.81	9,768.23	-
Net Block as at 31st March 2017	73.07	2,080.00	176.08	5,797.68	27.28	787.80	-	-	14.67	9,019.86	12.58
Net Block as at 31st March 2018	72.11	2,080.00	153.72	5,539.44	22.10	828.20	45.76	18.73	10.64	8,770.70	8.72

** Amortisation charges for the year are in respect of Leasehold Land And Technical Know-how.

NOTE :

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

- Free Hold Land
- Building
- Lease hold land

(ii) The company has elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the financial statements as per previous GAAP and regarded those values as deemed cost on the date of transition. The company has carried forward the gross block and accumulated depreciation as above for disclosure purposes only.

**Note 4: Investments**

(Rs. in Lakhs)

4 (a) Non-current investments

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Investment in equity instruments (fully paid-up)			
Equity instruments at FVTPL			
Unquoted			
Kinetic Communications Limited	8.21	8.21	6.81
Kinetic Escalator and Elevator Limited	30.74	30.74	22.56
Kinetic Marketing & Services Limited	-	25.34	25.34
Kinetic Motor Automotives Private Limited	0.91	0.91	0.97
Total (equity instruments)	39.87	65.21	55.68
Investment in preference shares (fully paid-up)			
Preference instruments at FVTPL			
Unquoted			
Kinetic Green Energy and Power Solutions Ltd. [6,50,000 (31 March 2017: 6,50,000; 1 April 2016: 6,50,000) in Preference shares in Kinetic Green Energy and Power Solutions Ltd.]	650	650	650
Total (preference shares)	650	650	650
Investment in Shares (classified as FVTPL)			
Unquoted			
Daewoo Motors (India) Limited (Formerly DCM Toyota Ltd.)	0.01	0.01	0.01
Eicher Limited	0.03	0.03	0.03
Escorts Limited	0.41	0.27	0.07
Hindustan Motors Limited	0.01	0.02	0.01
LML Limited	0.01	0.01	0.00
Majestic Auto Limited	0.14	0.10	0.07
Hero Motocorp Limited (Formely Hero Motors Limited)	0.04	0.03	0.03
The Premier Automobiles Limited	0.01	0.01	0.02
Saraswat Co-operative Bank Limited	0.25	0.25	0.25
Ajinkya Auto Fab Limited	18.63	18.63	18.39
Total (shares)	19.53	19.37	18.89
Investment in Government Or Trust Securities (classified as FVTPL)			
7 Years National Savings Certificates	0.24	0.24	0.24
Total (Investment in Securities)	0.24	0.24	0.24
Aggregate amount of quoted/unquoted investments	709.64	734.82	724.82

4 (b) Current investments

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Investment in Mutual Fund (classified as FVTPL)			
HDFC Cash Management Fund	0.92	3.22	2.96
BIRLA Sunlife Saving Fund	0.11	0.11	0.11
Total	1.03	3.33	3.07

Note - 5 : Non Current Loans

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Loans Given	-	-	-
Total	-	-	-

Note 6: Other Non Current Financial Asset

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(a) Security Deposits			
Unsecured, considered good	144.36	144.15	151.21
Doubtful	13.02	13.02	13.02
	157.38	157.17	164.23
Less: Provision for doubtful deposits	13.02	13.02	13.02
	144.36	144.15	151.21
(b) Other Loans and advances			
(i) Advances			
Unsecured, considered good	95.99	42.64	96.32
Doubtful	9.13	9.13	9.13
	105.12	51.77	105.45
Less: Provision for doubtful advances	9.13	9.13	9.13
	95.99	42.64	96.32
(ii) Bills Receivable	206.65	206.65	206.65
(iii) Receivable from Sale of Undertaking	-	111.00	291.00
(iv) Share Application Money	-	-	-
Total	447.01	504.44	745.18

Note 7: Deferred tax assets (Net)

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Deferred tax liability			
Deferred Tax Liabilities			
(i) On provision for depreciation	668.90	613.02	581.94
(ii) On other timing differences	-	-	-
Deferred tax liability (A)	668.90	613.02	581.94
Deferred tax assets			
(i) On disallowance under Section 43B & 40A of Income Tax Act, 1961	304.16	294.44	277.87
(ii) On provision for doubtful debts	5.11	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	359.63	312.87	297.67
Deferred tax assets (B)	668.90	613.02	581.94

Note - 8: Other Non Current Assets

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(a) Capital Advances			
Unsecured, considered good	73.43	45.67	53.29
Doubtful	-	-	-
	73.43	45.67	53.29
Less: Provision for doubtful advances	-	-	-
	73.43	45.67	53.29
(b) Others	-	-	-
Total	73.43	45.67	53.29

**Note - 9: Inventories**

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Raw Materials	506.03	532.05	568.86
Work-in-progress	1,076.96	849.70	631.27
Finished goods	5.48	5.48	5.48
Stores and spares	723.18	660.59	616.13
Total	2,311.64	2,047.82	1,821.73

Note - 10: Trade Receivables

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Unsecured, considered good	2,542.68	2,555.85	1,943.43
Unsecured, considered doubtful	-	-	-
	<u>2,542.68</u>	<u>2,555.85</u>	<u>1,943.43</u>
Less : Allowance for doubtful debts	-	-	-
Total	2,542.68	2,555.85	1,943.43

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade receivables are due from firms or private companies respectively in which and director is a partner or a member. Trade Receivables are non-interest bearing and generally on credit terms of 60 to 90 days.

