



KINETIC



KINETIC ENGINEERING LIMITED

ANNUAL REPORT 2018-19

NEW INITIATIVES



COMMANDO *961 Café Racer MKII*

KINETIC HAS DEVELOPED AND SHALL SOON COMMENCE THE SUPPLIES FOR VARIOUS PARTS SUCH AS THE FRAMES, SWING ARMS, SILENCERS FOR THE ICONIC BRITISH MOTORCYCLE MANUFACTURER, NORTON.



KINETIC SAFAR SHAKTI *AAGE KI SOCH*

KINETIC IS DEVELOPING GEARBOXES AND COMPLETE AXLES FOR ELECTRIC VEHICLES TO ENSURE A GREENER AND BRIGHTER FUTURE.



KINETIC ENGINEERING LIMITED

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 (Vacated on 31.03.2019)
Mr. Jinendra H. Munot	- Independent Director (Vacated on 31.03.2019)
Mr. M. Venkataiah	- Independent Director (Appointed on 13.02.2019)
Mr. Rohit Bafana	- Independent Director (Appointed on 13.02.2019)

CHIEF EXECUTIVE OFFICER

Mr. Chaitanya Koranne

COMPANY SECRETARY

Mrs. Deepal Shah

STATUTORY AUDITOR

M/s. Pawan Jain & Associates,
Chartered Accountants,

SECRETARIAL AUDITOR

M/s Dinesh Birla & 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

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N O T I C E

NOTICE is hereby given that the 48th Annual General Meeting of the shareholders of **KINETIC ENGINEERING LIMITED** will be held on **Wednesday, the 28th day of August, 2019** 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, 2019, together with the Reports of Auditors and Directors thereon.

SPECIAL BUSINESS:

2. **To consider and, if thought fit, to pass, with or without modifications, the following as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Arun Hastimal Firodia (DIN: 00057324) aged 76 years, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

RESOLVED FURTHER THAT Mr. Ajinkya Firodia, Managing Director be and is hereby severally authorized to do all such acts, deeds or things and to file such requisite forms, papers and other documents with Registrar of Companies, as may be deemed expedient to give effect of the foregoing resolution.”

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 Sections 149 read with Schedule IV, Section 152 & 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-

enactment(s) thereof, for the time being in force), **Mr. Rajiv Ishwarlal Ranka** (DIN: 392438) who qualifies for being so appointed and who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 17th July, 2019 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 his candidature for the office of director, be and is hereby appointed as the Independent director of the Company, not liable to retire by rotation and to hold office for a period of 5 (five) consecutive years, i.e. upto 16th July, 2024.

RESOLVED FURTHER THAT Mr. Ajinkya Firodia, Managing Director be and is hereby severally authorized to do all such acts, deeds or things and to file such requisite forms, papers and other documents with Registrar of Companies, as may be deemed expedient to give effect of the foregoing resolution.”

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

A. H. Firodia
Chairman
(DIN : 00057324)

Date : July 17, 2019

Place: Pune

NOTES:

1. M/s Pawan Jain & 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 19th July, 2019.
 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. Wednesday, the 21st August, 2019 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 Thursday, the 22nd August, 2019 to Wednesday, the 28th August, 2019 (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.***
 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 2018-19, 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 authorizing 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 shall be received not less than ten days before the Annual General Meeting and it will be addressed within seven 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 **Wednesday, the 21st August, 2019**

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 **Sunday, the 25th August, 2019** and ends on 5:00 p.m. on **Tuesday, the 27th August, 2019**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Wednesday, the 21st August, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	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 e mailed 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 www.kineticindia.com, on the website of BSE 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.

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 2: Re-appointment of Mr. Arun H. Firodia as Non-Executive Director

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1st April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

The Board hereby recommends for the reappointment of **Mr. Arun H. Firodia** (DIN: 00057324) aged 76 years, as Non-Executive Director of the Company who will retire by rotation.

The Board of Directors is of the opinion that **Mr. Arun H. Firodia** is a person of integrity; possess relevant expertise and vast experience. His association as Non-executive director will be beneficial and in the best interest of the Company. The brief resume of said Director as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

The Board of Directors accordingly recommends the Special Resolution as mentioned in item no. 2 of this Notice for approval of the Members of the Company.

Mr. Arun H. Firodia, Dr. Jayashree A. Firodia, Mrs. Sulajja Firodia Motwani and Mr. Ajinkya Firodia may be deemed to be interested, financially or otherwise, in the resolutions as set out at item No. 2 of the Notice. Except these, none of the other Directors and key managerial personnel are deemed to be concerned or interested, financially or otherwise in the proposed special resolution.

Item No. 3: Appointment of Mr. Rajiv Ishwarlal Ranka as Independent Director

The Board, at its meeting held on 17th July, 2019 appointed **Mr. Rajiv Ishwarlal Ranka** as Independent Director (additional) of the Company, pursuant to Section 161 of the Companies Act, 2013. The Company has also received (i) consent in writing from **Mr. Rajiv Ishwarlal Ranka** to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'), (ii) intimation in Form DIR 8 in terms of the Appointment Rules from Mr. Rajiv Ishwarlal Ranka to the effect that he is not disqualified under subsection (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Act.

Mr. Rajiv Ishwarlal Ranka is having more than 35 years of rich experience of Automotive and allied industries. In the opinion of the Board, Mr. Rajiv Ishwarlal Ranka fulfills the conditions for independence specified in the Act, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the draft letters for his appointment as an Independent Director setting out the terms and conditions is available for inspection, without any fee, by the members at the Company's registered office during normal business hours on working days.

The brief resume of said Director as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

The resolution seeks the approval of members for the appointment of **Mr. Rajiv Ishwarlal Ranka** as an Independent Director of the Company for a period of five years up to 16th July, 2024 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

No director, key managerial personnel or their relatives except **Mr. Rajiv Ishwarlal Ranka** to whom the resolution relates, is interested in or concerned with the resolution in Item no. 3.

Your Board recommends the resolution set forth in Item no. 3 for the approval of the members by Ordinary Resolution.

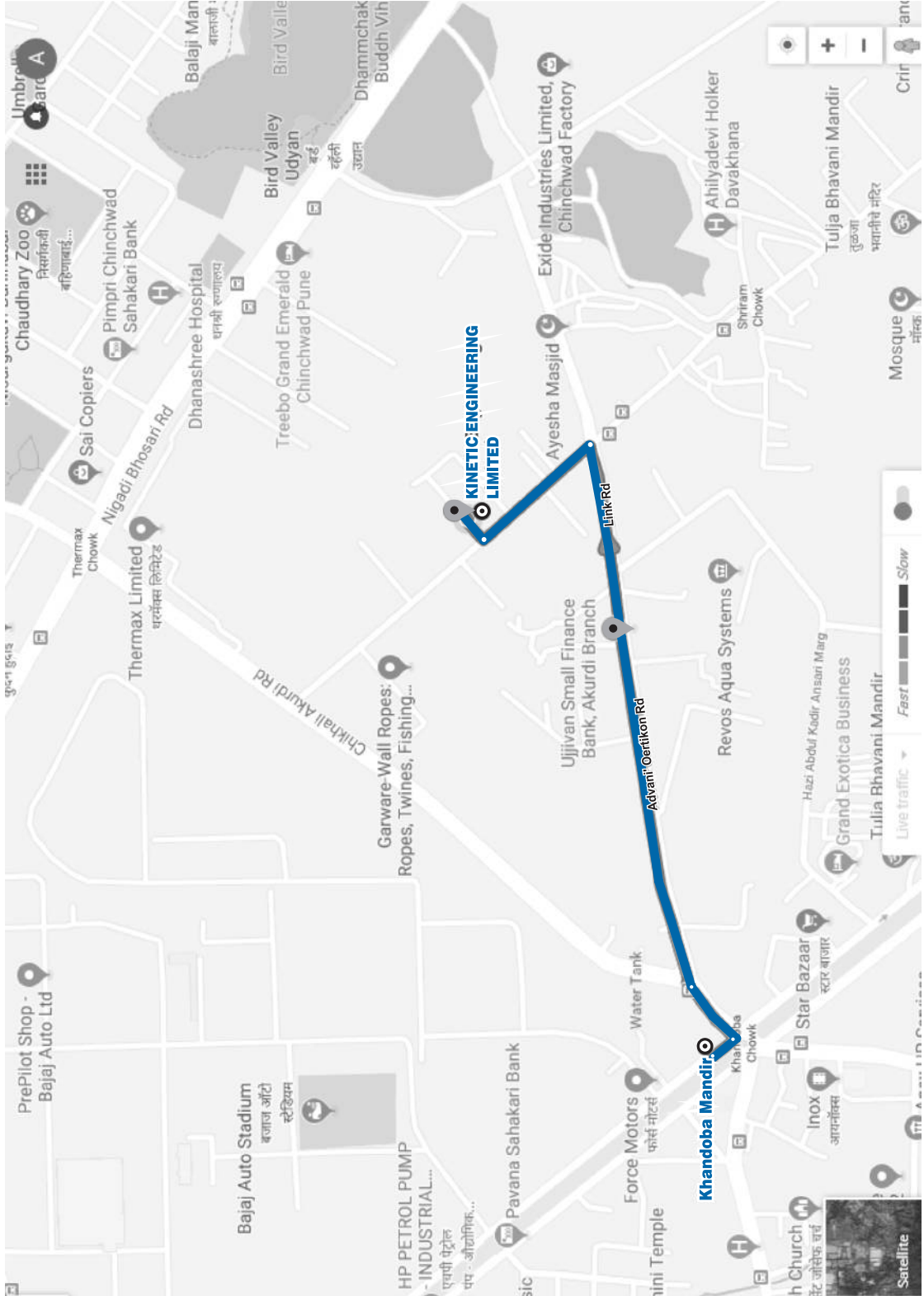
Annexure - A

"Details of Directors seeking appointment/ re-appointment at the Annual General Meeting [In pursuance of Corporate Governance provision of Listing Regulations, 2015]"		
Name of the Director	Mr. Arun Hastimal Firodia	Mr. Rajiv Ishwarlal Ranka
Age	76 years	66 years
DIN	00057234	00392438
Date of Appointment	01.07.1987	17.07.2019
Qualification	B. Tech, M.S.(Electrical Engg.), M.S.(Management)	B.E. (Hons)
Directorship as on 31st March, 2019	Kinetic Auto Limited, Jaya Hind Sciaky Limited, Kinetic Marketing & Services Limited, Norton Motoroyale (I) Pvt. Ltd., Kinetic Kids Product Pvt. Ltd., MV Agusta (I) Pvt. Ltd., Kinetic Taigene electrical Company Pvt Ltd, Karina tourism and adventures Pvt Ltd., Kinetic Hankuk electricals & electronics Pvt Ltd.	Alpha Foam Limited, Bajaj Steel Industries Limited
Chairmanship/Membership of Committees of other Companies as on 31st March, 2019.	Nil	Bajaj Steel Industries Limited
Shareholding in the Company	141230	Nil



Route Map for 48th Annual General Meeting

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



DIRECTOR'S REPORT 2018-19
(Including Management Discussion & Analysis)

Dear Members,

Your Directors present the 48th Annual Report on the business and operations of **Kinetic Engineering Limited** and the Audited Financial Statements for the financial year ended 31st March, 2019.

