

**KINETIC ENGINEERING LIMITED**

Regd. Office : Kinetic Innovation Park, D-1 Block,  
Plot No. 18/2, H. K. Firodia Road, MIDC,  
Chinchwad, Pune - 411 019. (India)

Tele. : +91-20-66142049  
Fax : +91-20-66142088 / 89

CIN : L35912MH1970PLC014819

Website : www.kineticindia.com

Date: 12.02.2018

To,

**BSE Ltd.**

Dept. of Corporate Services,  
Gr. Floor, P.J. Towers,  
Dalal Street, Fort, Mumbai- 400 001  
Fax Nos. 022-22723121

**Scrip ID : 500240**

**Reference: Outcome of the Board Meeting and submission of Unaudited financial Results for the quarter ended 31<sup>st</sup> December, 2017.**

**Subject : Disclosure under Regulation 30 read with Schedule III (Part A) of the SEBI(Listing Obligation & Disclosure Requirements) Regulation, 2015.**

Dear Sir/Madam,

We wish to inform that the Board of Directors of the Company, at its meeting held today i.e. 12<sup>th</sup> February, 2018 commenced at 12:15 pm and concluded at 03:50 p.m. has *inter alia* transacted the following business:

1. The Board approved the Unaudited Financial Results of the Company for the Third Quarter ended on 31<sup>st</sup> December, 2017 along with the Limited Review Report, which are attached herewith.
2. Approval of alteration of Memorandum of Association of the Company.
3. Approval of alteration of Articles of Association of the Company.
4. Approval to reiteration of Resolution no. 4 passed by the members of the Company in the 44<sup>th</sup> AGM held on 30<sup>th</sup> September, 2015 pertaining to the issue of equity shares on preferential basis.
5. Approval to reiteration of Resolution no. 1 passed by the members of the Company through Postal Ballot dated 12<sup>th</sup> June, 2016, pertaining to the issue of equity shares on preferential basis.
6. Approval to reiteration of Resolution no. 2 passed by the members of the Company through Postal Ballot dated 12<sup>th</sup> June, 2016, pertaining to the issue of preference shares on preferential basis.
7. Approval to reiteration of Resolution no. 1 passed by the members of the Company through Postal Ballot dated 15<sup>th</sup> May, 2017, pertaining to the issue of equity shares on preferential basis.

Thanking you,

For Kinetic Engineering Limited

Deepal Shah  
Company Secretary



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**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND NINE MONTHS ENDED 31st DECEMBER, 2017**

(Rs. In Lakhs)

Sr. No.	Particulars	Quarter ended			Year to date	
		31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016
		(3 months)	(3 months)	(3 months)	(9 months)	(9 months)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	<b>Income from Operations</b>					
	(a) Net Sales / Income from Operations (Including excise duty)	2,297	2,621	2,118	7,436	5,934
	(b) Other Operating Income	6	7	6	19	27
	<b>(c) Revenue from Operations (a + b)</b>	<b>2,303</b>	<b>2,628</b>	<b>2,123</b>	<b>7,455</b>	<b>5,961</b>
	<b>(d) Other Income</b>	<b>149</b>	<b>142</b>	<b>134</b>	<b>434</b>	<b>411</b>
	<b>Total Income (c+d)</b>	<b>2,452</b>	<b>2,770</b>	<b>2,257</b>	<b>7,889</b>	<b>6,372</b>
2	<b>Expenses</b>					
	(a) Cost of material consumed	1,405	1,572	1,292	4,264	3,346
	(b) Purchases of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(50)	(88)	(34)	(110)	(129)
	(d) Excise Duty on Sales	(1)	(2)	161	162	454
	(e) Employee benefits expenses	615	636	548	1,849	1,594
	(f) Finance costs	123	124	135	367	374
	(g) Depreciation and amortization expense	207	189	204	597	610
	(h) Exchange (Gain)/Loss	11	(7)	(12)	5	(23)
	(i) Other expenses	462	451	419	1,394	1,234
	<b>Total Expenses</b>	<b>2,772</b>	<b>2,875</b>	<b>2,713</b>	<b>8,529</b>	<b>7,461</b>
3	<b>Profit / (Loss) from before tax (2-3)</b>	<b>(321)</b>	<b>(105)</b>	<b>(456)</b>	<b>(640)</b>	<b>(1,088)</b>
4	Tax Expenses					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax	-	-	-	-	-
	Total Tax Expenses	-	-	-	-	-
5	<b>Net Profit / (Loss) after tax (3-4)</b>	<b>(321)</b>	<b>(105)</b>	<b>(456)</b>	<b>(640)</b>	<b>(1,088)</b>
6	<b>Other Comprehensive Income (Net of Tax)</b>					
	(a) Items that will not be reclassified to Profit or Loss					
	(i) Re-measurement of the net defined benefit plan	-	-	(14)	-	(43)
	(ii) Income Tax Effect	-	-	-	-	-
	<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>(43)</b>
7	<b>Total Comprehensive Income for the period (5+6)</b>	<b>(321)</b>	<b>(105)</b>	<b>(470)</b>	<b>(640)</b>	<b>(1,131)</b>
8	Paid-up Equity share capital (Face value of Rs. 10/- per share)	1,673	1,673	1,673	1,673	1,673
9	<b>Earnings Per Share (of Rs. 10/- each) (not annualized)</b>					
	(a) Basic	(1.92)	(0.63)	(2.81)	(3.82)	(6.76)
	(b) Diluted	(1.92)	(0.63)	(2.81)	(3.82)	(6.76)