Note - 11 : Cash and cash equivalents

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
i) Balance with Banks	49.06	159.07	50.78
ii) Cash on hand	0.21	0.04	0.04
Total	49.27	159.12	50.82

Note - 12: Other Bank Balances

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
i) Fixed deposits (more than 3 months but less than 12 months) (Ermanked with banks)	5.22	5.05	4.69
Total	5.22	5.05	4.69

Note - 13 : Current Loans

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(a) Others (specify nature)			
(i) Deposits with Govt. authorities			
Unsecured, considered good	3.65	3.65	3.64
Doubtful	3.65	3.65	3.64
Less Provision for doubtful advances	-	-	-
	<u>3.65</u>	<u>3.65</u>	<u>3.64</u>
Total	3.65	3.65	3.64

Note - 14: Other Current Financial Assets

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(i) Interest Accrued on Investments & Deposits	5.14	5.07	5.28
(ii) Receivable of Sale of Undertaking	111.00	180.00	200.00
Total	116.14	185.07	205.28

Note - 15 : Current Tax Assets(Net)

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(i) Advance Income tax net of provisions	297.13	345.50	300.56
Total	297.13	345.50	300.56

Note - 16: Other current assets

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(i) Advances to suppliers and others			
Unsecured, considered good	207.17	235.35	654.75
Doubtful	-	-	-
	207.17	235.35	654.75
Less : Provision for doubtful advances	-	-	-
Total	207.17	235.35	654.75

Authorised Share Capital
A. Authorised Share Capital

(Rs. in Lakhs)

Particulars	Equity Share	
	Number	Rs.
Beginning of the year as at 1 April 2016	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total shares authorised as at 31 March 2017	5,30,13,932	5,301.39
Total shares authorised as at 1 April 2017	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total authorised share capital as at 31 March 2018	5,30,13,932	5,301.39

B. Authorised Preference Share Capital

(Rs. in Lakhs)

Particulars	Preference Shares	
	Number	Rs.
Beginning of the year as at 1 April 2016	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total shares authorised as at 31 March 2017	4,22,23,780	14,289.43
Total shares authorised as at 1 April 2017	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total authorised share capital as at 31 March 2018	4,22,23,780	14,289.43
Total Authorised Share Capital	9,52,37,712	19,590.83

Note-17 : Share Capital

(Rs. in Lakhs)

A. Issued, Subscribed & fully Paid Up-31st March 2018

Particulars	Equity Share	
	Number	Rs.
Balance as at 1 April 2016	1,61,30,708	1,613.07
Changes during the period	6,00,000	60.00
Balance as at 31 March 2017	1,67,30,708	1,673.07
Balance as at 1 April 2017	1,67,30,708	1,673.07
Changes during the period	9,77,913	97.79
Shares issued and fully paid as at 31 March 2018	1,77,08,621	1,770.86



(Rs. in Lakhs)

	31st March, 2018	31st March, 2017	1st April, 2016
Paid up Equity Share Capital	1,770.86	1,673.07	1,613.07
Closing Balance	1,770.86	1,673.07	1,613.07

B : Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31st March, 2018		31st March, 2017		31st March, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Microage Instruments pvt ltd.	3953683	22.33%	3250464	19.42%	3250454	20.15%
Jayashree A. Firodia	3475222	19.62%	3233481	19.33%	3233431	20.05%
Ashoka investment Holdings Limited	1787294	10.09%	2600334	15.54%	1060947	6.58%
Ajinkya Arun Firodia	1129055	6.38%	1129055	6.75%	1129055	7.00%
Pinebridge Asia Partners II L.P	-	0.00%	-	0.00%	1807386	11.20%

C Terms/rights attached to equity shares

- 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.
- In respect of 8,24,359 Equity Shares on Preferential basis and 9,77,913 equity shares allotted on conversion, the company is in the process of obtaining necessary approval from BSE/SEBI.

Note - 18 : Other Equity

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
A. PREFERENCE SHARE CAPITAL			
a) 1,50,00,000 Redeemable Non Convertible Non Cumulative Preference Shares of Rs.10 each	-	-	1,500.00
b) 1,02,000 Optionally Convertible Cumulative Preference Shares of Rs. 156/- each (Note no. 18 H-1)	159.12	159.12	159.12
c) 3,20,500 Redeemable Cumulative Preference Shares of Rs. 156/- each. (Note no.18 H-2)	499.98	499.98	499.98
d) 830,154 Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.18 H-3)	539.60	539.60	539.60
e) 1,176,650 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no. 18 H-4)	764.82	764.82	764.82
f) NIL (992,639) 8.5% Optionally Convertible Cumulative Preference Shares of Rs. 22/- each (Note no. 18 H-5)	-	218.38	-
Closing Balance	1,963.52	2,181.90	3,463.52
B. Capital Reserves			
Opening Balance	3,535.19	3,330.56	3,330.56
(+)/(-) Transfer	-	204.63	-
Closing Balance	3,535.19	3,535.19	3,330.56
C. Securities Premium Account			
Opening Balance	9,263.47	7,715.85	3,285.49
(+)/(-) Transfer	120.59	1,547.62	4,430.36
Closing Balance	9,384.06	9,263.47	7,715.85

Note - 18 : Other Equity (Cont.)