I. Financial Performance :-

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Total Revenue	12376.69	10,847.93
Profit/ (Loss) before Interest, Depreciation, Tax and other Amortizations ("EBIDTA")	516.27	509.48
Less : Depreciation and Amortization Expenses	734.41	791.31
Finance Cost	598.22	495.50
Tax Expenses – Net	-	-
Profit/(Loss) for the year	(816.36)	(777.33)
Other Comprehensive Income	(64.83)	26.21
Total comprehensive income/(loss) for the year	(881.19)	(751.12)

Dividend:

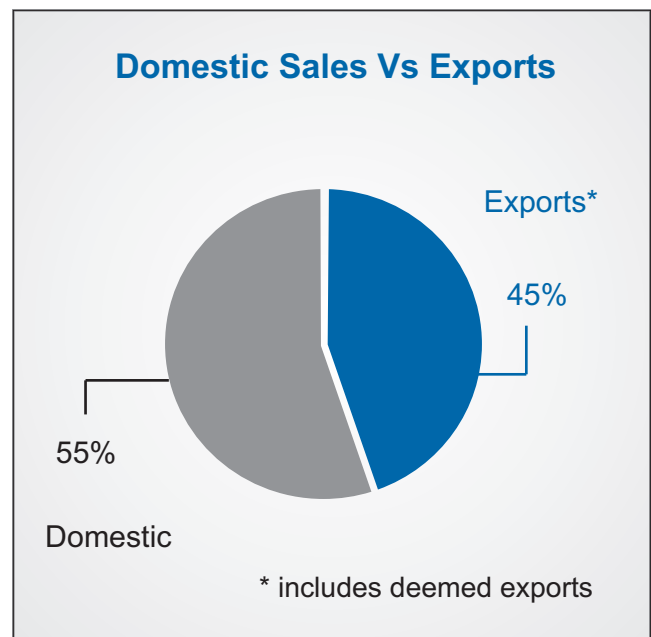
No dividend is recommended in view of the loss during the period under review.

II. Business:

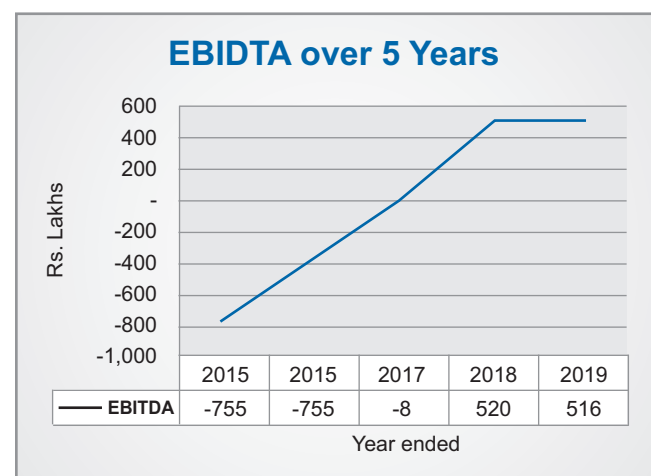
The financial year under review has been a challenging year even though the growth momentum of the previous year has been sustained. The new business awarded from American Axle which was expected to be ramped up in the fourth quarter of the financial year has been successfully ramped up in the fourth quarter of the year under review. Steady demand from other customers has helped the company achieve a 14% growth in revenue to touch Rs 123.77 crores.



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



However, consistent increase in steel prices and tightening of credit period has put tremendous pressure on the margin as well as working capital. Even though the steel price increase has been passed on to the customers, other cost increases, has led to a marginal drop in EBIDTA margin. The EBIDTA margin for the year was at 4.17% as against 4.70% in the previous year.



Capital Expenditure:

In order to ramp up the new business awarded and to increase the capacity to manufacture a higher number of gear boxes required, your company has invested a total of Rs 2.37 Crores in plant and machinery and tooling for new supplier capacity. The company continues to invest in refurbishing and replacing old plant and machinery in order to increase efficiency of the plant. During the year under review, the company undertook major repair and overhaul of one of the forging hammer and some critical CNC machines.



Operations:

The year has seen a very big increase in the production and sale of gear boxes for its prestigious customers, Ashok Leyland and Mahindra Trucks & Bus Ltd. The company achieved a highest monthly dispatch of 1103 numbers in the month of March 19. The company is now geared up to deliver 1200 numbers consistently as per the demand of the customers.

The company continues to focus on elimination of waste and improving efficiency of operations. The company has been able to achieve significant reduction in in-house rejection levels through in-depth analysis and actions to arrest the root causes.

The new business from American Axle for which PPAPs were submitted last year, has been successfully ramped up in the fourth quarter of the year. The initial challenges in ramping up the production have now been overcome and the production has now stabilized. The programme has been awarded for a period of 7 years from the year 2019. The company believes that this will ensure a steady revenue stream over the next several years.

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 labour relations throughout the year.



Management Discussion and Analysis:

a) Industry Structure:

The company primarily supplies components and assemblies to the customers in the Passenger Vehicles, Light and Medium commercial vehicles and tractors markets.

The overall production of passenger vehicles increased by about 6.26% over the previous year. The sale of Passenger Vehicles grew by 2.70 percent in April-March 2019 over the same period last year. Within the Passenger Vehicles, the sales of Passenger Cars, Utility Vehicle & Vans grew by 2.05 percent, 2.08 percent and 13.10 percent respectively in April-March 2019 over the same period last year. However, the exports of passenger vehicles actually declined by 9.64%.

The overall Commercial Vehicles segment registered a growth of 17.55 percent in April- March 2019 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) increased by 14.66 percent and Light Commercial Vehicles grew by 19.46 percent in April-March 2019 over the same period last year.

In Financial Year 2018-19 tractor sales grew by 10.24 per cent at 878,476 units as compared to 20.52 per cent and 15.74 percent in Financial Year 2017-18 and Financial Year 2016-17 respectively. On a yearly basis the growth rate was almost halved in Financial Year 2018-19 over Financial Year 2017-18. The growth was marred due to weak sentiment in later part of the year as sales slipped into negative in February and March 2019 on year-on year (yoy). This ensued into the fourth quarter performance posting a year on year decline of 5.78 per cent.

b) Outlook:

Given the uncertainties of the monsoon and weak sentiment in the rural markets, the domestic demand is expected to be muted. However, this is likely to be offset by the increased exports demand from our customers. Some of our key customers have also started exporting

their products to various South American and Middle Eastern countries. Given the muted domestic demand, we expect the input costs pressure to start easing. The current year is therefore expected to see marginal growth in revenue.

Introduction of BS6 norms for some vehicles from April 2020 is likely to see pre-buying by some sectors, which may increase short term revenue at the cost of future revenue.

c) Risks and Opportunities:

Market Risks:

The changes in US policy by denying the GSP benefits to Indian exports are likely to have a negative impact on auto components exports from India to the US. There also has been a change in policy specifying minimum value addition restriction to the automotive industry in the US. This may impact the overall cost structure of automobiles manufactured in the US affecting their sales. There is still not enough clarity on the same and hence its impact cannot be assessed at the moment. 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.

Poor monsoon will impact the overall economy and without investment push by the government, the market will see a continued slowdown for 2-3 quarters.

Raw Material Risks:

The steel market seems to have peaked by the fourth quarter of the financial year under review. Because of a general slowdown in the economy and resolution of stressed steel assets bringing up more steel capacity has led to stability of steel prices. The prices are expected to remain stable or decline over the current year. However, credit terms are likely to be stringent continuing pressure on working capital of the company.

The Company continues to take steps to ensure timely availability at reasonable cost and credit terms.

Government Policy Risks:

The Government has been pushing Electric Vehicles in a bid to reduce import dependence on fuels. This may impact the plans of some of our customers for introducing new models and hence revenue projections.

Inflationary Risks:

Global political situation, domestic policy changes for oil prices may increase the oil prices which will have a

direct inflationary impact. This will have an impact on the demand for products manufactured by our customers.

d) Opportunities:

The company has initiated discussion with a 2Wheeler engine manufacturer for developing a 2 wheeler engine for high end bikes. The Company believes that this will be a good opportunity to supply to global super bike manufacturers as there are few independent suppliers worldwide.

As a part of its efforts to expand the business, the company has also now developed pressed parts such as Frames, Swing Arms and Silencer for its prestigious customer Norton. Norton is a prestigious and iconic superbike manufacturer which has partnered with MotoRoyale, a sister company of KEL. As a part of this initiative, the company proposes to develop several other parts in this area.

With the Government giving a major thrust on electric vehicles, the Company sees tremendous growth opportunities in the E-mobility space. The company has initiated development of the complete powertrain solution electric 2wheelers, 3 wheelers, both passengers as well as cargo applications, and small cargo 4 wheelers and school buses. The company plans to develop the complete kit including Rigid rear axle or gear box, motor and controller. The kits will be supplied to OEMs for new vehicles as well as for retrofitting existing vehicles for conversion to electric. Kinetic Green, a sister company of the company focused on electric 3 wheelers, will be the first customer in this space.

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, 2019, our Board comprised of eight members, headed by a Non- 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 Five times during the financial year 2018-19 viz. 29th May 2018; 10th August, 2018; 14th November, 2018; 18th January, 2019 & 13th February, 2019. The maximum interval between any two meetings did not exceed 120 days.

Directors and Key Managerial Personnel (KMP)

Directors

Mr. M. Venkataiah and Mr. Rohit Bafana were inducted as additional directors (Independent) of the Company on 13th February, 2019. Further, tenure of Mr. J. H. Munot and Mr. Sudhir Sanghi as Independent directors got completed on 31st March, 2019. As such, their office as Independent directors have got vacated on 31st March, 2019. The Board places its gratitude towards the contribution made by them during their tenure.

Consequent to these changes, the Audit Committee, Stakeholders Relationship committee and Nomination and Remuneration Committee have been reconstituted.

Mr. Rajiv Ishwarlal Ranka was inducted as an additional director (Independent) of the Company on 17th July, 2019. In accordance with Section 161 of Companies Act, 2013, the Company has received notice proposing his candidature for appointment as regular director. Your directors have placed the same for approval of members in the ensuing Annual General Meeting.

Mr. Arun Hastimal Firodia, Director of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

Key Managerial Personnel (KMP)

The following persons 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)

Audit Committee

During the year under review, Mr. M. Venkataiah and Mr. Rohit Bafana were inducted as additional (Independent) directors in the Board Meeting held on 13th February, 2019. The office of Mr. J. H. Munot and Mr. Sudhir Sanghi has got vacated on 31st March, 2019. Consequently, the Audit committee was reconstituted in the Board Meeting held on 13th

February, 2019.

Name of the director	Category	Status
Mr. S. R. Kotecha	Independent	Chairman
Mr. R.J.Kabra	Independent	Member
Mr. M. Venkataiah	Independent	Member
Mr. Rohit Bafana	Independent	Member

All the Members are Non-Executive 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.

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 of the Company

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. At the beginning of the financial year, 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, 2019, 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, 2019 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, 2019;
- (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, 2019.

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 & Associates (FRN0107867W) 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 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 & Associates, Statutory Auditors, in their report for the financial year ended 31st March, 2019.

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 – FY 2018-19

Mr. Dinesh Birla, proprietor of Dinesh Birla and Associates, Practising Company Secretaries was appointed by the Board to conduct the audit of the Company's Secretarial Records in respect of the financial year 2018-19.

