

No. CARE/HO/GEN/2026-27/1058

**The Board of Directors
Kinetic Engineering Limited**

D-1 Block, Plot No. 18/2,
MIDC, Chinchwad,
Pune – 411019,
Maharashtra, India

May 14, 2026

Dear Sir,

Monitoring Agency Report for the quarter ended March 31, 2026 - in relation to the Preferential Issue of Kinetic Engineering Limited ("the Company")

We write in our capacity of Monitoring Agency for the Preferential Issue for the amount aggregating to Rs.166.84 crore of the company and refer to our duties cast under Regulation 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2026 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 02/25/2025.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully



Ashish A Kambli

Associate Director

Ashish.K@careedge.in

Report of the Monitoring Agency

Name of the issuer: Kinetic Engineering Limited

For quarter ended: March 31, 2026.

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: NIL

(b) Range of Deviation: NIL

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have a credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name of the Authorized Signatory: Ashish A Kambli

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of issuer : Kinetic Engineering Limited
 Name of the promoter : Jayashree Arun Firodia, Ajinkya Arun Firodia, Arun Hastimal Firodia, Sulajja Firodia Motwani,
 Jayashree Firodia Trust, Micro Age Instruments Pvt Ltd
 Industry/sector to which it belongs : Auto Ancillaries

2) Issue Details

Issue Period : 18 months from date of allotment
 Type of issue (public/rights) : Share warrants issued to Promoter & Non-Promoter Category
 Type of specified securities : Warrants convertible into equity shares
 IPO Grading, if any : Not Applicable
 Issue size (in crore) : Rs. 177.10 crore (Note 1)

Note 1:

The company offered 1,03,56,725 fully convertible warrants, each convertible into one equity share of face value Rs.10, to the Promoter and Non-Promoter groups on a preferential basis in one or more tranches, at an issue price of Rs.171 per warrant, aggregating to Rs.177.10 crore. However, subscription was received for only 97,56,725 warrants, resulting in undersubscription of the issue. Accordingly, the total issue was reduced to Rs.166.84 crore.

3) Details of the arrangement made to ensure the monitoring of the issue proceeds:

| Particulars | Reply | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|---|----------------|--|---|------------------------------------|
| Whether all utilization is as per the disclosures in the Offer Document? | Yes | Chartered Accountant certificate*, Board resolution (BR) dated March 11, 2026, Bank statements, Confirmation from Counterparty and FD receipts | Utilization of gross proceeds is in line with the objects of the preferential issue (PI). During the quarter, the company has again reallocated the cost of objects vide board resolution (BR) dated March 11, 2026 wherein amount towards Solar capex and payment of overdue liability was reduced and towards working capital requirements was increased. | No comments received |
| Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document? | Not applicable | Not applicable | Not applicable | No comments received |
| Whether the means of finance for the disclosed objects of the issue have changed? | Yes | Bank Statements, BR dated May 13, 2025. | The issue size has reduced from Rs.177.10 crore to Rs.166.84 crore due to undersubscription. The board approval for revised cost for objects was taken on May 13, 2025. Subsequently, the company has again reallocated | No comments received |

| Particulars | Reply | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|--|----------------|--|---|------------------------------------|
| Is there any major deviation observed over the earlier monitoring agency reports? | No | Previous monitoring agency report | Not applicable | No comments received |
| Whether all Government/statutory approvals related to the object(s) have been obtained? | Not applicable | Not applicable | - | No comments received |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation? | Not applicable | Not applicable | Not applicable | No comments received |
| Are there any favorable/unfavorable events affecting the viability of these object(s)? | Yes | Not applicable | Undersubscription in the issue may affect the viability of the objects. | No comments received |
| Is there any other relevant information that may materially affect the decision making of the investors? | Not applicable | Not applicable | Not applicable | No comments received |

*Chartered Accountant certificate from Pawan Jain & Associates dated April 18, 2026.