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
D. General Reserve			
Opening balance	8,669.25	8,669.25	8,669.25
(+)/(-) Transfer	-	-	-
Closing Balance	8,669.25	8,669.25	8,669.25
E Special Reserve			
Opening balance	0.46	0.46	0.46
(+)/(-) Transfer	-	-	-
Closing Balance	0.46	0.46	0.46
F. Surplus			
Opening balance	(21,365.65)	(20,007.10)	(19,915.79)
Other Comprehensive Income	26.21	(57.04)	-
(+) Net Profit / (Net Loss) for the current year	(777.33)	(1,301.50)	(91.32)
Closing Balance	(22,116.77)	(21,365.65)	(20,007.10)
Total (A+B+C+D+E+F)	1,435.70	2,284.62	3,172.53

G : Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31st March, 2018		31st March, 2017		31st March, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Optionally Convertible Cumulative Preference Share Capital:						
(a) Microage Instruments Private Limited	1,02,000	100.00%	1,02,000	100.00%	1,02,000	100.00%
(b) Microage Instruments Private Limited	8,30,154	100.00%	8,30,154	100.00%	8,30,154	100.00%
Redeemable Cumulative Preference Share Capital:						
(a) Microage Instruments Private Limited	3,20,500	100.00%	3,20,500	100.00%	3,20,500	100.00%
8.5% New Optionally Convertible Cumulative Preference Share Capital:						
(a) Microage Instruments Private Limited	11,76,650	100.00%	11,76,650	100.00%	11,76,650	100.00%
8.5% Optionally Convertible Cumulative Preference Share Capital:						
(a) Microage Instruments Private Limited	-	0.00%	7,13,808	71.91%	-	0.00%
(b) Jayashri Arun Firodia	-	0.00%	2,45,371	24.72%	-	0.00%

H. Terms/rights attached to Preference shares

- 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.

- 4 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 allottee. The Option to convert has lapsed.
- 5 On 5th February, 2018, the Company, on request of allottee, has exercised its option for conversion of 9,92,639 (8.5% Optionally Convertible Cumulative Preference shares of Rs. 22/- each with premium of Rs. 67.66 /- each) into equity shares of Rs.10/- with premium of Rs. 81.01 each, ranking pari passu with the existing equity shares of the Company. The company is in the process of obtaining necessary approval from BSE/SEBI in respect of preferential allotment made.
- 6 Classification of Preference Shares.-Preference shareholders have given their "in-principal consent" for waiver of cumulative fixed dividend on their preference shares and for converting them into equity shares as per the applicable laws. In view of the above, no provision for dividend under finance cost has been considered necessary & it is considered as other equity.
- 7 In respect of 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.

Note - 19: Non Current Borrowings

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Secured			
(a) Term Loans from Banks:			
Vehicle Loans	-	-	2.22
(b) Loans from related parties-Debentures	-	-	-
Unsecured			
(a) Term Loans from Others	593.77	676.30	754.91
(b) Deferred Payment Liabilities			
Interest Free Sales Tax Loan	-	-	12.04
(c) Loans and advances from related parties	1,908.39	1,806.72	1,906.51
(d) Other Loans and Advances	-	-	-
Total	2,502.16	2,483.01	2,675.68

A.) Terms of Repayment:

- (i) 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 6 years based on cash flow position of the company. Expected repayment within next 12 months of Rs. 60 Lakhs is shown under current maturities.
- (ii) Unsecured Term loan from others includes gross amount of Loan of Rs. 1,317.17 Lakhs is repayable by 10 yearly instalment of Rs. 131.72 Lakhs starting from May, 2015.

Note - 20: Non Current Provisions

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Provision for employee benefits :			
Gratuity	702.45	707.22	688.50
Leave Encashment	-	-	-
Total	702.45	707.22	688.50

Note - 21: Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(a) Others			
(i) Remeasurement of Long Term Liabilities as per Ind AS	1,516.42	1,741.52	2,134.11
	1,516.42	1,741.52	2,134.11

Note - 22: Current Borrowings

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
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.]	1,011.21	1,000.00	1,004.50
(b) Buyers Credit from Banks (Secured by way of lien on Fixed Deposit)			
Unsecured			
(a) Overdraft Facility from Bank	1,497.35	1,309.48	1,167.75
(b) Short Term Loan from Others	-	-	-
Total	2,508.56	2,309.48	2,172.25

Note - 23: Trade payables

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Unsecured :			
(a) Trade payables	3,283.00	3,004.03	2,197.12
Total	3,283.00	3,004.03	2,197.12

Note - 24: Other Current Financial Liabilities

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(a) Current maturities of long-term debt	192.38	206.52	215.64
(b) Interest accrued and due on borrowings	124.09	124.09	124.75
(c) Interest accrued but not due on borrowings	46.23	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) VRS Payable	-	-	-
(ii) Premium payable on Redemption of Debentures	303.20	333.20	434.60
(iii) Capital Creditors	37.95	48.31	26.47
(iv) FCCB Settlement Dues Payable	-	-	-
(v) Other Liabilities	590.19	269.58	330.88
Total	1,294.03	1,056.19	1,234.93

**Note - 25: Other Current Liabilities**

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Other payables			
(i) Advance against Sales	73.52	97.68	155.83
(ii) Remeasurement of current maturities of Long Term Liabilities as per Ind AS	184.23	175.86	-
(iii) Other Liabilities	96.07	142.11	83.52
Total	353.82	415.66	239.35

Note - 26: Current Provisions

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Provision for employee benefits :			
Gratuity	96.75	102.27	80.27
Leave Encashment	79.68	81.06	71.67
Total	176.43	183.32	151.94

Note - 26: Employee benefits**a) Defined contribution plans****(i) Provident fund**

The Company operates plan for its employees to provide employee benefits in the nature of "Provident fund". Contributions are made at the rate of 12% of the basic salary as per regulations.