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

Secretarial Auditor – FY 2019-20

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, Practising Company Secretary (Certificate of Practice No.: 13029) to undertake the Secretarial Audit of the Company for the financial year 2019-20.

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 one Postal Ballot activity which was 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 – Acceptance of Deposits by Companies 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, 2019 in Form No. MGT- 9 is attached herewith as Annexure II and forms part of this Report. It is also available on the website of the Company at www.kineticindia.com.

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.

For and On Behalf of the Board of Directors
For KINETIC ENGINEERING LIMITED

A. H. Firodia
Chairman
(DIN : 00057324)

Date : July 17, 2019
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	Energy saving in Kwh	Cost (Unit rate – 9.4)
1	Maximum demand control upto 1700 KVA	2050KVA	
2	Ideal machine cut off by introducing timers	20509	
3	Energy efficient tube light to be replacing 250w mercury fittings	35313	
4	Maintaining pf throughout year	0.995	
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 New Screw compressor instead of Reciprocating compressor about 20% sheaving is direct due to efficiency loss in reciprocating		
10	Addition of one new screw comp in 2020 and shut down of one more compressor to save further about 13lakh Rs /year	150720	1416768

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:

- Two speed gear box development for electric 3 wheeler
- Rolling and Tig welding equipments for super bikes silencer in Stainless Steel ,
- Improvement in 320 Nm gear box to comply with BS VI requirements,
- Introduction, testing and proving of Carbon Lined synchro for 360Nm gear box,
- Productivity and quality improvement in Spline Yoke with VMC and Hydraulic fixture
- Building new Deep hole drilling multi spindle machine for high volume Stub shaft
- Development of Spline Racks locally to substitute import,
- In-house development of high volume stub shaft and flanges forgings in vertical form.

2) Benefits derived as a result of the above efforts:

- Product quality and cost reduction
- Improvement in market share
- Indigenization of various components
- Reduction in foreign exchange outgo
- Conveyorise movement of material from assembly, painting and to dispatch eliminates non value adding man power.
- Improvements in Manufacturing methods and quality standards.
- 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.

C) Foreign Exchange Earnings and Outgo:-

The Company continues to strive to improve its export earnings. The information on foreign exchange earnings and outgo for the year under review are as under :

S.N.	Particulars	Rs. in Lakhs
1	Total foreign exchange earned in terms of actual inflows	2520.93
2	Total foreign exchange outgo in terms of actual outflows	132.67

**For and On Behalf of the Board of Directors
For KINETIC ENGINEERING LIMITED**

A. H. Firodia
Chairman
(DIN : 00057324)

Date : July 17, 2019

Place: Pune.

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

as on the financial year ended on 31st March, 2019
[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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,471,429	274,694	4,746,123	26.80	4,471,429	274,694	4,746,123	26.80	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,026,105	927,578	3,953,683	22.33	3,026,105	927,578	3,953,683	22.33	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	7,497,534	1,202,272	8,699,806	49.13	7,497,534	1,202,272	8,699,806	49.13	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	7,497,534	1202272	8699806	49.13	7497534	1202272	8699806	49.13	0.00
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	69714	2465	72179	0.40	69714	2465	72179	0.40	(0.00)
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident fund/ Pension fund	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-	69790	3339	73129	0.41	69790	3339	73129	0.41	0.00
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.	3119074	469796	3588870	20.27	3053551	434857	3488408	19.70	(0.57)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs.	874959	845309	1720268	9.72	1095805	845309	1941114	10.96	1.24
b) NBFCs registered with RBI	0	0	0	0.00	289	0	289	0	0.00
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs)	-	-	-	-	-	-	-	-	-
e) Any Others (specify)	-	-	-	-	-	-	-	-	-
Trusts	44	18	62	0.00	44	18	62	0.00	0.00
Hindu Undivided Family	262890	0	262890	1.48	319553	0	319553	1.80	0.32
Foreign companies	530516	0	530516	2.99	519586	0	519586	2.93	(0.06)
Non Resident Indians (Non Repat & Re-pat)	63270	24536	87806	0.50	68167	24472	92639	0.52	0.02
Overseas Corporate Bodies	0	342	342	0.00	0	342	342	0.00	0.00
Clearing Members	78159	0	78159	0.44	19750	0	19750	0.11	0.33
Bodies corporate	2658876	7897	2666773	15.06	2546046	7897	2553943	14.42	(0.64)
Sub-total (B)(3):-	7587788	1347898	8935686	50.45	7622502	1312895	8935397	50.45	0.00
Total Public (B)	7657578	1351237	9008815	50.87	7692292	1316234	9008815	50.87	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15155112	2553509	17708621	100	15189826	2518506	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	141230	0.80	-	141230	0.80	-	0.00
2	Jayashree A. Firodia	3475222	19.62	-	3475222	19.62	-	0.00
3	Sulajja F. Motwani	616	0.00	-	616	0.00	-	0.00
4	Ajinkya A. Firodia	1129055	6.38	-	1129055	6.38	-	0.00
5	Micro Age Instruments Pvt. Ltd.	3953683	22.33	-	3953683	22.33	-	0.00

(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	141230	0.80	141230	0.80
2.	Dr. Jayashree Firodia	3475222	19.62	3475222	19.62
3.	Mrs. Sulajja Firodia Motwani	616	0.00	616	0.00
4.	Mr. Ajinkya A. Firodia	1129055	6.38	1129055	6.38
5.	Microage Instruments Private Limited	3953683	22.33	3953683	22.33

(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, 2018		Change during the year (No. of Shares)		Cumulative Shareholding at the end of the year 31st March, 2019	
		No. of Shares held	% of Shares	No. of Shares held	% of Shares	No. of Shares held	% of Shares
1.	Ashoka Investment Holdings Limited Sale At the end of the year	1787294	10.09	36842	0.21	1750452	9.88
2.	Reliance Corporate Advisory Services Ltd. Sale /Purchase At the end of the year	599700	3.38	Nil		599700	3.38
3.	Harsha Hitesh Javeri Purchase At the end of the year	374971	2.11	30029	0.17	405000	2.28

4.	AIA Singapore Private Limited Sale At the end of the year	324602	1.83	6692	0.04	317910	1.79
5.	AIA International Limited Sale At the end of the year	205914	1.16	4238	0.02	201676	1.13
6.	Hitesh RamjiJaveri Purchase At the end of the year	148956	0.84	1044	0.00	150000	0.84
7.	Life Insurance Corporation of India Sale / Purchase At the end of the year	69604	0.39	Nil		69604	0.39
8.	Bharat JamnadasDattani Purchase At the end of the year	000	0.00	52972	0.30	52972	0.30
9.	Bharati Bharat Dattani Sale At the end of the year	52845	0.30	70	0.00	52775	0.30
10.	Jay Bharat Dattani Purchase At the end of the year	000	0.00	48521	0.27	48521	0.27

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Arun H. Firodia	141230	0.80	-	141230	0.80	-	0.00
2.	Jayashree A. Firodia	3475222	19.62	-	3475222	19.62	-	0.00
3.	Sulajja F. Motwani	616	0.00	-	616	0.00	-	0.00
4.	Ajinkya A. Firodia	1129055	6.38	-	1129055	6.38	-	0.00
5.	Mr. Shirish R. Kotecha:	0	0.00	-	0	0.00	-	0.00
6.	Mr. Ramesh J. Kabra	525	0.00	-	525	0.00	-	0.00
7.	Mr. Jinendra H. Munot*	28712	0.17	-	28712	0.16	-	0.00
8.	Mr. Sudhir R. Sanghi*	32	0.00	-	32	0.00	-	0.00
9.	Mr. M. Venkataiah**	37	0.00	-	37	0.00	-	0.00
10.	Mr. Rohit P. Bafana**	10302	0.05	-	10302	0.05	-	0.00

* Vacated office as Independent directors on 31.03.2019.

** Appointed as Directors on 13.02.2019.

(vi) SHAREHOLDING OF KEY MANAGERIAL PERSONNEL:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares held	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares held	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Ajinkya A. Firodia	1129055	6.38	-	1129055	6.38	-	0.00
2.	Chaitanya Koranne	0	0.00	-	0	0.00	-	0.00
3.	Deepal Shah	0	0.00	-	01	0.00	-	0.00

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	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
Change in Indebtedness during the financial year				
Addition	94,488,678		-	94,488,678
Reduction	1,743,722	34,876,084	-	36,619,806
Net Change	92,744,956	34,876,084	-	57,868,872
Indebtedness at the end of the financial year				
i) Principal Amount	193,866,062	557,204,931	-	751,070,994
ii) Interest due but not paid	-	12,408,604	-	12,408,604
iii) Interest accrued but not due	-	1,795,417	-	1,795,417
Total (i+ii+iii)	193,866,062	571,408,953	-	765,275,015

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

(Amt in Rs.)

Particulars of Remuneration	Name of MD/WTD/Manager	Total
	Ajinkya A Firodia (Managing Director)	
Gross Salary:		
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5,195,932	5,195,932
(b) Value of perquisites us 17(2) Income Tax Act, 1961	415,000	415,000
(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
Stock Option:	-	-
Sweat Equity:	-	-
Commission:		
- as % of profit	228,000	228,000
- others, specify	-	-
Others, Please Specify:	-	-
Total (A)	58,38,932	58,38,932

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	S. Sanghi	M. Venkataiah*	R. P. Bafana*	

Fee for attending board / committee meetings	12,000	14,000	12,000	--	--	--	38,000
Commission	--	--	--	--	--	--	--
Others, please specify	--	--	--	--	--	--	--
Total (I)	12,000	14,000	12,000	--	--	--	38,000

*Appointment of Mr. M. Venkataiah and Mr. Rohit P. Bafana made w.e.f. 13th February, 2019.

(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	8000	8000
Commission	--	--
Others, please specify	--	--
Total (II)	8000	8000
Total (B)=[I+II]		46,000

C. REMUNERATION OTHER THAN MD/ WTD/ MANAGER:

(Amt in Rs.)

Sr. No.	Particulars of Remuneration	CEO	CS	Total
		Chaitanya Koranne	Deepal Shah	
1.	Gross Salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4,657,684	605,321	5,263,005
	(b) Value of perquisites us 17(2) Income Tax Act, 1961	495,000	15,000	510,000
	(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	-	-	-
	- others, specify	-	-	-
5.	Others, Please Specify:	-	-	-
	Total (C)	5,152,684	620,321	5,773,005

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

**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 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 Company had framed a remuneration policy to review 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. MR 3
Secretarial Audit Report

(For the year ended 31st March, 2019)
[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 Board of Directors
Kinetic Engineering Limited
D 1 Block, Plot No. 18/2
Chinchwad, Pune 411019.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kinetic Engineering Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2019 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Kinetic Engineering Limited ("The Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended by Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended by The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. 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 as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review

- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Not Applicable as the Company has not issued or listed any such securities during the financial year under review.

- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and

Not Applicable as the Company has not issued and listed any debt securities during the financial year under review

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

Not Applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not Applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review

- i. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited; and

- j. The Memorandum and Articles of Association. Since the Company is engaged in manufacture of Auto components and accessories thereof. There are no specific laws applicable to such sector.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Limited

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule 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 and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

I further report that during the audit period no major decisions, specific actions/ events have occurred which has major bearing on the

Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Dinesh Birla & Associates
Company Secretaries**

Dinesh Birla

Proprietor

FCS: 7658, CPNo. : 13029

Place: Pune

Date: 17.07.2019

My report of even date is to be read together with this letter:

I further report that:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, regulations and happening of events etc.
4. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, and Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For Dinesh Birla & Associates
Company Secretaries**

Dinesh Birla

Proprietor

FCS: 7658, CPNo. : 13029

Place: Pune

Date: 17.07.2019

**REPORT ON CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31ST MARCH, 2019.**

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) 2015 (hereby referred to as "Listing Regulations, 2015") mandate that for a Company with a Non-Executive Chairman, who is a promoter, at least fifty percent of the Board should comprise of independent Directors.

As on 31st March, 2019, our Board comprised eight members, consisting of a Non- 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, 2019 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/ Non-Executive	3	-	-	-
Dr. J. A. Firodia	Director	Promoter/ Non- Executive	5	-	-	-
Ms. S. F. Motwani	Director	Promoter/ Executive	3	-	-	-
Mr. A. A. Firodia	Director	Promoter/ Executive	7	1	-	-
*Mr. J. H. Munot	Director	Independent	1	-	-	-
*Mr. S. Sanghi	Director	Independent	3	-	-	-
Mr. S. R. Kotecha	Director	Independent	-	-	-	-
Mr. R. J. Kabra	Director	Independent	-	-	-	-
**Mr. M. Venkataiah	Director	Independent	-	-	-	-
**Mr. Rohit Bafana	Director	Independent	-	-	-	-

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.

* Mr. J.H.Munot and Mr. Sudhir Sanghi have retired due to completion of their term of five years on 31st March, 2019.

** Mr. M. Venkataiah and Mr. Rohit Bafana have been appointed as Non –Executive Independent Directors w.e.f 13th February, 2019.

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. Mr. Ajinkya Arun Firodia is the Non- Executive independent Director in ZF Steering Gears (India) Limited.

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

During the 12 months period ended 31st March, 2019, Five Board Meetings were held on 29th May, 2018, 10th August, 2018, 14th November, 2018, 18th January, 2019 & 13th February, 2019. The maximum time gap between any two Board Meetings was not more than one hundred twenty days. The details of Attendance of Directors at the Board Meetings and at the last Annual General Meeting are as hereunder:

Name of the Director	Board Meetings held during the tenure of the Director	Board Meeting Attended	Attendance at the last AGM held on 29th September, 2018
Mr. Arun H. Firodia	5	5	Yes
Dr. Jayashree Arun Firodia	5	5	No
Ms. Sulajja Firodia Motwani	5	5	Yes
Mr. Ajinkya Arun Firodia	5	5	Yes
Mr. Ramesh J. Kabra	5	3	No
Mr. Shirish R. Kotecha	5	4	No
Mr. Jinendra H. Munot	5	3	No
Mr. Sudhir Sanghi	5	1	No
Mr. M. Venkataiah	-	-	-
Mr. Rohit Bafana	-	-	-

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 of Committee during the financial year 2018-19:

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 during the financial year 2018-19.

Name of the Director	Category	Status
Mr. S. R. Kotecha	Independent	Chairman
Mr. J. H. Munot*	Independent	Member
Mr. R. J. Kabra	Independent	Member
Mr. M. Venkataiah**	Independent	Member
Mr. Rohit Bafana**	Independent	Member

* Mr. J. H. Munot has vacated his membership w.e.f 31.03.2019

**Mr. M. Venkataiah and Mr. Rohit Bafna were appointed as member of the Committee w.e.f. 13th February, 2019.

3.3 Meetings and attendance during the period under review:

During the 12 months period ended on 31st March, 2019, Four Meetings of the Audit Committee were held on 29th May, 2018; 10th August, 2018; 14th November, 2018 & 13th February, 2019. Details of attendance of the Members at the meeting were as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. S. R. Kotecha	4	3
Mr. J. H. Munot*	4	3
Mr. R. J. Kabra	4	3
Mr. M. Venkataiah	NA	NA
Mr. Rohit Bafana	NA	NA

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 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 of Committee during the financial year 2018-19:

The composition of the Nomination and Remuneration Committee for the year ended 31st March, 2019 is as follows:-

Name of the Director	Category	Status
Mr. S. R. Kotecha	Independent	Chairman
Mr. J. H. Munot*	Independent	Member
Mr. R. J. Kabra	Independent	Member
Mr. M. Venkataiah	Independent	Member
Mr. Rohit Bafana	Independent	Member

* Mr. J. H. Munot has vacated his membership w.e.f 31.03.2019

**Mr. M. Venkataiah and Mr. Rohit Bafna were appointed as member of the Committee w.e.f. 13th February, 2019.

4.3 Meetings and attendance during the period under review:

During the period ended on 31st March, 2019, Two Meetings of the Nomination and Remuneration Committee were held on 10th August, 2018 and 13th February, 2019. Details of attendance of the Members at the meeting were 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	1
Mr. M. Venkataiah	NA	NA
Mr. Rohit Bafana	NA	NA

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, 2019 are as follows:

(Amt. in Rs.)

Sr. No.	Particulars	Name	Total
		Ajinkya A Firodia	
1	Gross salary		
(a.)	Salary as per Section 17(1)	5,195,932	5,195,932
(b.)	Perquisites us 17(2)	415,000	415,000
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	228,000	228,000
5	Others	-	-
Total (A)		5,838,932	5,838,932

All the above remuneration was fixed/ varies with respect to time-scale.

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 re-

imbursement of expenses on traveling etc. No commission is being paid to Non-Executive Directors.

Details of Sitting Fees paid to Non-Executive Directors for attending Board/ Committee Meetings and their shareholding in the Company during the period ended on 31st March, 2019, are as follows:

Sr. No.	Name of the Non-Executive Directors	Sitting Fees (₹)	No. of Shares Held in the Company
1	Dr. Jayashree A. Firodia	8000	3475222
2	Mr. R. J. Kabra	12000	525
3	Mr. S. R. Kotecha	14000	0
4	Mr. S. R. Sanghi*	--	32
5	Mr. J. H. Munot	12000	28712

* 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 of the Committee during the financial year 2018-19:

The composition of the Stakeholders Relationship Committee for the year ended 31st March, 2019 is as follows:-

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

* Mr. J. H. Munot has vacated his membership w.e.f 31.03.2019

**Mr. M. Venkataiah and Mr. Rohit Bafna were appointed as member of the Committee w.e.f. 13th February, 2019.

5.3 Meetings and attendance during the period under review:

During the period ended on 31st March, 2019, Four Meetings of the Stakeholders Relationship Committee were held on 29th May, 2018; 10th

August, 2018, 14th November, 2018 and 13th February, 2019. Details of attendance of the Members at the meeting were as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. S. R. Kotecha	4	3
Mr. J. H. Munot	4	3
Mr. R. J. Kabra	4	3
Mr. M. Venkataiah	NA	NA
Mr. Rohit Bafana	NA	NA

No. of shareholders complaints/request received during the period under review : 127

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

No. of pending Complaints/ request as on 31st March, 2019 : Nil

As on 31st March, 2019, 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 29th May, 2018 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 Securities and Exchange Board of India 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 of the Company 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 the Board of Directors' report.

11. CEO and CFO certification:

As required by the Listing Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

12. Compliance Officer:

Mrs. Deepal Shah, Company Secretary is the Compliance Officer for complying with the requirements of Companies Act, 2013, SEBI Regulations, Secretarial Standards etc.

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, 2018	29th September 2018	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	None
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

14. Postal Ballot:

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

- 1) Date of Postal Ballot Notice: 13th February, 2019 Voting Period: 25th February 2019 to 27th March, 2019
Date of approval: 28th March, 2019 Date of declaration of result: 28th March, 2019

Name of the Resolution	Type of Resolution	No. of Votes polled	Votes Cast in Favor	%	Votes Cast in Favor	%
Re- appointment of Mr. Ajinkya Arun Firodia, as the Managing Director of the Company	Special Resolution	7499526	7499523	100	03	0.00

Name of the Resolution	Type of Resolution	No. of Votes polled	Votes Cast in Favor	%	Votes Cast in Favor	%
Appointment of Mr. M. Venkataiah (DIN: 00041420) as Non – Executive Independent Director	Special Resolution	7499526	7499523	100	03	0.00
Appointment of Mr. Rohit Bafana (DIN: 00590469) as Non – Executive Independent Director	Special Resolution	7499526	7499523	100	03	0.00
Approval of the continuation of Mr. Arun H. Firodia (DIN:00057324) as Director	Special Resolution	7499526	7499523	100	03	0.00
Approval of the continuation of Dr. Jayashree Arun Firodia (DIN : 00328499) as Director	Special Resolution	7499526	7499523	100	03	0.00
Re-appointment of Shri S.R.Kotecha (DIN: 00170659) as Independent Director	Special Resolution	7499526	7499523	100	03	0.00
Re-appointment of Mr. R.J. Kabra (DIN: 00306688) as Independent Director	Special Resolution	7499526	7499523	100	03	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 **Wednesday, the 21st August, 2019**

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. 45 (c) of Notes Forming part of the Financial Statements for the year ended on 31st March, 2019.

- (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 - 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 48th Annual General Meeting is proposed to be held on Wednesday, 28th August, 2019 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, 2019.

19. Financial Calendar (Tentative):

Quarter Ending	Date
30th June, 2019	14th August, 2019
30th September, 2019	14th November, 2019
31st December, 2019	14th February, 2020
31st March, 2020	30th May, 2020

Date of Book Closure: 22nd August, 2019 to 28th August, 2019.

a. Dividend Payment Date:

The Directors have not recommended any Dividend for the financial year ended on 31st March, 2019.

b. 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.

c. Payment of Listing Fees:

Annual Listing Fee for the year 2019-20 has been paid by the Company to the stock exchange.

d. Payment of Annual Custodian Fees:

Annual Custodian fees for the year 2019-20 has been paid by the Company to the Central Depository Services (India) Limited (CDSL) and will be paid to National Securities Depository Limited (NSDL) on receipt of invoice.

Stock Code and ISIN:

BSE (Equity Shares) : 500240

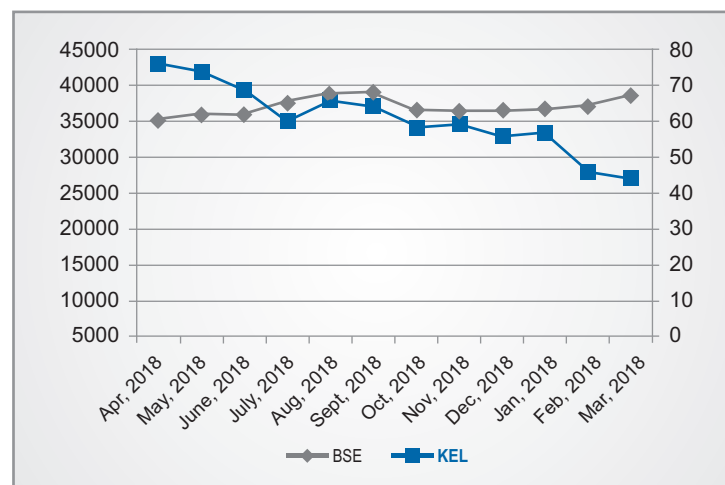
ISIN for equity shares : INE266B01017.

