



**CELEBRATING 50 YEARS OF KINETIC**

**Date: 06 September 2022**

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

Scrip Code: BSE-500240

**Subject:** Annual Report and Notice of 51<sup>st</sup> Annual General Meeting of the Company for the Financial Year 2021-22.

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith the Annual Report including Notice of Annual General Meeting for the Financial Year 2021-22, which has been sent to the members by the permitted mode(s).

The said Annual Report including Notice of Annual General Meeting for the Financial Year 2021-22, is also available on the website of the Company.

This is for your information and records.

Thanking you.  
Yours faithfully,

**For Kinetic Engineering Limited**

CHAITAN  
YA  
MUNDRA

Digitally signed by CHAITANYA MUNDRA  
DN: c=IN, postalCode=411019, ou=CHINCHWA  
D, street=HARISUGUDA 766201, o=KINETIC EN  
GINEERING LTD., cn=Personal, title=CSO, serialNumber=84365a33-d1296ca36e6e313  
d832d70d8f960c022d9202040a26e0c900c  
95, postalCode=411019, postalCode=411019, 2.5A.20=5569233151c4719642c3669f6f6b  
356e488c3c19707871a281c3d999923,  
email=CS@CHAITANYAMUNDRA@GMAIL.COM,  
cn=CHAITANYA MUNDRA  
Date: 2022.09.06 14:40:44 +05'30'



**Chaitanya Mundra**  
**Company Secretary and Compliance Officer**  
**Membership No. ACS 57832**


**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



  
**KINETIC**  
ENGINEERING LTD.



# ANNUAL REPORT

## 2021-22

 **KINETIC**



**Akinkya Firodia**  
MD, Kinetic Engineering LTD.

## THE TIDE TURNS

As we completed our 50 year anniversary, the tide seems to have turned. After a long period spanning more than 15 years, and much efforts by the entire team at Kinetic Engineering Limited, the company has had entire year of net profits! Indeed this is a special year and a reason for celebrations! It marks the complete changeover to a recognised, profitable & capable auto – systems manufacturer.

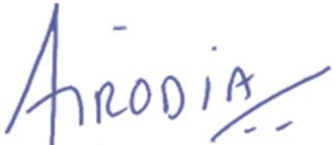
Your company reported full year revenue of Rs 124.35 cr., up from Rs 87.03 cr. in the previous financial year, a jump of 43%. Its profitability also has significantly improved with a 106% increase in EBITDA at Rs. 14.41 cr. compared to Rs. 6.99 cr. last year. The Company's bottom-line evolved from a net loss Rs. 611 lacs FY 2020-21 to a net profit of Rs. 154 lacs in FY 2021-22.

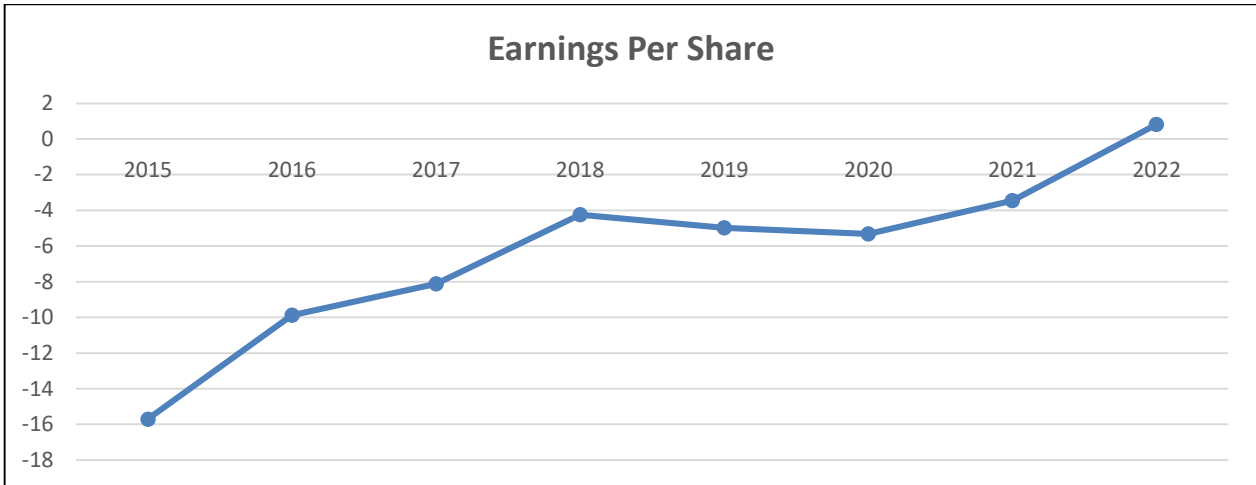
I applaud the efforts of the team for this success, which I hope & believe is just the beginning. And to reiterate my belief, I am pleased to inform you all that as promoters we have infused fresh equity capital into your company by converting my personal loan given to the company of Rs. 6 crores into equity shares, as I remain confident of sustained long term prospects for our company.