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Provident fund	42.93	42.97
Employees Pension Scheme	78.28	78.57
Total	121.21	121.54

The Company has recognised Rs. 121.21 Lakhs (31 March 2017:Rs.121.54 Lakhs) towards post-employment defined plans comprising of provident fund in the statement of profit and loss.

b) Defined benefit plan

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Gratuity		
Non-current	702.45	707.22
Current	96.75	102.27
Total	799.20	809.48

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefit to its employees in the form of gratuity. The Company has maintained a fund with the Life Insurance Corporation of India to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Present value of obligation as at the beginning of the period	816.85	748.70
Interest cost	54.59	57.06
Current service cost	28.10	24.84
Benefits paid	-73.84	-70.98
Remeasurements on obligation - (gain) / loss	-30.73	57.23
Present value of obligation as at the end of the period	794.97	816.85

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows: (Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Fair value of plan assets at the beginning of the period	7.36	10.20
Interest income	2.04	0.72
Contributions	72.00	68.50
Return on plan assets, excluding amount recognized in interest income - gain/(loss)	-4.52	0.19
Fair value of plan assets as at the end of the period	20.52	7.36

Amounts recognised in the balance sheet are as follows: (Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Present value of obligation as at the end of the period	794.97	816.85
Fair value of plan assets as at the end of the period	20.52	7.36
Surplus / (deficit)	-774.45	-809.48

Amounts recognised in the statement of profit and loss are as follows: (Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Current service cost	28.10	24.84
Net interest (income) / expense	52.56	56.34
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	80.66	81.18

Amounts recognised in the statement of other comprehensive income (OCI) are as follows: (Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Remeasurement for the year - obligation (gain) / loss	-30.73	57.23
Remeasurement for the year - plan assets (gain) / loss	4.52	-0.19
Total remeasurements cost / (credit) for the year	-26.21	57.04

Net interest (income) / expense recognised in statement of profit and loss are as follows: (Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Interest (income) / expense - obligation	54.59	57.06
Interest (income) / expense - plan assets	-2.04	-0.72
Net interest (income) / expense for the year	52.56	56.34

Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:

Particulars	31st March, 2018	31st March, 2017
Discount rate	7.80%	7.00%
Rate of increase in compensation levels	3.00%	3.00%
Expected rate of return on plan assets	7.00%	8.00%
Expected average remaining working lives of employees (in years)	10.86%*	10.00%
Withdrawal rate		
Age upto 30 years	1.00%	1.00%
Age 31 - 40 years	1.00%	1.00%
Age 41 - 50 years	1.00%	1.00%
Age above 50 years	1.00%	1.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

**A quantitative sensitivity analysis for significant assumptions is shown as follows:**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

a) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point (Rs. in Lakhs)

Discount rate	Present value of obligation	
	31st March, 2018	31st March, 2017
Decrease by 1%	820.20	848.27
Increase by 1%	771.87	788.15

b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point (Rs. in Lakhs)

Salary increment rate	Present value of obligation	
	31st March, 2018	31st March, 2017
Decrease by 1%	775.88	793.10
Increase by 1%	815.51	842.45

c) Impact of change in withdrawal rate when base assumption is decreased / increased by 100 basis point (Rs. in Lakhs)

Withdrawal rate	Present value of obligation	
	31st March, 2018	31st March, 2017
Decrease by 1%	789.02	810.74
Increase by 1%	800.43	822.45

Note - 27: Revenue from operations (Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Revenue from operations		
Sale of Products	9,951.77	8,126.11
Sale of service :		
Machining and Processing Receipts	278.14	398.31
Other operating revenue	26.25	38.93
Total	10,256.16	8,563.34

Note - 28: Other income (Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
(a) Interest Income		
(i) On Fixed Deposits	0.13	0.01
(ii) From Customers	-	-
(iii) From Others	20.83	5.01
(b) Dividend Income from:		
(i) Long Term Investment	2.08	1.84
(ii) Short Term Investment	-	-
(c) Profit / (Loss) on sale of Assets	-	0.13
(d) Profit / (Loss) on sale of Investments	1.03	-
(e) Insurance claim received	-	-
(f) Sundry Credit Balances Written Back	-0.50	54.42
(g) Excess Provision Written Back	-	33.09
(h) Amortisation of deferred financial assistance		
(i) From related parties	183.53	183.53
(ii) From others	33.20	33.20
(i) Fair value gain on investments	0.15	10.26
(j) Miscellaneous income	351.32	303.63
Total	591.77	625.14

Note - 29 : Cost of material consumed

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
(a) Raw Material Consumed	4,137.49	2,938.87
(b) Stores and Spares Consumed	1,136.44	1,125.04
(c) Fabrication & Processing Charges	698.44	672.80
(d) Freight, Octroi & Forwarding Charges	64.15	111.51
Total	6,036.52	4,848.22

Note - 30: Increase (-) / decrease (+) in inventories

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Inventory at the end of the year		
Finished Goods	5.48	5.48
Work-In- Progress	1,076.96	849.70
Total	1,082.43	855.18
Inventory at the beginning of the year		
Finished Goods	5.48	5.48
Work-In- Progress	849.70	631.27
Total	855.18	636.74
Increase (-) / decrease (+) in inventories	-227.25	-218.44

Note - 31: Employee benefit expenses

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Salaries & wages	2,140.70	1,983.77
Contributions to provident and other fund	130.73	126.88
Gratuity & Bonus	84.38	49.67
Staff welfare expenses	73.39	62.20
Total	2,429.19	2,222.52

Remuneration paid to Managing Director, including contribution to provident fund amounting to Rs. 53.61 Lakhs is approved by shareholders of the company for which approval of Central Government is awaited.