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

Month & Year	KEL Share Price			BSE Sensex		
	High (₹)	Low (₹)	Close (₹)	High	Low	Close
April, 2018	76.00	68.25	70.50	35213.3	32972.56	35160.36
May, 2018	74.00	61.05	65.55	35993.53	34302.89	35322.38
June, 2018	68.70	55.75	58.00	35877.41	34784.68	35423.48
July, 2018	60.00	49.00	52.55	37644.59	35106.57	37606.58
August, 2018	65.85	50.10	51.15	38989.65	37128.99	38645.07
September, 2018	64.20	46.40	46.40	38934.35	35985.63	36227.14
October, 2018	58.40	43.05	50.10	36616.64	33291.58	34442.05
November, 2018	59.00	47.00	48.60	36389.22	34303.38	36194.3
December, 2018	55.85	45.45	48.00	36554.99	34426.29	36068.33
January, 2019	57.05	40.50	42.15	36701.03	35375.51	36256.69
February, 2019	45.90	30.20	32.50	37172.18	35287.16	35867.44
March, 2019	44.20	32.00	39.20	38748.54	35926.94	38672.91

Performance in comparison to broad based BSE Sensex:

Kinetic Engineering Ltd (KEL) Share price on BSE vis-à-vis BSE Sensex (2018-19)



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 demat request which were received in physical form, were processed and the share certificates returned within a period of 30 days from the date of receipt, (as per the relaxation in time line granted for processing of Demat request vide SEBI letter no. NSDL/11/SEBI/PP/2150/2018 dated 24th January, 2019) subject to the documents being valid and complete in all respects.

Distribution of Shareholding as on 31st March, 2019:

Shareholding of Nominal value (INR)	No. of Shareholders	% of No. of Shareholders	Amount (Rs.)	% to paid-up Capital
Upto 5000	20251	93.9460	13549500.00	7.6513
5001-10000	622	2.8855	4998900.00	2.8228
10001-20000	314	1.4567	4747620.00	2.6809
20001-30000	105	0.4871	2646700.00	1.4945
30001-40000	54	0.2505	1963270.00	1.1086
40001-50000	51	0.2366	2422790.00	1.3681
50001-100000	77	0.3572	5304820.00	2.9956
100001 and above	82	0.3804	141452610.00	79.8778
Total	21556	100	177086210	100.00

Shareholding Pattern as on 31st March, 2019

Sr. No.	Category	No. of Shares	%
A.	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	0	0
	d) Foreign Portfolio Investors	256	0.00
	Total B (I)	73129	0.41
2	Non-Institutions		
	a) Bodies Corporate	2553943	14.42
	b) Individuals	5429522	30.66
	c) Clearing Members	19750	0.11
	d) NRI / NRN	92639	0.52
	e) Foreign Companies	519586	2.93
	f) OCB	342	0.00
	g) Trusts	62	0.00
	h) HUF	319553	1.80
	i) NBFC	289	0
	Total B (II)	8935686	50.46
	Total B (I + II)	9008815	50.87
	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, 2019, 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	2294147	12.95%
2.	Shares held in Demat Form - NSDL	13449939	75.95%
3.	Shares held in Demat Form - CDSL	1964535	11.09%
	TOTAL	1,77,08,621	100.00

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

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

For and On Behalf of the Board of Directors
For, Kinetic Engineering Limited

A. H. Firodia
Chairman
(DIN : 00057234)

Date: July 17, 2019

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 2018-19 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: July 17, 2019
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: July 17, 2019
Place: Pune

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

Kinetic Engineering Limited

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 March 31, 2019, 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 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, 2019.

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

July 17, 2019

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF KINETIC ENGINEERING LIMITED**

Opinion

We have audited the standalone financial statements of Kinetic Engineering Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements gives the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2019, and its loss (financial performance including other comprehensive income), its changes in equity and cash flows for the year ended on that date.

Emphasis of Matter

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

Refer Note- 44 describing the basis of company’s ability to continue as a Going Concern.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters (‘KAM’) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report.

The key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition: The Company is engaged in manufacture and supply of automotive components to its customers both in domestic and international markets. Effective April 01, 2018 company has applied Ind As-115 accordingly Revenue is recognised upon transfer of control of promised products and services to customers. (refer note-2.6 to standalone financial statements). Ind AS 115 has been implemented starting from 1 April 2018. As a consequence, the Company has analysed its various sales contracts and concluded on the principles for determining the point of time for recognition of revenue from the Company’s sales transactions. In view of the comprehensive change of the accounting standard applicable for the revenue and the re-evaluation of all contracts in this light, this aspect has been identified for enhanced attention in the audit.</p>	<p>Principal audit procedures: Our audit included but was not limited to the following activities: Control testing:</p> <ul style="list-style-type: none"> • Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls. <p>Test of details:</p> <ul style="list-style-type: none"> • Evaluated the Company’s procedure in place for implementing Ind AS 115 and assessed whether Company’s accounting principles comply with the new accounting standard. • Tested a sample of sales transactions for compliance with the Company’s accounting principles. • Traced disclosure information to accounting records and other supporting documentation.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India 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, to the extent applicable.
 - A. As required by Section 143(3) of the Act, we report that:
 - (a.) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b.) In our opinion, proper books of account as

required by law have been kept by the Company so far as it appears from our examination of those books.

- (c.) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- (d.) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e.) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements - Refer Note 38;
 - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

For Pawan Jain And Associates
Chartered Accountants

Firm's Registration No.: 0107867W

Pawan Jain

Partner

Membership No.: 032900

Pune

May 29, 2019

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)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. (a) The Company has maintained 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 been taken on lease and disclosed as property, plant and equipment in the standalone 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 section 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable.
- v. According to information and explanation provided to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to the Company. According to information and explanation provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. As informed to us, the cost records, pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 are not applicable to the company.
- vii. (a) According to the records of the company, it is generally regular in depositing undisputed statutory dues of, Provident fund, employees’ state insurance, income-tax, goods and service tax, duty of customs, 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 amounting to Rs. 14.84 Lakhs was in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax or entry tax, which have not been deposited by the Company on account of disputes, except for the following:

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
CST (Pune) 2005-06	30.54	Commissioner Sales Tax, Pune
CST 1994-95, 99-00, 00-01, 02-03, 03-04, 07-08, 08-09, 09-10	56.58	Appellate Dy. Commissioner commercial Tax, Indore
CST 1998-99, 2001-02	27.27	Appellate Dy. Commissioner commercial Tax, Indore
CST (Pune) 2014-15	7.76	Dy. Commissioner Sales tax, Pune
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	9.16	Appellate Dy. Commissioner commercial Tax, Indore
Supa VAT 2006-07, 2007-08, 2008-09, 2009-10	12.38	Jt Commissioner Appeals, A. Nagar
VAT (Pune) 2014-15	34.76	Dy. Commissioner Sales tax, Pune
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 raised moneys by way of term loans from the bank during the year and were applied for the purposes for which those are raised.
- 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. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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 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
 May 29, 2019

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 1(A) (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, 2019 in conjunction with our audit of the Standalone 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 Act.

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, 2019, 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

May 29, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in Lakhs)

Particulars	Note	31st March, 2019	31st March, 2018
ASSETS			
1) Non-current assets			
a) Property, Plant & Equipments	3	8,294.14	8,770.70
b) Capital work-in-progress		0.00	0.00
c) Other Intangible Assets	3	8.27	8.72
d) Financial Assets			
(i) Investments	4	649.62	709.64
(ii) Others	5	454.51	447.01
e) Deferred Tax Assets	6	-	-
f) Other Non Current Assets	7	63.98	73.43
		9,470.52	10,009.50
2) Current assets			
a) Inventories	8	3,107.25	2,311.64
b) Financial Assets			
(i) Investments	4	0.11	1.03
(ii) Trade receivables	9	2,858.97	2,542.68
(iii) Cash and cash equivalents	10	34.02	49.27
(iv) Bank Balances other than (iii) above	11	11.42	5.22
(v) Loans	12	3.65	3.65
(vi) Others	13	5.04	116.14
c) Current Tax Assets(Net)	14	139.07	297.13
d) Other current assets	15	475.74	207.17
		6,635.27	5,533.93
TOTAL		16,105.79	15,543.43
EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	16	1,770.86	1,770.86
b) Other Equity	17	553.59	1,435.70
		2,324.45	3,206.56
Liabilities			
1) Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	18	3,478.72	2,502.16
b) Provisions	19	538.00	530.48
c) Deferred tax liabilities (Net)	6	-	-
d) Other Liabilities	20	1,281.09	1,516.42
		5,297.81	4,549.06
2) Current liabilities			
a) Financial Liabilities			
(i) Borrowings	21	2,333.37	2,508.56
(ii) Trade payables	22	4,379.80	3,283.00
(iii) Others	23	1,003.32	1,294.03
b) Other liabilities	24	327.39	353.82
c) Provisions	25	439.65	348.40
		8,483.53	7,787.81
TOTAL		16,105.79	15,543.43

Summary of significant accounting policies

2

Notes are integral part of the financial statements

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

 For and on behalf of Board of Directors
 For **Kinetic Engineering Limited**
Pawan Jain
 Partner
 Membership Number- 032900
 Firm Reg No.:0107867W

A. H. Firodia
 (Chairman)
 DIN:00057324

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

 Place : Pune
 Date : May 29, 2019

Chaitanya Koranne
 (Chief Executive Officer)

Deepal Shah
 (Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs)

Particulars	Note	31st March, 2019	31st March, 2018
INCOME :			
a) Revenue from Operations	26	11,577.35	10,256.16
b) Other income	27	799.34	591.77
Total Income		12,376.69	10,847.93
EXPENSES :			
a) Cost of materials consumed	28	7,904.12	6,036.52
b) Changes in inventories of finished goods and work-in-progress	29	(524.34)	(227.25)
c) Excise Duty on Sales	-	-	162.39
d) Employee benefits expenses	30	2,528.27	2,429.19
e) Finance costs	31	598.22	495.50
f) Depreciation and amortization expenses	3	734.41	791.31
g) Other expenses	32	1,952.37	1,937.61
Total Expenses		13,193.05	11,625.26
Profit before exceptional items and tax		(816.36)	(777.33)
Exceptional items		-	-
Profit before tax		(816.36)	(777.33)
Tax expenses :			
a) Current tax		-	-
b) Deferred tax		-	-
Profit (Loss) for the year		(816.36)	(777.33)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
(i) Re-measurement of net defined benefit plan		(64.83)	26.21
(ii) Income Tax Effect		-	-
Total Other Comprehensive Income		(64.83)	26.21
Total Comprehensive Income for the year		(881.19)	(751.12)
Earnings Per Share (Nominal value per share Rs. 10)			
Basic		(4.98)	(4.24)
Diluted		(4.98)	(4.24)
Summary of significant accounting policies	2		
Notes are integral part of the financial statements			

 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 : May 29, 2019

 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 for the year ended 31st March, 2019
A. Equity share capital

(Rs. in Lakhs)

Particulars	Number	Amount
As at April 01, 2017	1,67,30,708	1,673.07
Changes in equity share capital	9,77,913	97.79
As at March 31, 2018	1,77,08,621	1,770.86
Change in equity share capital	-	-
As at March 31, 2019	1,77,08,621	1,770.86