The principal message that I wish to send out to readers is that the performance of the Company during the last financial year is only minutely indicative of what may lie ahead. Having completed the transformation, and returned to profitability, we can now utilise our experience, infrastructure, technical capabilities, and brand in a manner that can catapult us with large momentum.

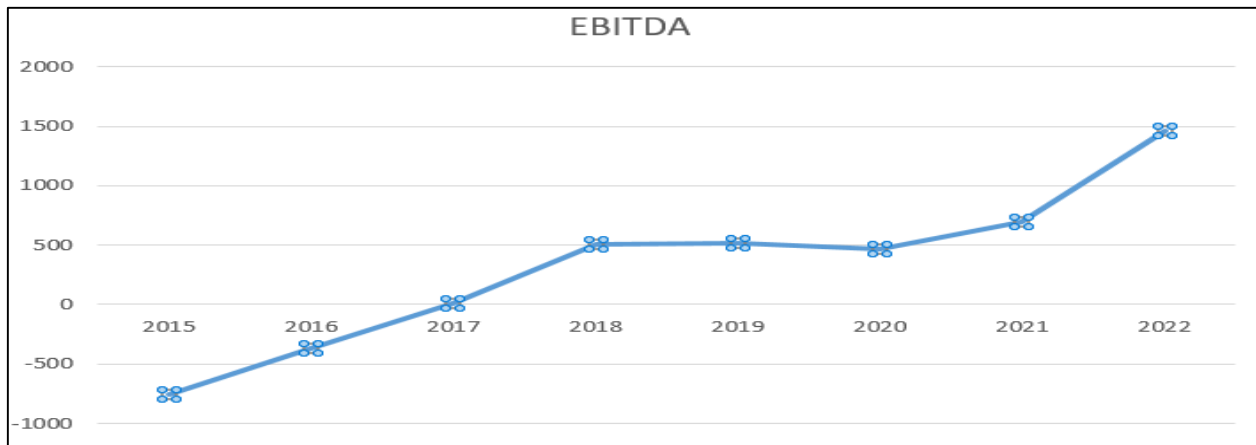
What shall lead this momentum? It is a focus on our core strategy – to continue to develop export business with global customers. I am proud to inform you that nearly 50% of our total business is now exports – a remarkable feat and achievement and true to our honorable PMs “make in India” concept. We hence reap the benefits of long term exclusive contracts with our customers delivering their high volume requirements across US, Mexico, Brazil, China, Russia, Chile, Argentina, Europe to name a few places. I am hopeful this focus shall be enhanced by adding more programmes and global customers or receiving the extension of current programmes. Similarly, our niche of making complete gearboxes for commercial vehicles has now expanded into the EV segment as we make rigid axle and transaxle gearboxes for electric 3 wheelers. This new exciting segment has opened up various possibilities into a bright future – to become the one stop shop of making EV transmission & axle assemblies to a variety of segments. We also now explore manufacture of chassis for electric 2 & 3 wheelers and are soon slated next year to lay a huge focus on our foray here for a parallel, long term sustaining strategy. Moreover, we continue to add customers and products in the farm segment, to hedge our dependence from on road auto only. This way, we have a 3 fold strategy that holds us to our overheads, markets and future.

So lets buckle the seat belts & lets zoom ahead!