Note - 32: Finance costs

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Interest expense	308.29	319.13
Unwinding of loans		
Promoters	126.67	115.16
Others	49.19	53.10
Other Borrowing Costs	11.35	9.12
Total	495.50	496.50

Note - 33: Other expenses

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Excise Duty Paid (Net)	5.14	8.42
Power & Fuel	873.13	807.88
Repairs and Maintenance:		
Buildings	31.72	37.62
Machinery	196.79	168.88
Others	1.79	1.90
Service Charges & Warranty Claims	-	-
Insurance	3.59	3.68
Rent	368.98	329.43



Note - 33: Other expenses (Cont.)

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Rates and taxes	26.97	18.67
Publicity & Sales Promotion	0.01	1.63
Directors Fees & Travelling Expenses	1.16	0.99
Travelling Expenses	45.93	34.61
Packing and Forwarding Charges	108.50	82.27
Legal, Professional & Consultancy Fee	109.55	80.44
Bad Debts / Advances Written Off	-	15.96
Provision For Doubtful Debts / Advances	-	14.06
Miscellaneous Expenses	150.55	131.09
Outward Freight Charges	132.26	90.37
Exchange (Gain) / Loss	-9.84	8.43
Loss on Sale / Disposal of Investment (Net)	-	-
Loss on Scrapping of Assets	-	-
	2,046.25	1,836.33
Less: Expenses Capitalised	113.53	128.69
Total	1,932.71	1,707.64
Payments to auditor		
For Audit Fee	3.20	4.00
For Tax Audit Fee	0.60	0.75
For Certification & Others	1.10	1.33
Total	4.90	6.08

Note - 34 : Income Taxes

As per Ind AS 12 An explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms:

- a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed; or
- a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;

The above said reconciliation will not arise in situations where there is accounting losses to taxable Income.

Note 35 Financial instruments – Fair values and risk management

(Rs. in Lakhs)

31st March, 2018	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial Assets								
Investments								
Quoted Equity Instruments	-	-	-	-	-	-	-	-
Unquoted Equity Instruments	-	59.40	-	59.40	-	59.40	-	59.40
Unquoted Preference Shares	-	650.00	-	650.00	-	-	650.00	650.00
Loans -	-	-	-	-	-	-	-	-
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24
Current Financial Assets								
Current Investments	-	1.03	-	1.03	1.03	-	-	1.03
Trade Receivables	2,542.68	-	-	2,542.68	-	-	-	-
Cash and Cash Equivalents	49.27	-	-	49.27	-	-	-	-
Other Bank Balances	5.22	-	-	5.22	-	-	-	-
Loans	3.65	-	-	3.65	-	-	-	-
Other Financial Assets	116.14	-	-	116.14	-	-	-	-
	2,716.97	710.67	-	3,427.64	1.03	59.40	650.24	710.67
Non-Current Financial Liabilities								
Other Financial Liabilities	2,502.16	-	-	2,502.16	-	-	-	-
Current Financial Liabilities								
Borrowings	2,508.56	-	-	2,508.56	-	-	-	-
Trade Payables	3,283.00	-	-	3,283.00	-	-	-	-
Other Financial Liabilities	1,294.03	-	-	1,294.03	-	-	-	-
	9,587.75	-	-	9,587.75	-	-	-	-

Note 35 Financial instruments – Fair values and risk management

(Rs. in Lakhs)

31st March, 2017	Carrying amount				Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Non-Current Financial Assets								
Investments								
Quoted Equity Instruments	-	-	-	-	-	-	-	-
Unquoted Equity Instruments *	-	84.58	-	84.58	-	84.58	-	84.58
Unquoted Preference Shares	-	650.00	-	650.00	-	-	650.00	650.00
Loans	-	-	-	-	-	-	-	-
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24
Current Financial Assets								
Current Investments	-	3.33	-	3.33	3.33	-	-	3.33
Trade Receivables	2,555.85	-	-	2,555.85	-	-	-	-
Cash and Cash Equivalents	159.12	-	-	159.12	-	-	-	-
Other Bank Balances	5.05	-	-	5.05	-	-	-	-
Loans	3.65	-	-	3.65	-	-	-	-
Other Financial Assets	185.07	-	-	185.07	-	-	-	-
	2,908.75	738.15	-	3,646.89	3.33	84.58	650.24	738.15
Non-Current Financial Liabilities								
Other Financial Liabilities	2,483.01	-	-	2,483.01	-	-	-	-
Current Financial Liabilities								
Borrowings	2,309.48	-	-	2,309.48	-	-	-	-
Trade Payables	2,309.48	-	-	2,309.48	-	-	-	-
Other Financial Liabilities	1,056.19	-	-	1,056.19	-	-	-	-
	8,158.17	-	-	8,158.17	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of instrument is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Note 36 : Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

(A) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

Credit risk management

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been made for expected credit loss for credit risk arising from these financial assets.

Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The credit risk is considered low given the past experience of negligible or minimal write-offs.



