



KINETIC ENGINEERING LIMITED

Registered Office: D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019, India,
Tel.: +91-20-66142049 Fax: +91-20-66142088/89 CIN: L35912MH1970PLC014819
kelinvestors@kineticindia.com www.kineticindia.com

To,
The Shareholders,
Kinetic Engineering Limited (the “Company”)

Notice is hereby given, pursuant to Section 110 and other applicable provisions if any, of the Companies Act, 2013, (“Act”), read with the Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), including any statutory modification to or reenactment thereof, that the appended resolutions (“Proposed Resolutions”) are proposed to be passed as special resolutions by means of postal ballot/voting through electronic mode (“E-voting”). The Proposed Resolutions and Explanatory Statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto along with a postal ballot form for your consideration.

Please note that that in compliance with the provisions of Section 110 of the Act read with Rule 22 of the Rules and Clause 35B of the Listing Agreement with Stock Exchanges, the Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide the members with the facility of E-voting. A member may opt to cast their vote by electronic mode instead of casting the vote through the postal ballot form (enclosed herewith).

The Board of Directors of the Company have appointed Mr. Devendra Deshpande, Practicing Company Secretary (Membership No. FCS 6099) as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

If you intend to cast your vote through the postal ballot form please read the instructions printed on the postal ballot form for casting of vote and return the form duly completed and signed in the enclosed self-addressed postage pre-paid business reply envelope so as to reach the Scrutinizer at the Link Intime India Private Limited, Unit: Kinetic Engineering Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078 on or before the close of working hours (i.e. 5.00 p.m. IST) on Thursday, 04th June, 2015. Please note that postal ballot forms received after the said date will not be valid and shall be treated as if the reply from the member had not been received. If you intend to cast your vote by the electronic mode, please do so in accordance with the **procedure / instructions for e-voting** as set out in the notes to this Notice.

Kindly note that members can opt for only one mode of voting i.e. either by way of the postal ballot notice or E-voting. If you are opting for E-voting, then do not vote by way of the postal ballot form also and vice versa. However, in case a member has voted both in physical as well as e-voting, then voting done through E-voting shall prevail and voting done by physical form shall be treated as invalid.

The Scrutinizer will submit his report to the Chairman of the Board of Directors of the Company after completion of the scrutiny of the votes cast through postal ballot forms and the votes cast by E-voting. The Chairman of the Board of Directors of the Company or, in his absence, any Director of the Company or the Company Secretary of the Company will announce the results of the postal ballot on Monday, 08th June, 2015 at 4.00 p.m. at the registered office of the Company situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019, Maharashtra.

The results will be displayed at the registered office of the Company besides being communicated to the stock exchanges on which the Company's equity shares are listed. In addition, the results will be displayed on the website of the Company viz. **www.kineticindia.com**. The declaration/announcement of the results of the postal ballot by the Chairman or any Director or Company Secretary of the Company as stated above shall be treated as declaration of results at a general meeting of the members as per the provisions of the Companies Act, 2013 and applicable rules made thereunder.

By Order of the Board
For Kinetic Engineering Limited

Rohit Purandare
Company Secretary
Membership Number – A25701

Date : 20th April, 2015
Place : Pune

PROPOSED RESOLUTION

1. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, and the Rules made there under (including any statutory modification or re-enactment thereof for the time being in force), subject to such approvals, consents, sanctions and permissions, as may be necessary, and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any persons or other body corporate, to provide guarantees or security in connection with a loan to any other body corporate or persons and/ or to acquire by way of subscription, purchase or otherwise, the securities of any body corporate upto an aggregate amount not exceeding Rs. 12,00,00,000/- (Rupees Twelve Crore Only) including the existing loans /

guarantees / security provided or investments made by the Company, on such terms and conditions as the Board may, subject to applicable laws, deem fit, notwithstanding that the aggregate of the loans or guarantees or security so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of the Company be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments, loans or guarantees and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate, and to delegate all or any of these powers to any committee of the Board or any director or officer of the Company or any other person.”