(Rs. in Lakhs)

B. Other equity

Particulars	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/ Surplus	Other Comprehensive Income	Total
As at April 01, 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)	26.21	(848.92)
As at March 31, 2018	1,963.52	3,535.19	9,384.06	8,669.25	0.46	(22,085.94)	(30.83)	1,435.70

Particulars	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/ Surplus	Other Comprehensive Income	Total
As at April 01, 2018	1,963.52	3,535.19	9,384.06	8,669.25	0.46	(22,085.94)	(30.83)	1,435.70
Increase/(Decrease)	-	-	-	-	-	(0.92)	(64.83)	(65.75)
Profit for the year	-	-	-	-	-	(816.36)	-	(816.36)
Changes during the year	-	-	-	-	-	(817.28)	(64.83)	(882.11)
Balance as at March 31, 2019	1,963.52	3,535.19	9,384.06	8,669.25	0.46	(22,903.22)	(95.66)	553.58

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 : May 29, 2019

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)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs)

	Particulars	31st March, 2019	31st March, 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) for the year	(881.19)	(751.12)
	Adjustment For :		
	Depreciation	734.41	791.31
	Interest & Finance charges (Net)	367.14	257.81
	Dividend Received	(3.65)	(2.08)
	Excess provision / credit balances written back	(67.37)	0.50
	Unrealised gain on fair valuation of Investment	0.03	(0.15)
	Unrealised Exchange difference loss / (gain)	18.54	(9.88)
	Profit (-) / Loss (+) on sale of Investments	-	(1.03)
	Profit (-) / Loss (+) on sale of Assets	(121.46)	-
	Operative Profit before Working Capital Changes	46.45	285.36
	Adjustment for net change in:		
	Trade and Other Receivables	(382.86)	177.51
	Inventories	(795.61)	(263.82)
	Trade & Other payables	1,186.51	517.21
	Cash generated from operations	54.49	716.26
	Direct Taxes	34.82	48.37
	Net Cash Generated from operating activities	89.31	764.63
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment and Intangible Assets	(251.12)	(576.40)
	Sale of Property, Plant & Equipment and Intangible Assets	125.28	-
	Sale of Investments	59.99	28.66
	Dividend received	3.65	2.08
	Interest Received	14.80	20.89
	Net Cash used in investing activities	(47.41)	(524.78)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Share Capital / Warrants/ share application money	-	(0.00)
	Proceeds from Long Term Borrowings	813.16	(170.86)
	Proceeds from Short Term Borrowings	(175.19)	199.08
	Interest and Financial Charges paid	(441.12)	(347.91)
	Redemption premium paid	(254.00)	(30.00)
	Net Cash used in financing activities	(57.15)	(349.70)
D.	Net change in Cash and cash equivalents (A+B+C)	(15.25)	(109.84)
	Cash and Cash Equivalents (Opening)	49.27	159.12
	Cash and Cash Equivalents (Closing)	34.02	49.27

- 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, 2019	31st March, 2018
Cash and cheques on hand	0.17	0.21
Balances with banks	33.86	49.06
	34.02	49.27

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 : May 29, 2019

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 2019**1. The corporate overview**

Kinetic Engineering Limited ('the company') is a public limited company domiciled in India and incorporated under the provisions of Indian Companies Act. The Registered Office of the Company is situated at 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**2.1 Statement of Compliance**

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 were authorised for issue by the Board of Directors at its meeting held on May 29, 2019.

2.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, except certain financial instruments and defined benefit plans, which are measured at 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, 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 which 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 14

Estimation of defined benefit obligation – Note 19 & Note 25

Recognition of revenue – Note 26

Recognition of deferred tax assets for carried forward tax losses – Note 6

Useful lives of property, plant and equipment- Note 3

Impairment of trade receivables – Note 9

"Estimation and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected."

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.

A 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 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The standard is applied by the company prospectively and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts,



service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

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.

2.7 Inventories

Inventories are stated at the 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 is ascertained on a weighted average basis.

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.

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.

2.8 Property, plant and equipment (PPE)

Recognition and measurement

Property, plant and equipment are stated at cost

comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any. 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.

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

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised 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 31 March 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 31 March 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.

The estimated useful lives for main categories of property, plant and equipments are:

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

2.9 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.

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 are as follows:

Asset	Useful life
Software	4 Years

2.10 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 measured at cost less accumulated depreciation.

2.11 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in-use) is determined on an

individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

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.

2.12 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.

2.13 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. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

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.

Compensated absences

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.

2.14 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.

2.15 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.

2.16 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.

2.17 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

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.

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 35 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.

2.18 Fair value measurement

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;

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.

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

2.19 Provisions and contingencies

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.20 Earnings per share (EPS)

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

2.21 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.

2.22 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.

2.23 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessor. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

(Rs. In Lakhs)

NOTE-3 : PROPERTY PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Lease-hold Land **	Free-hold Land	Buildings	Plant & Machinery	Electrical Installation & Fittings	Dies, Jigs & Fixtures	Furniture Fixture	Office Equipment	Vehicles	Total	Technical Know-how **
(A) Gross carrying amount											
Balance as at 1st April 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	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 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
Additions	-	-	-	101.97	1.76	130.82	16.40	6.20	-	257.15	4.07
Disposals	-	-	-	(141.45)	-	-	-	-	-	(141.45)	-
Balance as at 31 March 2019	94.60	2,080.00	3,087.72	17,616.03	207.64	6,676.39	422.07	573.52	63.34	30,821.32	613.89
(B) Depreciation and impairment											
Balance as at 1st April 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
Depreciation for the year	0.96	-	22.36	634.46	5.54	106.89	6.72	6.50	4.02	787.45	3.86
Deductions	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 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
Depreciation for the year	0.96	-	22.84	578.89	6.33	103.24	6.05	7.57	4.01	729.89	4.52
Deductions	-	-	-	(137.63)	-	-	-	-	-	(137.63)	-
Balance as at 31 March 2019	23.45	-	2,956.85	12,557.32	190.12	5,820.62	365.96	556.17	56.71	22,527.18	605.62
(C) Written Down Value											
Balance as at 31 March 2019	71.15	2,080.00	130.88	5,058.72	17.52	855.77	56.11	17.35	6.63	8,294.14	8.27
Balance as at 31 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 :

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

Note 4: Investments

(Rs. in Lakhs)

4 (a) Non-current investments

Particulars	31st March, 2019	31st March, 2018
Investment in equity instruments (fully paid-up)		
Equity instruments at FVTPL		
Unquoted		
Kinetic Communications Limited	8.21	8.21
Kinetic Escalator and Elevator Limited	30.74	30.74
Kinetic Marketing & Services Limited	-	-
Kinetic Motor Automotives Private Limited	0.91	0.91
Total (equity instruments)	39.87	39.87
Investment in preference shares (fully paid-up)		
Preference instruments at FVTPL		
Unquoted		
Kinetic Green Energy and Power Solutions Ltd.	590	650
[5,90,000 (31 March 2018: 6,50,000) Preference shares of Rs 100 each fully paid up]		
Total (preference shares)	590	650
Investment in Shares (classified as FVTPL)		
Daewoo Motors (India) Limited (Formerly DCM Toyota Ltd.)	0.01	0.01
Eicher Limited	0.03	0.03
Escorts Limited	0.40	0.41
Hindustan Motors Limited	0.01	0.01
LML Limited	0.00	0.01
Majestic Auto Limited	0.13	0.14
Hero Motocorp Limited (Formerly Hero Motors Limited)	0.03	0.04
The Premier Automobiles Limited	0.00	0.01
Saraswat Co-operative Bank Limited	0.25	0.25
Ajinkya Auto Fab Limited	18.64	18.63
Total (Shares)	19.51	19.53
Investment in Government Securities (classified as FVTPL)		
7 Years National Savings Certificates	0.24	0.24
Total (Investment in Securities)	0.24	0.24
Total Non-current investments	649.62	709.64

4 (b) Current investments

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Investment in Mutual Fund (classified as FVTPL)		
HDFC Cash Management Fund	-	0.92
BIRLA Sunlife Saving Fund	0.11	0.11
Total current investments	0.11	1.03

Note 5: Other Non Current Financial Asset

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Security Deposits		
Unsecured, considered good	151.86	144.36
Doubtful	13.02	13.02
	164.88	157.38
Less: Provision for doubtful deposits	13.02	13.02
	151.86	144.36
(b) Other Loans and advances		
(i) Advances		
Unsecured, considered good	95.99	95.99
Doubtful	9.13	9.13
	105.12	105.12
Less: Provision for doubtful advances	9.13	9.13
	95.99	95.99
(ii) Bills Receivable (Refer Note-40 for details)	206.65	206.65
Total	454.51	447.01

Note 6 : Deferred tax assets (Net)

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Deferred tax liabilities		
(i) On accumulated depreciation	695.39	668.90
(ii) On other timing differences	-	-
Deferred tax liabilities (A)	695.39	668.90
Deferred tax assets		
(i) On disallowance under Section 43B & 40A of Income Tax Act, 1961	341.63	304.16
(ii) On provision for doubtful debts	5.16	5.11
(iii) On carried forward loss under Income Tax Act, 1961	348.60	359.63
	-	-
Deferred tax assets (B)	695.39	668.90

Note - 7: Other Non Current Assets

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Capital Advances		
Unsecured, considered good	63.98	73.43
Doubtful	-	-
	63.98	73.43
Less: Provision for doubtful advances	-	-
	63.98	73.43
(b) Others	-	-
Total	63.98	73.43

Note - 8: Inventories

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(i) Raw Materials	694.65	506.03
(ii) Work-in-progress	1,601.30	1,076.96
(iii) Finished goods	5.48	5.48
(iv) Stores and spares	805.82	723.18
Total	3,107.25	2,311.64

Note - 9: Trade Receivables

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(i) Unsecured, considered good	2,858.97	2,542.68
(ii) Unsecured, considered doubtful	-	-
	2,858.97	2,542.68
Less Allowance for doubtful debts	-	-
Total	2,858.97	2,542.68

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 - 10 : Cash and cash equivalents

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(i) Balance with Banks	33.86	49.06
(ii) Cash on hand	0.17	0.21
Total	34.02	49.27

Note - 11: Other Bank Balances

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(i) Fixed deposits (more than 3 months but less than 12 months)	11.42	5.22
Total	11.42	5.22

Note - 12 : Current Loans

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(i) Deposits with Govt. authorities		
Unsecured, considered good	3.65	3.65
Doubtful	-	-
	3.65	3.65
Less Provision for doubtful advances	-	-
Total	3.65	3.65

Note - 13: Other Current Financial Assets

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(i) Interest Accrued on Investments & Deposits	5.04	5.14
(ii) Receivable of Sale of Undertaking	-	111.00
Total	5.04	116.14

Note - 14 : Current Tax Assets(Net)

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(i) Advance Income tax net of provisions	139.07	297.13
Total	139.07	297.13

Note - 15: Other current assets

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(i) Advances to suppliers and others		
Unsecured, considered good	475.74	207.17
Doubtful	-	-
	475.74	207.17
Less : Provision for doubtful advances	-	-
Total	475.74	207.17

Note - 16: Share Capital

A. Authorised Share Capital

(i) Equity Share Capital

(Rs. in Lakhs)