As at March 31, 2018, the ageing of trade receivables that were not impaired were as follows:

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Not past due date	2,044.65	2,004.08
Past due 1–90 days	231.95	404.07
Past due 91–180 days	73.82	19.20
Past due more than 180 days	192.26	128.51
	2,542.68	2,555.85

(B) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The company has obtained fund based / Non-fund based working capital facilities from banks. The company is in the process of availing additional fund from company's Bankers.

Exposure to liquidity risk

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity group based on their contractual maturities:

(Rs. in Lakhs)

31st March, 2018	< 1 year	1 to 3 years	> 3 years
Non-derivative liabilities			
Borrowings	2,508.56	395.15	2,107.00
Trade payables	3,283.00	-	-
Other financial liabilities	1,294.03	-	-
Total non-derivative liabilities	7,085.59	395.15	2,107.00

31st March, 2017	< 1 year	1 to 3 years	> 3 years
Non-derivative liabilities			
Borrowings	2,309.48	395.15	2,087.86
Trade payables	3,004.03	-	-
Other financial liabilities	1,056.19	-	-
Total non-derivative liabilities	6,369.71	395.15	2,087.86

(C) Market risk

(i) Foreign currency risk

Currency risk means the risk that the result or economic situation of the Company changes due to changes in exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$ and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :-

(Rs. in Lakhs)

	31st March, 2018		31st March, 2017	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	12.59	-	12.76	-
Net exposure to foreign currency risk (assets)	12.59	-	12.76	-
Financial liabilities				
Foreign currency loan - ECB	-	-	-	-
Buyer's credit	-	-	-	-
FCNR -	-	-	-	-
Trade payables	0.10	-	0.07	0.03
Net exposure to foreign currency risk (liabilities)	0.10	-	0.07	0.03

(b) Sensitivity:

(Rs. in Lakhs)

Withdrawal rate	Impact on profit before tax	
	31st March, 2018	31st March, 2017
USD sensitivity		
INR/USD -Increase by 5% *	40.03	40.52
INR/USD -Decrease by 5% *	-40.03	-40.52
EUR sensitivity		
INR/EUR -Increase by 5% *	-	-0.11
INR/EUR -Decrease by 5% *	-	0.11

*Holding all other variables constant

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company Interest rate risk is linked to PLR rates therefore subject to interest rate risk, carrying amount and future cash flows will fluctuate because of change in the market interest rates (PLR Rates).

Sensitivity:

(Rs. in Lakhs)

Withdrawal rate	Impact on profit before tax	
	31st March, 2018	31st March, 2017
Change		
25 Basis Points increase	-12.39	-12.41
25 Basis Points decrease	12.39	12.41

Note 37 : Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

The Company's adjusted net debt to equity position was as follows:

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Net debt	5,010.71	4,792.49	4,847.93
Less: Cash and Cash Equivalents	54.49	164.17	55.51
Less: Current Investments	1.03	3.33	3.07
Less: Intercompany Deposits/loan	-	-	-
Adjusted net (Cash)/Debt	4,955.19	4,624.99	4,789.36
Total equity	3,206.56	3,957.69	4,785.60
Net debt to equity ratio	1.55	1.17	1.00

Note 38 : Segment Reporting

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one operating segment i.e. automotive components.

**Note - 39: Contingencies and commitments**

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
a. Income Tax matter under appeal approx	66.22	66.22
b. Sales Tax matter under appeal	513.14	908.18
c. Excise Duty in dispute	575.71	567.88
d. ESIC liability in dispute	1.26	1.26
e. Municipal property Tax in dispute	9.16	324.35
f. Labour Cases	58.78	58.78
g. Entry Tax in dispute	10.13	10.13
h. Other Compensation Matters	20.00	20.00
i. Claim against Company not acknowledged as debt	26.07	26.07
j. Commitments : On Capital Account	495.67	468.99

Note-1 : Income Tax matter under appeal, Rs.66.22 Lakhs (Rs.66.22 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.186.12 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.

Note - 40 : Earnings per share

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Basic and diluted earnings per share		
a) Profit attributable to the equity holders of the company (Rs. In Lakhs)	(751.12)	(1,358.55)
b) Weighted average number of equity shares outstanding (Nos.)*	1,77,08,621	1,67,30,708
c) Earnings per share - Basic and diluted	(4.24)	(8.12)

Note 41 :

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.

Note 42 :

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.

Note 43 :

In terms of the Notification dated 31st March 2009 by The Ministry of Corporate Affairs amending the erstwhile Ind AS -21 "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.1550.80 Lakhs (Rs.1769.51 Lakhs) has been carried in the Fixed Assets as on 31.03.2018.

Note 44 :

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.

Note 45 :

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.

Note 46 : Related party transactions

a) Name of Related Parties

Jaya Hind Sciaky Ltd.
 Kinetic Communications 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.

b) Key management personnel

Chairman
 Managing Director
 Executive Director
 Chief Executive Officer
 Company Secretary
 Non-executive directors

Mr. A.H.Firodia
 Mr. Ajinkya Firodia
 Mrs. Sulajja Firodia Motwani
 Mr. Chaitanya Koranne
 Mrs. Deepal Shah
 Mrs. Jayashree Arun Firodia
 Mr. Ramesh Jankiram Kabra
 Mr. Shirish Ratanlal Kotecha
 Mr. Sudhir Sanghi
 Mr. Jinendra Hirachand Munot

c) Transactions and balances with related parties have been set out below:

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Jaya Hind Sciaky Ltd.		
Rendering of Other Services (Income)	-	-
Rendering of Other Services (Expense)	0.55	0.46
Sundry Debit Balances Written off	-	0.12
Interest Payment	-	-
Kinetic Communications Ltd.		
Dividend Received	0.19	-
Microage Instruments Pvt. Ltd.		
Rendering of Other Services (Income)	-	10.91
Rendering of Other Services (Expense)	-	11.36
Interest Payment	-	1.23
Sale of Assets	-	734.98
ICD received	-	-
ICD Repaid	-	815.61
Ajinkya Auto Fab Ltd.		
Purchase of Goods	-	-
Kinetic Hyundai Elevator & Movement Technologies Ltd.		
Dividend Received	1.80	1.80



c) Transactions and balances with related parties have been set out below: (Cont.)