By Order of the Board
For **Kinetic Engineering Limited**

Rohit Purandare
Company Secretary
Membership Number – A25701

Date : 20th April, 2015

Place : Pune

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, giving reasons for the proposed Special Resolution stating out material facts in annexed hereto.
2. Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (the “Rules”), the item of the business as set out in the Notice are sought to be passed by E-voting & Postal Ballot.
3. The Company has appointed Mr. Devendra Deshpande, Practicing Company Secretary (Membership No. FCS 6099) as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.
4. In compliance with Clause 35B of the Listing Agreement and provisions of Section 110 of the Companies Act, 2013 read with Rules, the Company is pleased to offer E-voting facility to all its members to enable them to cast their votes electronically. This notice is being sent to all the members, whose names appear in the Register of Members/ list of Beneficial Owners as received from National Securities Depository Services Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on the close of working hours on Friday, 17th April, 2015, i.e. “the Cut-off date”. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on Friday, 17th April, 2015 being the cut-off Date. E-voting is optional for members. In case a Member has voted through e-voting facility, he / she is not required to send the Physical Form. In case a Member votes through e-voting facility as well as send his/her vote through Physical Form, the vote casted through e-voting shall be considered and the voting through physical form shall be ignored by the Scrutinizer.
5. You are requested to carefully read the instructions printed in the postal ballot form attached hereto, and if you are **not** voting electronically, fill up the Form, give your assent or dissent on the resolution at the end of the form and return the duly completed and signed form (no other form is permitted) in the enclosed self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the closure of working hours (i.e. 5.00 p.m. IST) on Thursday, 04th June, 2015. Envelope containing postal ballot forms, if sent by courier or by registered post at the expense of the member will also be accepted. However, the Postal Ballot Forms received after the stipulated day and time will be strictly treated as if no reply has been received from the member.
6. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny. The Chairman will, or in his absence any Director of the Company or the Company Secretary of the Company will announce the results of the Postal Ballot on Monday, 08th June, 2015 at 4.00 p.m. at the registered office of the Company situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019 , Maharashtra. The date of declaration of postal ballot result will be taken to be the date of passing the Special Resolution. The said result would be displayed at the notice board of the Registered Office of the Company, intimated to the Stock Exchange where the Company's shares is listed and displayed on the Company's Website viz. 'www.kineticindia.com'.
7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the Office Hours on all working days except Sunday between 11:00 a.m. and 2:00 p.m. upto Thursday, 04th June, 2015.
8. **The instructions for shareholders voting electronically are as under:**
 - (i) The voting period begins on Wednesday, 06th May, 2015 at 9:00 a.m. and ends on Thursday, 04th June, 2015 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, April 17, 2015, 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 first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.

The following Statement sets out all material facts relating to the Proposed Resolutions mentioned in the accompanying Notice:

Item No. 1

As per the provisions of Section 186 of the Companies Act, 2013 (the “Act”), the Company cannot directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, except with the prior approval of the members of the Company by means of a special resolution passed at a general meeting.

The aggregate of actual investments made, loans granted and guarantees given as on the date of this notice stood at Rs. 48,16,000/- which includes the previous investments, loans and guarantees given.

The Company is well versed in the fields of engineering & manufacturing of all transmission components (gears, shafts, axles etc), engine components (crankshafts, cylinder heads, camshafts etc), complete gearbox & engine assemblies for auto & non auto products etc. The Company has taken various initiatives to tap future opportunities and thereby attain further growth of the business of the Company.

The increasing business operations and future growth plans of the Company may necessitate providing loans or giving guarantees or providing security to body corporate(s) or other person (s) or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, over a period of time.

Therefore, it is necessary under Section 186 of the Companies Act, 2013, to seek approval from members of the Company to give powers to the Board of Directors or any duly constituted Committee thereof or any person(s) duly authorized by the Board, for providing loans to any other body corporate or person or give guarantee or provide security in connection with loans to any other body corporate or person or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate for an amount not exceeding Rs. 12,00,00,000/- (Rupees Twelve Crore Only).

The investment(s) made, loan(s) advanced and guarantee(s) and security (ies) provided, as the case may be, will be made in accordance with the applicable provisions of the Act and relevant rules made there under.

In accordance with Section 186(4) of the Act the company shall disclose to the members in the financial statement the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security.

