



CELEBRATING 50 YEARS OF KINETIC

KEL:SH:SE

Date: 11 July 2023

To
The Manager - Corporate Relationship Department
BSE Limited, 1st Floor,
Phiroze Jeejeebhoy Towers,
Fort, Mumbai- 400 001
Maharashtra, India

Scrip Code: BSE-500240

Subject: Press Release

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of a Press Release.

This is for your information and records.

Thanking you.

Yours faithfully,
For Kinetic Engineering Limited



Chaitanya Mundra
Company Secretary and Compliance Officer

KINETIC ENGINEERING LTD

HEAD OFFICE:
Kinetic Innovation Park
D-1 Block, 18/2 MIDC, Chinchwad,
Pune, Maharashtra 411019, India

FACTORY:
Kinetic Manufacturing Plant
Nagar-Daund Road,
Ahmednagar 414001, India

CONTACT:
+91 20 66142049
www.KineticIndia.com
CIN:L35912MH1970PLC014819



In a confident tone, Kinetic Engineering Limited to raise Rs.54 Cr by way of equity issue & OCCPS issue to Promoters and Sale of Non-core assets

To use the funds for Expansion, Debt Reduction and EV Subsidiary Investment

- *The funds will be used to reduce the debt by Rs. 18 crores.*
- *The funds will be allocated for the expansion of KEL, amounting to Rs. 13 to 15 crores.*
- *The investment in the EV subsidiary KWVL will be Rs. 22-23 crores.*
- *The Promoter stake holding will increase from 54.68% to 59.35%*

Pune, 11th July 2023: Kinetic Engineering Limited, the flagship company which completed 50 years recently seems to be very bullish on the future. The company, in its recently concluded board meeting, has approved the raising over Rs 54 crores from various available sources including promoters & sale of its non-core assets. Accordingly, the board approved the issue of 22.85 Lakh equity shares on preferential basis, to promoters & promoter group companies totaling Rs. 26.27 Cr at a price of Rs. 115 per share (including a premium of Rs 105 per share). This is the 3rd year in a row where promoters have increased their stake in the company, which will stand at 59.35%. The previous year's conversion includes 9,95,000 shares in 2021-22 & 11,72,879 shares in 2022-23. In addition to the same, the board further approved Optionally Convertible Cumulative Preference Shares (OCCPS) totaling to Rs. 2.18 Cr to Jayashree Firodia Trust, part of the promoter group. In this manner nearly Rs 28 crores shall be raised by the company through equity, significantly increasing its Net Worth.

In addition, the board also approved the sale of excess land parcels of the company at a consideration of Rs. 25.50 Cr, after following due process including valuation done by a Registered Valuer.

Speaking on this big development, Mr. Ajinkya Firodia, Managing Director, Kinetic Engineering Limited, said "KEL has completed its restructuring of auto-components & turned around its operations over the past 3 years and achieved continuous growth in Net Profit during the last couple of years. Now we strongly believe time has come to cash in on all the efforts, learnings & opportunities that lie ahead in our current business & future potential. We would like to utilize these funds for three main goals:

- Build a healthy balance sheet by further reducing debt of Rs 18 Cr



- Build a strong auto-component business by revamping our facilities, investing in new equipment, investing for new business and in working capital & capex in KEL to the tune of Rs 13 to 15 Cr
- Build a strong future in EV by capitalizing its subsidiary company, Kinetic Watts & Volts Ltd. (KWVL), with additional equity of Rs. 22 to 23 Cr”

He further explained that “In the current business, existing customers including prestigious players such as Mahindra & Mahindra as well as American Axle have indicated various new business opportunities in transmission & axle domain. Further the company is in process of adding new customers including Sonalika tractors & Case New Holland. It is also bullish on the new product line of making chassis for 2 & 3 wheelers beginning with the very exciting project for E-Luna. All these opportunities require a focus on revamping the facilities, working capital, new machinery & capacity enhancement. KWVL shall continue to tap the glorious opportunity in the booming EV space where KEL has already developed axles, chassis & various other parts. It recently revived and restructured its paint shop & CED shop to offer fully painted body parts to EV players. Various other plans in EV space are underway and shall be revealed in stepwise manner as they fructify.”

“The opportunities are huge. The time is ripe. So we are moving ahead confidently to make it happen. After all, all Kinetic stakeholders, deserve the best,” added Mr. Firodia.

About Kinetic Engineering Limited

Kinetic Engineering Limited is the flagship company of the Kinetic Group with five decades of manufacturing experience. The Pune based company, which has been in the industry for over five decades, has been a pioneer in the automotive industry. The company’s manufacturing unit in Ahmednagar is spread over 70 acres and has over 800 employees, 32 manufacturing sheds and more than 400 machines. All of KEL’s products are IATF 16949 certified. The company, which is headquartered in Pune manufactures about 100 different auto components and stands by its vision of ‘Kinetic in every automobile’. KEL’s esteemed customer list includes Renault, American Axle, TATA Motors, Mahindra & Mahindra, Ashok Leyland, Magna Powertrain, Bombardier Recreational products, and many others. It has over 800 employees at its large manufacturing plant in Ahmednagar, while its corporate office is based in Chinchwad, Pune. Kinetic Engineering Limited stock is quoted on the BSE: 500240.