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Ducati Energia Pvt. Ltd.		
Purchase of Goods	9.43	-
Sales of Goods	2.14	2.07
Kinetic Green Energy & Power Solutions Limited		
Purchase of Goods	-	-
Rendering of Other Services (Income)	-	-
Rendering of Other Services (Expense)	8.98	10.79
Rent Received	2.81	2.76
Other Receipts	-	-
Investment in Preference shares	-	-
MV Agusta India Private Limited		
Purchase of Goods	25.52	58.38
Rendering of Other Services (Expense)	-	0.01
Rent Received	0.70	0.69
Mr. A. H. Firodia		
Rent Paid	0.05	0.05
Remuneration to Key Managerial Persons		
Mr. Ajinkya Firodia	53.61	45.27
Mrs. Sulajja Firodia Motwani	-	10.31
Mr. Chaitanya Koranne	18.35	-
Director Sitting Fee		
Mr. Jinendra Hirachand Munot	0.12	0.04
Mr. Ramesh Jankiram Kabra	0.20	0.08
Mr. Shirish Ratanlal Kotecha	0.20	0.16
Mr. Kantilal Hastimal Sancheti	-	0.04
Mrs. Jayashree Arun Firodia	0.04	-

Note 47 : First-time adoption**Transition to IndAS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed**I Exemptions availed****a) Deemed cost - Property, plant and equipment (PPE), intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b) Long-term foreign currency monetary item

Ind AS 101 allows a first-time adopter to continue the policy adopted for accounting for exchange differences

arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting as per previous GAAP.

Accordingly, the Company has elected to continue to capitalise the exchange differences on foreign currency borrowings as per previous GAAP.

c) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair Value through Profit and Loss ('FVTPL') on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity instruments.

II Exceptions applied

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments/preference shares/debentures carried at FVTPL.

b) Derecognition of financial assets and liabilities

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

Ind AS 101, requires first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transaction was obtained at the time of initially accounting of transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

- equity reconciliation as at 1 April 2016;
- equity reconciliation as at 31 March 2017;
- profit reconciliation for the year ended 31 March 2017;

There are no material adjustments to the cash flow statements

Note 48 : First Time adoption of Ind AS

Reconciliation of total equity as at 31st March 2017 and 1st April 2016

(Rs. in Lakhs)

Description	Notes to first time adoption	As at 31st March, 2017	As at 1st April, 2016
Total Equity as per previous GAAP		3,870.80	4,757.45
Ind-AS Adjustments [Increase in Equity/ (Decrease in Equity)]			
i. Fair Valuation of Unsecured loan from Promoters (net)	4	68.37	-
ii. Fair Value of concessional interest loan (net)	3	(19.90)	-
iii. Fair valuation of investments	1	38.41	28.15
iv. Tax effect of above adjustments	-	-	-
Total Ind-AS adjustments		86.89	28.15
Total Equity as per Ind-AS		3,957.69	4,785.60

**Reconciliation of total comprehensive income for the year ended 31st March 2017**

(Rs. in Lakhs)

Description	Notes to first time adoption	Year ended 31st March, 2017
Net profit after tax under previous GAAP		(1,417.30)
Ind AS adjustments [Increase in profits / (decrease in profits)]		
i. Fair Valuation of Unsecured loan from Promoters (net)	4	68.37
ii. Fair valuation of investments	1	10.28
iii. Fair Value of concessional interest loan (net)	3	(19.90)
iv. Remeasurements of post employment obligations	2	57.04
v. Tax effects of above adjustments	-	-
Total of adjustments		115.79
Net Profit after tax as per Ind-AS		(1,301.51)
Other Comprehensive Income		
i. Remeasurements of post employment obligations	2	(57.04)
ii. Deferred tax on above		-
iii. Tax effects of above adjustment		-
Total Other comprehensive income		(57.04)
Total Comprehensive Income as per Ind-AS		(1,358.55)

Notes to first time adoption**1 Fair valuation of investments**

Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The subsequent changes in fair value of such investments have been recognised in statement of profit and loss (retained earnings). Gain on fair valuation as at 1st April 2016 (transferred to retained earnings) is Rs. 28.15 Lakhs. Gain on fair valuation for the year ended 31st March 2017 is Rs. 10.26 Lakhs.

2 Actuarial gains/ loss on post employment defined benefit plans

Under Ind AS, re-measurement which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss. Actuarial Loss reclassified to OCI for the year ended 31st March 2017 is Rs. 57.04 Lakhs. There is no impact on the total equity as at 31 March 2017.

3 Fair Value of concessional interest loan

Under Ind AS, concessional interest loan is recognised at its fair value. The difference between the transaction value and fair value on initial recognition is treated as "deferred assistance from CSIR" as a liability. Finance charges on account of unwinding of concessional interest loan for the year ended 31st March 2017 are Rs. 53.10 Lakhs. Income recognised on account of deferred financial assistance from CSIR on straight line method for the year ended 31st March 2017 is Rs. 33.20 Lakhs.