**Notes:**

- The above results are reviewed and recommended by the Audit Committee and taken on record and approved by the Board of Directors in its meeting held on 12th February 2018.
- In accordance with the requirements of Ind AS, Revenue from Operations for the quarter ended December 31, 2017 is net of Goods and Service Tax (GST). However, Revenue from Operations for the period upto June 30, 2017 is inclusive of excise duty.



- 3 The auditors have carried out limited review of the above results for the quarter ended 31st December 2017. Ind AS compliant financials results for the quarter ended 31st December 2016 have not been subjected to limited review. However, the management has exercised necessary due diligence to ensure that the financial results for the said quarter provide a true and fair view of the affairs of the company.
- 4 Figures for the previous periods have been regrouped / reclassified, wherever necessary, to conform to current period's presentation.
- 5 Deferred Tax Asset in respect of carried forward losses is recognized to the extent of Deferred Tax Liability.
- 6 Consequent to transition from previous Indian GAAP to Ind AS, the reconciliation of total comprehensive income for the quarter and Nine Months ended on 31st December 2016 is provided as below for previous period presented, in accordance with Ind AS:-

Particulars	(Rs. In Lakhs)	
	Quarter ended December 31,2016	Nine Months ended December 31,2016
<b>Net Profit/(Loss) as per previous Indian GAAP</b>	(485)	(1,175)
<b>Add/(Less): Adjustment pursuant to adoption of IND AS</b>		
Fair Valuation of Unsecured loan from Promoters (net) (refer note 8.)	17	51
Fair Valuation of Investment (refer note 9.)	3	8
Actuarial gains/ loss on post employment defined benefit plans (refer note 10.)	14	43
Fair Value of concessional interest loan (net) (refer note 11.)	(5)	(15)
Deferred tax impact on above adjustment less deferred tax assets (adjustment to the extent of deferred tax liability (Refer Note 5.))	-	-
<b>Net Profit/(Loss) for the period as per IND-AS</b>	<b>(456)</b>	<b>(1,088)</b>
<b>Other Comprehensive Income (OCI)</b>		
Actuarial gains/ loss on post employment defined benefit plans (refer note 10.)	(14)	(43)
Deferred tax impact on above adjustment less deferred tax assets (adjustment to the extent of deferred tax liability (Refer Note 5.))	-	-
<b>Total Other Comprehensive Income</b>	<b>(14)</b>	<b>(43)</b>
<b>Total Comprehensive Income as per IND AS</b>	<b>(470)</b>	<b>(1,131)</b>

7 **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, though the preference shares are treated as debt, no provision for dividend under finance cost has been considered necessary.