Particulars	Equity Share	
	Number	Rs.
Authorised shares as at April 01, 2017	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total shares authorised as at March 31, 2018	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total authorised Equity share capital as at March 31, 2019	5,30,13,932	5,301.39

(ii) Preference Share Capital

(Rs. in Lakhs)

Particulars	Preference Shares	
	Number	Rs.
Authorised shares as at April 01, 2017	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total shares authorised as at March 31, 2018	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total authorised Preference share capital as at 31 March 2019	4,22,23,780	14,289.43
Total authorised Share Capital as at March 31 2019	9,52,37,712	19,590.83

B. Issued, Subscribed & fully Paid Up Share Capital

(i) Equity Share Capital

(Rs. in Lakhs)

Particulars	Equity Share	
	Number	Rs.
Balance as at April 01, 2017	1,67,30,708	1,673.07
Changes during the period	9,77,913	97.79
Balance as at March 31 2018	1,77,08,621	1,770.86
Changes during the period	-	-
Balance as at March 31 2019	1,77,08,621	1,770.86

C. Details of Equity Shareholders holding more than 5% shares in the company

Name of the shareholder	31st March, 2019		31st March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jayashree A. Firodia	34,75,222	19.62%	34,75,222	19.62%
Microage Instruments pvt ltd.	39,53,683	22.33%	39,53,683	22.33%
Ashoka Investment Holdings Limited	17,50,452	9.88%	17,87,294	10.09%
Ajinkya Arun Firodia	11,29,055	6.38%	11,29,055	6.38%

D. 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 distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Out of above, 18,85,450 (18,85,450) Equity Shares were allotted as fully paid up Bonus Shares on Capitalisation of the General Reserve.
- Out of above, 36,700 (36,700) Equity Shares were allotted under Employee Stock Option Scheme.
- In respect of 8,24,359 Equity Shares allotted on Preferential basis and 9,77,913 shares allotted on conversion, the company is in the process of obtaining necessary approval from BSE/SEBI.

Note - 17 : Other Equity

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
A. PREFERENCE SHARE CAPITAL		
a) 1,02,000 Optionally Convertible Cumulative Preference Shares of Rs. 156/- each (Note no.17 H-1)	159.12	159.12
b) 3,20,500 Redeemable Cumulative Preference Shares of Rs. 156/- each (Note no.17 H-2)	499.98	499.98
c) 8,30,154 Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.17 H-3)	539.60	539.60
d) 11,76,650 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.17 H-4)	764.82	764.82
Total	1,963.52	1,963.52
B. Capital Reserves		
Opening Balance	3,535.19	3,535.19
(+)/(-) Transfer	-	-
Closing Balance	3,535.19	3,535.19
C. Securities Premium Account		
Opening Balance	9,384.06	9,263.47
(+)/(-) Transfer	-	120.59
Closing Balance	9,384.06	9,384.06
D. General Reserve		
Opening balance	8,669.25	8,669.25
(+)/(-) Transfer	-	-
Closing Balance	8,669.25	8,669.25
E. Special Reserve		
Opening balance	0.46	0.46
(+)/(-) Transfer	-	-
Closing Balance	0.46	0.46
F. Surplus		
Opening balance	(22,116.77)	(21,365.65)
Other Comprehensive Income	(64.83)	26.21
(+) Net Profit / (Net Loss) for the current year	(816.36)	(777.33)
(+) Fair Value revaluation balance of Investment sold	(0.92)	-
Closing Balance	(22,998.88)	(22,116.77)
Total (A+B+C+D+E+F)	553.59	1,435.70

Note - 17 : Other Equity (Cont.)
G. Details of Preference Shareholders holding more than 5% shares in the company

Name of the shareholder	31st March, 2019		31st March, 2018	
	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%
(b) Microage Instruments Private Limited	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%
8.5% New Optionally Convertible Cumulative Preference Share Capital:				
(a) Microage Instruments Private Limited	11,76,650	100.00%	11,76,650	100.00%
8.5% Optionally Convertible Cumulative Preference Share Capital:				
(a) Microage Instruments Private Limited	7,13,808	71.91%	-	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 wrt. 36,923 shares; and 11.1.2007 wrt. 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 (i.e. 18.09.2013) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to the allottee. If any OCCPS are not converted into equity shares, such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after the expiry of a period of 18 months from the date of allotment at the option of the allottee. The Option to convert has lapsed.
- Each 8.5% new Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (i.e. 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.
- On 5th February, 2018, the Company, on request of allottees, 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.
- 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.

Note - 18: Non Current Borrowings

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Secured		
(a) Term Loans from Banks	851.89	-
Unsecured		
(a) Loans and advances from related parties	2,119.90	1,908.39
(b) Term Loans from Others	506.94	593.77
Total	3,478.72	2,502.16

A.) Terms of Repayment:

- (i) Secured loan includes Term loan of Rs 571.63 Lakhs and Corporate Loan of Rs 373.25 Lakhs from Saraswat bank obtained during the year. The loans are secured by hypothecation of Plant & Machinery and mortgage of Factory building at Ahmednagar and Land at Koregaon Bhima. Both term loan and corporate loan are to be repaid within 84 months with first instalment started from January 2019. Repayment expected within next 12 months of Rs. 93 Lakhs is shown under current maturities.
- (ii) Unsecured Term loan from others include gross amount of Loan of Rs. 1,317.17 Lakhs, which is repayable in 10 yearly instalment of Rs. 131.72 Lakhs starting from May, 2015.

Note - 19: Non Current Provisions

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Provision for employee benefits :		
(a) Gratuity	471.07	467.26
(b) Leave Encashment	66.93	63.22
Total	538.00	530.48

Note - 20: Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Others		
(i) Remeasurement of Long Term Liabilities as per Ind AS	1,281.09	1,516.42
	1,281.09	1,516.42

Note - 21: Current Borrowings

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Secured		
(a) Cash Credit Facility from Banks	993.77	1,011.21
Unsecured		
(a) Overdraft Facility from Banks	1,339.59	1,497.35
Total	2,333.37	2,508.56

Cash credit from banks are repayable on demand and are secured by hypothecation of Stock and Debtors (excluding Tata Motors Ltd.) and pari-passu second charge on factory land and building at Ahmednagar.

Note - 22: Trade payables

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Unsecured :		
(a) Trade payables	4,379.80	3,283.00
Total	4,379.80	3,283.00

Note - 23: Other Current Financial Liabilities

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Current maturities of long-term debt	225.38	192.38
(b) Interest accrued and due on borrowings	124.09	124.09
(c) Interest accrued but not due on borrowings	17.95	46.23
(d) Other payables		
(i) Premium payable on Redemption of Debentures	49.20	303.20
(ii) Capital Creditors	38.59	37.95
(iii) Other Liabilities	548.11	590.19
Total	1,003.32	1,294.03

Note - 24: Other Current Liabilities

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Other payables		
(i) Advance against Sales	6.91	73.52
(ii) Remeasurement of current maturities of Long Term Liabilities	192.15	184.23
(iii) Other Liabilities	128.35	96.07
Total	327.39	353.82

Note - 25: Current Provisions

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Provision for employee benefits :		
(i) Gratuity	416.07	331.94
(i) Leave Encashment	23.58	16.46
Total	439.65	348.40

Note - 25.1: 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" and "Employee Pension Schemes" Contributions are made at the rate as prescribed in the regulations. The Company has recognised following amount in the statement of profit and loss:

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Provident fund	46.89	44.13
Employees Pension Scheme	81.34	81.01
Total	128.23	125.15

b) Defined benefit plan
(i) Gratuity

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 Reliance Nippon Life Insurance Company Limited of India, to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Gratuity		
Non-current	471.07	467.26
Current	416.07	331.94
Total	887.15	799.20

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, 2019	31st March, 2018
Present value of obligation as at the beginning of the period	794.97	816.85
Interest cost	59.59	54.59
Current service cost	24.92	28.10
Benefits paid	(61.88)	(73.84)
Remeasurements on obligation - (gain) / loss	68.47	(30.73)
Present value of obligation as at the end of the period	886.07	794.97

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, 2019	31st March, 2018
Fair value of plan assets at the beginning of the period	20.52	7.36
Interest income	1.56	2.04
Contributions	58.05	72.00
Benefits paid	(59.11)	(67.28)
Monthly charges and Taxes	(0.98)	(8.42)
Transfer In / (Out)	-	19.35
Return on plan assets, excluding amount recognized in interest income-gain/(loss)	3.64	(4.52)
Fair value of plan assets as at the end of the period	23.68	20.52

Amounts recognised in the balance sheet are as follows:

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Present value of obligation as at the end of the period	886.07	794.97
Fair value of plan assets as at the end of the period	23.68	20.52
Surplus / (deficit)	(862.40)	(774.45)

Amounts recognised in the statement of profit and loss are as follows:

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Current service cost	24.92	28.10
Net interest (income) / expense	58.04	52.56
Net periodic benefit cost recognised in the statement of profit and loss	82.95	80.66

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

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Remeasurement for the year - obligation (gain) / loss	68.47	(30.73)
Remeasurement for the year - plan assets (gain) / loss	(3.64)	4.52
Total remeasurements cost / (credit) for the year	64.83	(26.21)

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

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Interest (income) / expense - obligation	59.59	54.59
Interest (income) / expense - plan assets	(1.56)	(2.04)
Net interest (income) / expense for the year	58.04	52.56

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

Particulars	31st March, 2019	31st March, 2018
Discount rate	7.70%	7.80%
Rate of increase in compensation levels	3.00%	3.00%
Expected rate of return on plan assets	7.80%	7.00%
Expected average remaining working lives of employees (in years)	11.87*	10.86*
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 are 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%) at a time:

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, 2019	31st March, 2018
Decrease by 1%	910.75	820.20
Increase by 1%	863.46	771.87

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, 2019	31st March, 2018
Decrease by 1%	867.84	775.88
Increase by 1%	905.71	815.51

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, 2019	31st March, 2018
Decrease by 1%	880.38	789.02
Increase by 1%	891.28	800.43

Note - 26: Revenue from operations

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Sale of Products	11,221.94	9,951.77
(b) Machining and Processing Receipts	226.51	278.14
(c) Other operating revenue	128.90	26.25
Total	11,577.35	10,256.16

Note - 27: Other income

(Rs. in Lakhs)

Particulars	31st March, 2018	31st March, 2017
(a) Interest Income		
(i) On Fixed Deposits	0.14	0.13
(ii) From Others	14.55	20.83
(b) Dividend Income from:		
(i) Long Term Investment	3.65	2.08
(ii) Short Term Investment	-	-
(c) Profit / (Loss) on sale of Assets	121.46	-
(d) Profit / (Loss) on sale of Investments	-	1.03
(e) Sundry Credit Balances Written Back	66.11	(0.50)
(f) Excess Provisions Written Back	1.26	-
(g) Amortisation of deferred financial assistance		
(i) From related parties	183.19	183.53
(ii) From others	33.20	33.20
(h) Others	375.77	351.48
Total	799.34	591.77

Note - 28 : Cost of material consumed

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Raw Material Consumed	5,468.41	4,137.49
(b) Stores and Spares Consumed	1,244.14	1,136.44
(c) Fabrication and Processing Charges	1,133.09	698.44
(d) Freight, Octroi and Forwarding Charges	58.48	64.15
Total	7,904.12	6,036.52