4 Unsecured loan from Promoters

Under Ind AS, unsecured loan from promoters is recognised at its fair value. The difference between the transaction value and fair value on initial recognition is treated as "deferred financial assistance from promoters" as a liability. Finance charges on account of unwinding of unsecured loan for the year ended 31st March 2017 are Rs. 115.15 Lakhs. Income recognised on account of deferred financial assistance from promoters on straight line method for the year ended 31st March 2017 is Rs. 183.52 Lakhs.

5 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as a part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs. 613.55 Lakhs. There is no impact on the total equity and profit.

6 Retained earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

7 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 49 : Indian accounting standards and amendments issued but not yet effective as at 31st March 2018

i) Ind AS 115: Revenue from contracts with customers

Ind AS 115 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

- (i) Identify contracts with customers
- (ii) Identify the separate performance obligation
- (iii) Determine the transaction price of the contract
- (iv) Allocate the transaction price to each of the separate performance obligations, and
- (v) Recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early adoption is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Company is in the process of assessing the impact of the new standard, if any.

ii) Other amendments

The Company has assessed the effects of the following amendments and has concluded that these amendments will not have a material impact.

- (a) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration
- (b) Ind AS 40 Investment property - Transfers of investment property
- (c) Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

As per our report of even date
For **Pawan Jain And Associates**
Chartered Accountants

Pawan Jain
Partner
Membership Number- 032900
Firm Reg No.:0107867W
Place : Pune
Date : 29th May, 2018

For and on behalf of Board of Directors
For **Kinetic Engineering Limited**

A. H. Firodia
(Chairman)
DIN:00057324

Chaitanya Koranne
(Chief Executive Officer)

A. A Firodia
(Managing Director & CFO)
DIN:00332204

Deepal Shah
(Company Secretary)

**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 '**47th Annual General Meeting**' of the Company to be held on Saturday, the 29th September, 2018 at 11.00 a.m. at Kinetic Engineering Ltd., D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune 411019.

Members/Proxy's Name in Block Letters

Members/Proxy's Signature

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

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	*Sequence No.
180830081	

* 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 47th Annual General Meeting of the Company to be held on Saturday, the 29th September, 2018 at 11.00 a.m.
- 2) The remote e-Voting period starts from 9.00 a.m. IST on Wednesday, the 26th September, 2018 and ends at 5.00p.m. on Friday, the 28th September, 2018. The Voting module shall be disabled by Central Depository Services (India) Limited (CDSL) for voting thereafter.

**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**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 47th Annual General Meeting of the Company to be held on Saturday, the 29th September, 2018 at 11.00 a.m. at D-1 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 Financial Statements for the financial year ended 31st March, 2018, together with the Reports of Auditors and Directors thereon.		
2.	To appoint a director in place of Mrs. Sulajja Firodia Motwani (DIN: 00052851), who retires by rotation and being eligible, offers herself for re-appointment.		
Special Business			
3.	To appoint Dr. Jayashree Arun Firodia (DIN: 00328499) as Director of the Company.		

Signed this _____ day of _____ 2018

Affix Rs 1
revenue
stamp

Signature of the Shareholder _____

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 ' ' 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 .

KYC FORM

To,
Linkintime India Private Limited
C-101,247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai -400083
Unit: Kinetic Engineering Limited

Date:
Folio No.:
No. of shares:

Dear Sir/Madam,

We refer to the current KYC status as provided by you in the below table:

Name of the shareholder(s)	PAN (A)	Bank details (B)	Specimen Signature (C)	Email id (D)	Mobile no. (E)	Nominee Details (F)

Based on the above data, we are forwarding herewith, the required supporting documents by ticking in the appropriate checkbox below for all the fields where the status is shown as "required" in the above table.

A. For registering PAN of the registered and/or joint shareholders (as applicable)

Registered shareholder Joint Holder 1 Joint Holder 2 Joint Holder 3

* Self attested copy for all shareholders should be attached.

B. For registering Bank details of the registered shareholder

Aadhar/passport/utility bill Original cancelled cheque leaf Bank passbook/Bank statement

C. For registering the specimen signature of registered and/or joint shareholders (as applicable)

Affidavit Banker verification Original cancelled cheque leaf Bank passbook/Bank statement

D. For updating the email id: _____

E. Mobile No.

--	--	--	--	--	--	--	--	--	--

F. For registering Nominee Details by the registered shareholder

Form SH-13

Note: For residents of Sikkim, instead of PAN provide Aadhar card/ Voter id/ Driving License/ Passport or any other ID proof issued by Govt.

I/We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by affixing my/our signature on it.

Sign _____ Sign _____ Sign _____ Sign _____
Registered holder Joint holder 1 Joint holder 2 Joint holder 3



KINETIC

WITH OVER 45 YEARS OF AUTOMOBILE MANUFACTURING EXPERIENCE AND WINNER OF "EXPORT EXCELLENCE AWARDS" FOR 5 CONSECUTIVE YEARS, KINETIC ENGINEERING LIMITED HAS COMPLETE CAPABILITY FROM FORGINGS TO GRINDING WITH LATEST GEAR MANUFACTURING MACHINERY INCLUDING LASER WELDING AND AN INTERNATIONAL STANDARD ASSEMBLY LINE.