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Original cost (as per the Offer Document) in Rs. Crore | Revised cost vide BR dated | | Comments of the Monitoring Agency | Comments of the Board of Directors | | |
|--------|----------------------------------|--|--|--|--|---|------------------------------------|---------------------------|--|
| | | | | Cost vide BR dated May 13, 2025 in Rs. Crore | Revised BR dated March 11, 2026 in Rs. crore | | Reason for cost revision | Proposed financing option | Particulars of -firm arrangements made |
| 1 | Redemption of Preference Shares | As per Postal Ballot Notice [^] , Management Confirmation and Chartered Accountant Certificate* | 19.64 | 19.64 | 19.64 | Revision due to Undersubscription by the non-promoter allottee. Revised cost was approved by board on May 13, 2025. Subsequently, the | No comments received | No comments received | No comments received |
| 2 | Payment of Overdue Liabilities | | 5.36 | 5.36 | 4.82 | | | | |
| 3 | Investment in Subsidiary Company | | 120.00 | 120.00 | 120.00 | | | | |

| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Original cost (as per the Offer Document) in Rs. Crore | Revised Cost vide BR dated 13, 2025 in Rs. Crore | Revised cost vide BR dated March 11, 2026 in Rs. crore | Comments of the Monitoring Agency | Comments of the Board of Directors | | |
|--------------|-------------------------------|--|--|--|--|--|------------------------------------|---------------------------|--|
| | | | | | | | Reason for cost revision | Proposed financing option | Particulars of -firm arrangements made |
| 4 | Capex including Solar Project | | 12.00 | 12.00 | 7.00 | company has again reallocated the cost of objects vide board resolution dated March 11, 2026 | | | |
| 5 | Working Capital Requirements | | 10.10 | 8.00 | 13.54 | | | | |
| 6 | General Corporate Purpose | | 10.00 | 1.84 | 1.84 | | | | |
| Total | | | 177.10 | 166.84 | 166.84 | | | | |

^ Sourced from page 16 of the postal ballot notice and page 1 of corrigendum to postal ballot notice.

*Chartered Accountant certificate from Pawan Jain & Associates dated April 18, 2026.

(ii) Progress in the objects –

| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document in Rs. Crore | Revised cost in Rs. Crore^ | Total amount raised till Q4FY26 | Amount utilised in Rs. Crore | | | Total unutilised amount in Rs. crore | Comments of the Monitoring Agency | Comments of the Board of Directors | |
|--------|----------------------------------|---|---|----------------------------|---------------------------------|---|---------------------------------|--|--------------------------------------|---|------------------------------------|---------------------------|
| | | | | | | As at beginning of the quarter in Rs. Crore | During the quarter in Rs. Crore | At the end of the quarter in Rs. Crore | | | Reasons for idle funds | Proposed course of action |
| 1 | Redemption of Preference Shares | As per Letter of Offer, Monitoring Account Statement, Confirmation from the counter party and CA Certificate* | 19.64 | 19.64 | | 19.64 | 0.00 | 19.64 | | No utilization during the quarter | No comments received | No comments received |
| 2 | Payment of Overdue Liabilities | As per Letter of Offer, Monitoring Account Statement, Confirmation from the counter party and CA Certificate* | 5.36 | 4.82 | 101.60 | 4.82 | 0.00 | 4.82 | 27.11 | No utilization during the quarter | No comments received | No comments received |
| 3 | Investment in Subsidiary Company | As per Letter of Offer, Management Confirmation and CA Certificate* | 120.00 | 120.00 | | 29.00 | 13.00 | 42.00 | | The funds received from issue proceeds were utilized towards equity investment in the subsidiary company i.e. Kinetic Watts and Volts | No comments received | No comments received |

| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document in Rs. Crore | Revised cost in Rs. Crore [^] | Total amount raised till Q4FY26 | Amount utilised in Rs. Crore | | | Total unutilised amount in Rs. crore | Comments of the Monitoring Agency | Comments of the Board of Directors | |
|--------------|-------------------------------|--|---|--|---------------------------------|---|---------------------------------|--|---|-----------------------------------|------------------------------------|---------------------------|
| | | | | | | As at beginning of the quarter in Rs. Crore | During the quarter in Rs. Crore | At the end of the quarter in Rs. Crore | | | Reasons for idle funds | Proposed course of action |
| 4 | Capex including Solar Project | As per Letter of Offer, Management Confirmation and CA Certificate* | 12.00 | 7.00 | | 0.00 | 0.00 | 0.00 | Limited via right issue, as per the objects of the issue. | No comments received | No comments received | |
| 5 | Working Capital Requirements | As per Letter of Offer, Management Confirmation and CA Certificate* | 10.10 | 13.54 | | 1.82 | 6.21 | 8.03 | No utilization during the quarter | No comments received | No comments received | |
| 6 | General Corporate Purpose | As per Letter of Offer, Management Confirmation and CA Certificate* | 10.00 | 1.84 | | 0.00 | 0.00 | 0.00 | Utilized towards vendor payments of the company.% | No comments received | No comments received | |
| Total | | | | | | 177.10 | 166.84 | 101.60 | 27.11 | | | |

*Chartered Accountant certificate from Pawan Jain & Associates dated April 18, 2026.