8 **Unsecured loan from Promoters**

Under Ind AS, unsecured loan from promoters is recognised at its fair value. The difference between the transaction value and fair value on initial recognition is treated as "deferred financial assistance from promoters" as a liability.

Finance charges on account of unwinding of unsecured loan for the year ended 31st March 2017 are Rs. 115 Lakhs (for the quarter ended 31st December 2016 are Rs. 29 Lakhs) and for the quarter ended 31st December 2017 are Rs. 32 Lakhs and Nine months ended 31st December 2017 are Rs.95 Lakhs.

Income recognised on account of deferred financial assistance from promoters on straight line method for the year ended 31st March 2017 is Rs. 184 Lakhs (for the quarter ended 31st December 2016 is Rs. 46 Lakhs) and for the quarter ended 31 st December 2017 is Rs. 46 Lakhs and Nine months ended 31st December 2017 are Rs.138 Lakhs.

9 **Fair Valuation of Investment**

Under Ind AS, non current investments which are not considered as strategic investments and current investments are classified as "Fair value through profit or loss" and are measured at fair value at each reporting date. The subsequent changes in fair value of such investments are recognised in statement of profit and loss.

Gain on fair valuation as at 1st April 2016 (transferred to retained earnings) is Rs. 28 Lakhs

Gain on fair valuation for the year ended 31st March 2017 is Rs.10 Lakhs (for the quarter ended 31st December 2016 is Rs. 3 Lakhs) and for the quarter ended 31st December 2017 is Rs. 0.10 Lakhs and nine months ended 31st December 2017 are Rs.0.16 Lakhs.

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**Actuarial gains/ loss on post employment defined benefit plans**

Under Ind AS, re-measurement which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

Actuarial Loss reclassified to OCI for the year ended 31st March 2017 is Rs. 57 Lakhs (proportionate for the quarter ended 31st December 2016 is Rs. 14 Lakhs).

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**Fair Value of concessional interest loan**

Under Ind AS, concessional interest loan is recognised at its fair value. The difference between the transaction value and fair value on initial recognition is treated as "deferred assistance from CSIR" as a liability.

Finance charges on account of unwinding of concessional interest loan for the year ended 31st March 2017 are Rs. 53 Lakhs (for the quarter ended 31st December 2016 are Rs. 13 Lakhs) and for the quarter ended 31st December 2017 are Rs. 12 Lakhs and Nine months ended December 2017 are Rs.37 Lakhs.

Income recognised on account of deferred financial assistance from CSIR on straight line method for the year ended 31st March 2017 is Rs. 33 Lakhs (for the quarter ended 31st December 2016 is Rs. 8 Lakhs) and for the quarter ended 31st December 2017 is Rs. 8 Lakhs and Nine months ended 31st December 2017 are Rs.25 Lakhs.

Place : Pune

Date : 12th February 2018

For Kinetic Engineering Limited

  
Ajinkya Arun Firodia  
Managing Director & CFO  
DIN: 00332204





# PAWAN JAIN & ASSOCIATES

## CHARTERED ACCOUNTANTS

CA. PAWAN JAIN  
F.C.A. DISA  
CA. MARIA JAIN  
ACA

Tel : (020)60500788 / 8999856508  
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### Limited Review Report


To the Board of Directors,  
Kinetic Engineering Limited.

We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Kinetic Engineering Limited** for the period ended **31<sup>st</sup> December 2017** attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5<sup>th</sup> July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M/s Pawan Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 0107867W

  
**Pawan Jain**  
Partner  
Membership No.: 032900  
Place: Pune  
Date: 12<sup>th</sup> February, 2018



**Head Office** : 301/2, Trade Net (LIC) Bldg., Above Maruti Car Showroom, Next to Phoenix Mall,  
Viman Nagar Corner, Nagar Road, Pune - 411 014.

**Branch** : 3/41, Hermes Paras Society, Opp. Mercedes Car Showroom, Near Multiplex Theatre,  
Kalyani Nagar, Pune - 411 006.