Note - 29: Changes in inventories of finished goods and work-in-progress

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Inventory at the end of the year		
(a) Finished Goods	5.48	5.48
(b) Work-In- Progress	1,601.30	1,076.96
Total	1,606.77	1,082.43
Inventory at the beginning of the year		
(a) Finished Goods	5.48	5.48
(b) Work-In- Progress	1,076.96	849.70
Total	1,082.43	855.18
Increase (-) / decrease (+) in inventories	(524.34)	(227.25)

Note - 30: Employee benefit expenses

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Salaries & wages	2,213.47	2,140.70
(b) Contributions to provident and other funds	135.59	130.73
(c) Gratuity	83.43	84.38
(d) Staff welfare expenses	95.78	73.39
Total	2,528.27	2,429.19

Note - 31: Finance costs

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Interest expense	388.12	308.29
(b) Unwinding of Loans		
(i) Related party loans	140.49	126.67
(ii) Other loans	44.89	49.19
(c) Other Borrowing Costs	24.73	11.35
Total	598.22	495.50

Note - 32: Other expenses

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
(a) Power & Fuel	973.48	873.13
(b) Repairs and Maintenance:		
(i) Plant and Machinery	161.27	196.79
(ii) Buildings	37.36	31.72
(iii) Others	2.71	1.79
(c) Rent	364.50	368.98
(d) Outward Freight Charges	138.81	132.26
(e) Packing and Forwarding Charges	124.55	108.50
(f) Legal, Professional & Consultancy Fee	104.85	109.55
(g) Rates and taxes	29.20	26.97
(h) Travelling Expenses	28.41	45.93
(i) Insurance	4.55	3.59
(j) Payments to auditor (Refer details below)	4.75	4.90
(k) Exchange (Gain) / Loss	(48.93)	(9.84)
(l) Excise Duty Paid (Net)	-	5.14
(m) Publicity & Sales Promotion	1.20	0.01
(n) Directors Fees & Travelling Expenses	0.69	1.16
(o) Miscellaneous Expenses	120.63	150.55
	2,048.02	2,051.15
Less: Expenses Capitalised	95.65	113.53
Total	1,952.37	1,937.61
Details of payments to Auditors		
Audit Fee	3.20	3.20
Tax Audit Fee	0.60	0.60
Limited review and Certification work	0.95	1.10
Total	4.75	4.90

Note - 33 : 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 need to be disclosed:

– 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 34 Financial instruments – Fair values and risk management

(Rs. in Lakhs)

31st March, 2019	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 *	-	59.38	-	59.38	-	59.38	-	59.38
Unquoted Preference Shares	-	590.00	-	590.00	-	-	590.00	590.00
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24
Current Financial Assets								
Current Investments	-	0.11	-	0.11	0.11	-	-	0.11
Trade Receivables	2,858.97	-	-	2,858.97	-	-	-	-
Cash and Cash Equivalents	34.02	-	-	34.02	-	-	-	-
Other Bank Balances	11.42	-	-	11.42	-	-	-	-
Loans	3.65	-	-	3.65	-	-	-	-
Other Financial Assets	5.04	-	-	5.04	-	-	-	-
	2,913.10	649.73	-	3,562.83	0.11	59.38	590.24	649.73
Non-Current Financial Liabilities								
Borrowings	3,478.72	-	-	3,478.72	-	-	-	-
Current Financial Liabilities								
Borrowings	2,333.37	-	-	2,333.37	-	-	-	-
Trade Payables	4,379.80	-	-	4,379.80	-	-	-	-
Other Financial Liabilities	1,003.32	-	-	1,003.32	-	-	-	-
	11,195.21	-	-	11,195.21	-	-	-	-

(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
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								
Borrowings	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	-	-	-	-

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 2.

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 35 : 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 institutions. For deposits in 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.

The ageing of trade receivables are as follows:

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Not past due date	2,403.36	2,044.65
Past due 1–90 days	179.02	231.95
Past due 91–180 days	127.38	73.82
Past due more than 180 days	149.21	192.26
Total Trade receivables	2,858.97	2,542.68

(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.

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, 2019	< 1 year	1 to 3 years	> 3 years
Non-derivative liabilities			
Borrowings	2,333.37	818.15	2,660.57
Trade payables	4,379.80	-	-
Other financial liabilities	1,003.32	-	-
Total non-derivative liabilities	7,716.48	818.15	2,660.57

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

(C) Market risk
(i) Foreign currency risk

Foreign 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 USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency which is not the Company's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

(a) The Company's exposure to foreign currency risk at the end of the year are as follows :-

(Amount in Lakhs)

Particulars	Currency	Exposure in F.C.	Exposure in INR
Financial Assets			
Trade receivables	USD		
As at March 31,2019		15.95	1,079.82
As at March 31,2018		12.59	807.27
Financial Liabilities			
Trade Payables	USD		
As at March 31,2019		0.13	8.65
As at March 31,2018		0.10	6.67
Net Exposure as at March 31,2019		15.82	1,071.17
Net Exposure as at March 31,2018		12.49	800.60

(b) Sensitivity Analysis :

(Rs. in Lakhs)

Withdrawal rate	Impact on profit before tax	
	31st March, 2019	31st March, 2018
USD sensitivity		
INR/USD -Increase by 5% *	53.56	40.03
INR/USD -Decrease by 5% *	(53.56)	(40.03)

*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, 2019	31st March, 2018
Change		
25 Basis Points increase	(14.96)	(12.39)
25 Basis Points decrease	14.96	12.39

Note 36 : Capital Management

The Company's objective for capital management is to maximize shareholder's 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 are as follow:

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Net debt	5,812.09	5,010.71
Less: Cash and Cash Equivalents	45.44	54.49
Less: Current Investments	0.11	1.03
Adjusted net (Cash)/Debt	5,766.54	4,955.19
Total equity	2,324.45	3,206.56
Net debt to equity ratio	2.48	1.55

Note 37 : 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 which involves predominantly one operating segment i.e. automotive components.

Note - 38: Contingencies and commitments

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Contingent Liabilities:		
a. Income Tax matter under appeal approx	66.22	66.22
b. Sales Tax matter under appeal	235.47	513.14
c. Excise Duty in dispute	460.38	575.71
d. ESIC liability in dispute	1.26	1.26
e. Municipal property Tax in dispute	9.16	9.16
f. Labour Cases	50.54	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
Commitments :		
On Capital Account	579.93	495.67

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) for which favourable decision was given by the Income Tax Appellate Tribunal, Pune on similar grounds in an earlier assessment year and demand of Rs. 186.12 (Rs. 186.12) Lakhs, 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 - 39 : Earnings per share

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Basic and diluted earnings per share		
a) Profit attributable to the equity holders of the company (Rs. In Lakhs)	(881.19)	(751.12)
b) Weighted average number of equity shares outstanding (Nos.)*	1,77,08,621	1,77,08,621
c) Earnings per share		
- Basic and diluted	(4.98)	(4.24)

Note 40 :

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 41 :

Issue of **4550** (4550) Bonus Shares and **480** (480) Rights shares have been kept in abeyance as per the provisions of the Companies Act.

Note 42 :

In terms of the Notification dated March 31, 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 non-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.1334.86 Lakhs (Rs.1550.80 Lakhs) has been carried in the Fixed Assets as on March 31, 2019.

Note 43 :
Disclosure as required under Micro Small and Medium Enterprises Development Act, 2006

(Rs. in Lakhs)

Particulars	As at March 31, 2019
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	214.30
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	5.59
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-
iv. The amount of interest due and payable for the year	5.59
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	5.59

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of information made available with the company.

Note 44 :

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 45 : 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.
 Kinetic kids Products Private Limited.
 Chrysalis Financial Services Pvt. Ltd.
 Chrysalis Casting Private Limited.
 Kinetic Taigene Electrical Co. Pvt. Ltd.
 Ducati Energia Pvt. Ltd.
 Kinetic Green Energy & Power Solutions Limited.
 Kinetic Motor Automotive Pvt. Ltd.
 MV Agusta India Private Limited.
 Motoroyale Kinetic Private Ltd.
 Norton Motoroyale (India) Private Ltd.

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
 Mr. Madipalli Venkataiah
 Mr. Rohit Prakash Bafana

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

(Rs. in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Jaya Hind Sciaky Ltd.		
Reimbursement of Expenses	0.53	0.55
Kinetic Green Energy & Power Solutions Limited		
Sale of Goods	0.73	-
Rendering of Services (Income)	15.68	-
Reimbursement of Expenses	10.54	8.98
Rent Received	2.83	2.81
Sale of Investment in Preference shares	60.00	-
Ducati Energia Pvt. Ltd.		
Purchase of Goods	1.09	9.43
Sale of Goods	0.42	2.14
MV Agusta India Private Limited		
Purchase of Goods	-	25.52
Rent Received	0.71	0.70
Kinetic Hyundai Elevator & Movement Technologies Ltd.		
Dividend Received	3.60	1.80
Kinetic Communications Ltd.		
Dividend Received	-	0.19
Mr. A. H. Firodia		
Rent Paid	0.05	0.05
Remuneration to Key Managerial Persons		
Mr. Ajinkya Firodia	58.39	53.61
Mr. Chaitanya koranne	51.53	18.35
Director Sitting Fee		
Mr. Jinendra Hirachand Munot	0.12	0.12
Mr. Ramesh Jankiram Kabra	0.12	0.20
Mr. Shirish Ratanlal Kotecha	0.14	0.20
Mrs. Jayashree Arun Firodia	0.08	0.04

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

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

Pawan Jain
 Partner
 Membership Number- 032900
 Firm Reg No.:0107867W

A. H. Firodia
 (Chairman)
 DIN:00057324

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

Place : Pune
Date : May 29, 2019

Chaitanya Koranne
 (Chief Executive Officer)

Deepal Shah
 (Company Secretary)



KINETIC

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 '**48th Annual General Meeting**' of the Company to be held on Wednesday, the 28th August, 2019 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.
190720001	

* 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 48th Annual General Meeting of the Company to be held on Wednesday, the 28th August, 2019 at 11.00 a.m.
- 2) The remote e-Voting period starts from 9.00 a.m. IST on Sunday, the 25th August, 2019 and ends at 5.00p.m. on Tuesday, the 27th August, 2019. 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/belalf at the 48th Annual General Meeting of the Company to be held on Wednesday, the 28th August, 2019 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, 2019, together with the Reports of Auditors and Directors thereon.		
Special Business			
2.	To Re-appoint Mr. Arun Hastimal Firodia (DIN: 00057324), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint Mr. Rajiv Ishwarlal Ranka (DIN: 392438) as Independent Director of the Company.		

Signed this _____ day of _____ 2019

Signature of the Shareholder _____

Affix a
15 paise
revenue
stamp

Signature of first proxy holder

Signature of Second proxy holder

Signature of third proxy holder

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 Hours before the commencement of the meeting.
- (2) * It is optional to put '✓' 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: Kinetik 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

VISION



KINETIC

A KINETIC IN EVERY AUTOMOBILE

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

PROMISE

- 1 QUALITY
- 2 COST COMPETITIVE
- 3 DELIVERY
- 4 INNOVATION
- 5 BEST PRACTICES



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

QUALITY POLICY

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



With over 45 years of automobile manufacturing experience and winner of "Export Excellence awards" for several 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.

www.kineticindia.com