As per the provisions of Rule 22(16)(j) of the Companies (Management and Administration) Rules, 2014, the resolution for giving loan or extending guarantee or providing security or acquiring securities in excess of the limit as specified under Section 186(2) of the Act has to be passed through postal ballot (which includes e-voting).

The Board recommends the resolution as set out at Item No. 1 of the Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the aforesaid Special Resolution save and except to the extent of their directorship /shareholding, if any, in any of the entities mentioned in the resolution.

By Order of the Board
For **Kinetic Engineering Limited**

Rohit Purandare
Company Secretary
Membership Number – A25701

Date : 20th April, 2015
Place : Pune



KINETIC ENGINEERING LIMITED

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POSTAL BALLOT FORM

Sr. No.

- (1) Name & Registered Address of the sole/first named shareholder:
(In Block Letters)

- (2) Name(s) of the joint holder(s)
(if any):

- (3) Registered Folio No. / DP ID/Client ID No.*:
*(Applicable to investors holding shares in dematerialised form)

- (4) Number of Shares held:

- (5) I / We hereby exercise my/our vote in respect of the special resolution to be passed through Postal Ballot for business stated in the Notice of the Company dated 20th April, 2015, by conveying my / our assent / dissent to the said resolution reading as under by placing the tick (✓) mark at the appropriate box below

Description	No. of shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
Special Resolution authorising the Board of Directors of the Company, for providing loans to any other body corporate or person or give guarantee or provide security in connection with loans to any other body corporate or person or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate for an amount not exceeding Rs. 12,00,00,000/- (Rupees Twelve Crore Only).			

Place :

Date :

(Signature of the Shareholder/Beneficial owner)

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	Default PAN*
150421005	

* Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the PAN field.

Note: Please read carefully the instructions printed overleaf before exercising your vote

P.T.O.

INSTRUCTIONS

1. Members entitled to vote and desiring to exercise vote by ballot may complete this Ballot Form and send it to the Scrutinizer, Mr. Devendra Deshpande, C/o LINK INTIME INDIA PRIVATE LIMITED, Unit: KINETIC ENGINEERING LIMITED, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078, in the attached pre-paid self-addressed business reply envelope, so as to reach by 5:00 p.m. on Thursday, 04th June, 2015. However, envelopes containing Ballot if deposited in person or sent by courier at expenses of the registered Shareholder will also be accepted. All Ballot Form (s) received after this date will be strictly treated as if reply from such shareholder has not been received.
2. A Shareholder can opt for only one mode of voting i.e. either through e-voting or by ballot. If a Shareholder casts vote by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of Postal Ballot.
4. This Ballot Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/Depository Participant). In case of joint holder, this form should be completed and signed by the first named Shareholder and in his / her absence, by the next named Shareholder.
5. Photo copy of the Ballot Form will be treated as invalid. Incomplete / Unsigned Ballot Forms will be rejected.
6. In case of shares held by companies, trusts, societies, etc., the duly completed Ballot Form should be accompanied by a certified true copy of Board Resolution / Authority Letter together with attested specimen signature(s) of the authorized signatory(es). A shareholder may sign the form through an Attorney appointed specifically for this purpose, in which case an attested copy of Power of Attorney should be attested to the Ballot Form.
7. There will be only one Ballot Form for every Folio/Dp Id & Client Id irrespective of the number of joint holders.
8. The right of voting by Ballot Form shall not be exercised by Proxy.
9. Voting rights shall be reckoned on the paid-up value of shares registered in the name of shareholders on the cut-off date i.e. Friday, 17th April, 2015.
10. Shareholders are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed business reply envelope addressed to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
11. The Scrutinizer's decision on the validity of the Postal Ballot Forms shall be final and binding.
12. The Company will not be responsible if the envelope containing Ballot Form is lost in transit.
13. A Shareholder may request for a duplicate Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date and time specified at Item No. 1 above.
14. The Company is also offering e-voting facility as an alternate, for all the eligible Members to enable them to cast their vote electronically instead of dispatching Ballot Form. The detailed procedure is enumerated in the Notes to the Postal Ballot Notice.
15. Voting Result will be declared at the Registered Office of the Company in the manner specified in the Notice. The results will be thereafter communicated to the Stock Exchange for the information of the Shareholders. The results will also be posted on the website of the Company www.kineticindia.com