  
**Ajinkya Firodia**  
Managing Director and CFO



**EPS** - There is a substantial improvement in EPS from Rs. (-)3.45 per share in FY 20-21 to Rs.0.82 per share in FY 21-22.



**EBITDA** - The operating EBITDA margin increased 3.55% in FY 21-22.



**Share Price** - The performance of the company had reflected in company share price i.e. Rs. 128/- from the bottom of Rs. 41/-

**BOARD OF DIRECTORS**

Mr. Arun Hastimal Firodia	-	Chairman
Mr. Ajinkya Arun Firodia	-	Managing Director & Chief Financial Officer
Dr. Jayashree Arun Firodia	-	Non-Executive Director
Ms. Sulajja Firodia Motwani	-	Non-Executive Director
Mr. Shirish Ratanlal Kotecha	-	Independent Director
Mr. Ramesh Jankiram Kabra	-	Independent Director
Mr. Rohit Prakash Bafana	-	Independent Director
Mr. Jinendra Hirachand Munot	-	Independent Director
Mr. Venkataiah Madipalli	-	Independent Director

**CHIEF EXECUTIVE OFFICER**

Mr. Chaitanya Koranne

**STATUTORY AUDITOR**

M/s. Pawan Jain & Associates,  
Chartered Accountants, Pune

**COMPANY SECRETARY**

Mr. Chaitanya Mundra

**SECRETARIAL AUDITOR**

M/s Dinesh Birla & Associates  
Company Secretaries

**REGISTERED OFFICE**

D-1 Block, Plot No. 18/2,  
MIDC, Chinchwad, Pune - 411019.  
Phone no.: + 91-020-66142049  
Fax no. + 91-020-66142088/89  
E-mail: kelinvestors@kineticindia.com  
Website: www.kineticindia.com.  
CIN: L35912MH1970PLC014819

**REGISTRAR & TRANSFER AGENT**

Link Intime India Private Limited  
Block No. 202, Akshay Complex,  
Near Ganesh Temple,  
Off Dhole Patil Road, Pune – 411001  
Phone No.: 020 – 26160084, 26161629,  
Tele Fax No.: 020 – 26163503  
E-mail Id: pune@linkintime.co.in

**WORKS**

Nagar-Daund Road,  
Ahmednagar, Pin - 414001

**Contents**

• Notice of the Annual General Meeting	3
• Directors' Report Including Management Discussion and Analysis	19
• Annexures to the Directors' Report	27
• Report on Corporate Governance	42
• Independent Auditors' Report	57
• Balance Sheet	67
• Statement of Profit and Loss	68
• Cash Flow Statement	69
• Statement of Changes in Equity	70
• Notes to Financial Statements	71

**KINETIC ENGINEERING LIMITED**

CIN: L35912MH1970PLC014819

Regd. Office: D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019 MH India

Tel.: +91 20 661402049 Fax: +91 20 6614 2088/89

E-mail: kelinvestors@kineticindia.com Website: www.kineticindia.com

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that an Annual General Meeting of the shareholders of **Kinetic Engineering Limited** will be held on **Thursday, 29<sup>th</sup> September 2022 at 11:30 a.m.** IST, through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31 March 2022, together with the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Mr. Ajinkya Firodia (DIN No. 00332204) who retires by rotation and being eligible, offers himself for reappointment.
3. Re-appointment of Pawan Jain & Associates (Practicing CA Firm Reg. No. 107867W), as Statutory Auditors of the Company and to fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Companies (Audit and Auditors) Rules, 2014, based on the recommendations of the Audit committee and the Board, Pawan Jain & Associates (Practicing CA Firm Reg. No. 107867W), who have offered themselves for appointment and have confirmed their eligibility to be reappointed as Statutory Auditors in terms of Section 141 of the Act and applicable rules be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of 51<sup>st</sup> annual general meeting until the conclusion of 56<sup>th</sup> annual general meeting to conduct audit of accounts of the Company for the financial year ending 31 March 2023 till 31 March 2027, at a remuneration mentioned in the statement annexed herewith.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (which expression shall include any Committee thereof, whether constituted or to be constituted) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities / scope of work of the Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment, any increase in remuneration including any contracts or documents in this regard, without being required to seek any further consent or approval of the members of the Company."