[^]The revised cost is allocated under each object as per the board resolution dated May 13, 2025 and thereafter via board resolution dated March 11, 2026.

%Invoice copies have been verified for the same.

(iii) Deployment of unutilized proceeds:

| Sr. No. | Type of instrument and name of the entity invested in | Amount invested (Rs in crore) | Maturity date | Earning | Return on Investment (%) | Market Value at the end of quarter (Rs. In crore) |
|--------------|---|-------------------------------|----------------|---------|--------------------------|---|
| 1 | FDR, Saraswat Co-op Bank | 5.00 | April 20, 2026 | 0.03 | 7.50% p.a. | 5.00 |
| 2 | FDR, Saraswat Co-op Bank | 5.00 | May 20, 2026 | 0.06 | 7.40% p.a. | 5.00 |
| 3 | FDR, Saraswat Co-op Bank | 3.77 | June 19, 2026 | 0.07 | 7.35% p.a. | 3.77 |
| 4 | FDR, Saraswat Co-op Bank | 5.00 | June 19, 2026 | 0.09 | 7.35% p.a. | 5.00 |
| 5 | FDR, Saraswat Co-op Bank | 5.00 | June 19, 2026 | 0.09 | 7.35% p.a. | 5.00 |
| 6 | Monitoring Account, Saraswat Co-op Bank | 3.34 | - | - | - | 3.34 |
| Total | | 27.11 | | | | 27.11 |

*Verified from FD receipt from Saraswat Co-op Bank Ltd, Chartered Accountant certificate from Pawan Jain & Associates dated April 18, 2026.

Remarks: The company has kept the unutilized proceeds in form of FDs with Saraswat Co-op Bank, which is a scheduled bank included in the second schedule of Reserve Bank of India 1934, in lines with postal ballot and FORM PAS4

(iv) Delay in implementation of the object(s):

| Objects | Completion Date | | Delay (no. of days/ months) | Comments of the Board of Directors | |
|----------------------------------|--|----------------|-----------------------------|------------------------------------|---------------------------|
| | As per the offer document | Actual | | Reason of delay | Proposed course of action |
| Redemption of Preference Shares | To be utilized within 18 months from the receipt of the funds. | March 28, 2025 | No delay | No comments received | No comments received |
| Payment of Overdues Liabilities | | March 11, 2026 | No delay | No comments received | No comments received |
| Investment in Subsidiary Company | | On going | Not applicable | No comments received | No comments received |
| Capex including Solar Project | | On going | Not applicable | No comments received | No comments received |
| Working Capital Requirements | | On going | Not applicable | No comments received | No comments received |
| General Corporate Purpose | | On going | Not applicable | No comments received | No comments received |

The company has received total amount of Rs.101.60 crore till March 31, 2026 in multiple transactions. The details of receipt of funds and its utilization are as follows:

| Date | Amount (Rs. In crore) | Completion Date for the tranche as per timeline mentioned in the offer document | Actual completion date |
|------------|-----------------------|---|--|
| 21-03-2025 | 0.86 | 12-09-2026 | 28-03-2025 |
| 26-03-2025 | 0.86 | 17-09-2026 | 28-03-2025 |
| 27-03-2025 | 17.83 | 18-09-2026 | 28-03-2025 |
| 27-03-2025 | 16.34 | 18-09-2026 | 12-08-2025 |
| 27-03-2025 | 5.83 | 18-09-2026 | 12-08-2025 |
| 29-03-2025 | 7.65 | 20-09-2026 | 04-11-2025 |
| 29-03-2025 | 7.35 | 20-09-2026 | 28-01-2026 |
| 16-09-2025 | 5.13 | 10-03-2027 | 17-03-2026 |
| 09-03-2026 | 21.80 | 31-08-2027 | On going |
| 10-03-2026 | 17.95 | 01-09-2027 | (Out of which Rs.12.64 crore utilized; Rs.9.16 crore to be utilized) On going |

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

| Sr. No | Item Head^ | Amount in Rs. Crore | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of Monitoring Agency | Comments of the Board of Directors |
|--------|------------|---------------------|--|-------------------------------|------------------------------------|
| | | | No utilization during the quarter. | | No comments received |

^ Section from the offer document related to GCP: Not expressly mentioned in the postal ballot and FORM PAS 4.

Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditor appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from statutory auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.