



No. CARE/HO/GEN/2025-26/1228

**The Board of Directors  
Kinetic Engineering Limited**

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

February 03, 2026

Dear Sir,

**Monitoring Agency Report for the quarter ended December 31, 2025 - 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 December 31, 2025 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](mailto:Ashish.K@careedge.in)

## Report of the Monitoring Agency

Name of the issuer: Kinetic Engineering Limited

For quarter ended: December 31, 2025.

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 an 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*, Bank statements, Confirmation from Counterparty and FD receipts	Utilization of gross proceeds is in line with the objects of the preferential issue (PI).	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	Not applicable	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	No comments received
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

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 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 January 09, 2026.

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised  
b) 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 in Rs. Crore <sup>^</sup>	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Redemption of Preference Shares	As per Postal Ballot Notice <sup>^</sup> , Management Confirmation and Chartered Accountant Certificate*	19.64	19.64	Revision due to Undersubscription by the non-promoter allottee. Revised cost was approved by board on May 13, 2025.	No comments received	No comments received	No comments received
2	Payment of Overdue Liabilities		5.36	5.36				
3	Investment in Subsidiary Company		120.00	120.00				
4	Capex including Solar Project		12.00	12.00				
5	Working Capital Requirements		10.10	8.00				
6	General Corporate Purpose		10.00	1.84				
<b>Total</b>			<b>177.10</b>	<b>166.84</b>				

<sup>^</sup> 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 January 09, 2026.

<sup>^</sup>The revised cost is allocated under each object as per the board resolution dated May 13, 2025.

(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 <sup>^</sup>	Total amount raised till Q3FY26	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		Nil 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	5.36		4.82	0.00	4.82		Nil 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	61.84	20.00	9.00	29.00	6.56	The funds received from issue proceeds were utilized towards equity investment in the subsidiary company i.e. Kinetic Watts and Volts Limited via right issue, as per the objects of the issue.	No comments received	No comments received
4	Capex including Solar Project	As per Letter of Offer, Management Confirmation and CA Certificate*	12.00	12.00		0.00	0.00	0.00		Nil utilization during the quarter	No comments received	No comments received
5	Working Capital Requirements	As per Letter of Offer, Management Confirmation and CA Certificate*	10.10	8.00		0.00	1.82	1.82		Utilized towards vendor payments of the company.	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 <sup>^</sup>	Total amount raised till Q3FY26	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	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		Comments of the Monitoring Agency	Reasons for idle funds	Proposed course of action
6	General Corporate Purpose	As per Letter of Offer, Management Confirmation and CA Certificate*	10.00	1.84		0.00	0.00	0.00		Nil utilization during the quarter	No comments received	No comments received
<b>Total</b>			<b>177.10</b>	<b>166.84</b>	<b>61.84</b>	<b>44.46</b>	<b>10.82</b>	<b>55.28</b>	<b>6.56</b>			

\*Chartered Accountant certificate from Pawan Jain & Associates dated January 09, 2026.

<sup>^</sup>The revised cost is allocated under each object as per the board resolution dated May 13, 2025.

%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	2.75	January 25, 2026	0.01	4.75% p.a.	2.7
2	FDR, Saraswat Co-op Bank	3.31	January 11, 2026	0.00	4.75% p.a.	3.3
3	FDR, Saraswat Co-op Bank	0.50	January 25, 2026	0.00	3.25% p.a.	0.5
	<b>Total</b>	<b>6.56</b>				<b>6.5</b>

\*Verified from FD receipt from Saraswat Co-op Bank Ltd

Chartered Accountant certificate from Pawan Jain & Associates dated January 09, 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		On going	Not applicable	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.61.84 crore till December 31, 2025 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	On going
16-09-2025	5.13	10-03-2027	(Out of which Rs.5.93 crore utilized; Rs.1.43 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 <sup>^</sup>	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 Q3FY26		No comments received

<sup>^</sup> 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.