**SPECIAL BUSINESS:**

4. Issue of Equity Shares on Preferential basis to Micro Age Instruments Private Ltd.

To consider and if thought fit, to pass, with or without modification, the following resolutions **as Special Resolution:**

**“RESOLVED THAT** pursuant to 42, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”), as amended from time to time, the listing agreements entered into by the Company with BSE Limited on which the equity shares of the Company having face value of INR 10.00 each (“Equity Shares”) are listed, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended (the “SEBI SAST Regulations”) and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), BSE Limited (“Stock Exchange”) and/or any other competent authorities (hereinafter referred to as “Applicable Regulatory Authorities”), wherever applicable and subject to such approvals, consents and permissions as may be necessary or required and subject to such conditions as may be applicable (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be required) by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is here by accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”) to create, offer, issue, and allot up to **8,79,310 (INR Eight Lakh Seventy Nine Thousand Three Hundred and Ten) Equity Shares of the face value of INR 10.00 each (INR Ten Only) fully paid up at an Issue Price of INR 116 (INR One Hundred and Sixteen only) including Premium of INR 106 (INR One Hundred and Six only) per share aggregating to INR 10,19,99,960 (INR Ten Crore Nineteen Lakh Ninety Nine Thousand Nine Hundred and Sixty only) to Micro Age Instruments Private Ltd.** on preferential basis, on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws and in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018 or any other applicable provisions of law as may be prevailing as on date.

Sr. No.	Name of the Proposed Allottee	Category	Number of Equity Shares
1.	Micro Age Instruments Private Ltd.	Promoter	8,79,310
<b>Total</b>			<b>8,79,310</b>

**RESOLVED FURTHER THAT** the Equity Shares proposed to be allotted in terms of this resolution shall be subject to the following:

- The Equity Shares to be allotted to the Proposed Allottee shall be under lock-in for such period as may be prescribed by the SEBI (ICDR) Regulations, 2018;
- The Equity Shares so allotted to the Proposed Allottee under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations, 2018 except to the extent and in the manner permitted thereunder;
- Allotment shall only be made in dematerialized form;
- The 'Relevant Date' for the purpose of determining the minimum issue price of the Equity Shares proposed to be allotted to the above mentioned allottee is 30<sup>th</sup> August, 2022 i.e. being the date which is 30 days prior to the date of AGM;
- The allotment of Equity Shares is proposed to be completed within a maximum period of 15 days from the date of passing this resolution, provided that where the allotment is pending on account of pendency of any approval by any regulatory authority, or the Central Government, then the allotment

shall be completed within 15 days from the date of receipt of such approval;

- The Equity Shares proposed to be issued shall rank pari passu with the existing Equity Shares of the Company in all respects and that the Equity Shares so allotted shall be entitled to the dividend declared, if any, including other corporate benefits, if any, for which the book closure or the record date falls subsequent to the allotment of Equity Shares. The issue and allotment of Equity Shares be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.

**RESOLVED FURTHER THAT** pursuant to the provision of the Companies Act 2013, the name of the Subscriber be recorded for the issue of invitation to subscribe to the Equity Shares and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Subscriber inviting the Subscriber to subscribe to the Equity Shares, as per the draft tabled at the Meeting and duly initialed by the Chairman for the purpose of identification and consent of the Company is here by accorded to the issuance of the same to the Subscriber to the Equity shares.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things and perform such actions as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, authorize any person including to seek listing, apply for in principle listing approval of the Equity Shares to be issued and allotted to the above mentioned allottee, to modify, accept and give effect to any modifications in the terms and conditions of the issue(s) as may be they deem fit, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and listing thereof with the Stock Exchange as appropriate and utilization of proceeds of the Preferential Issue, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the fore going and the decision of the Board shall be final and conclusive.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any one or more Directors / Key Managerial Personnel / Officers of the Company.

**RESOLVED FURTHER THAT** all action(s) taken by the Board or Committee(s) thereof, any Director(s)/Company Secretary or Officer(s) or any other authorized signatory/ies of the Company in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

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

**Date: 30 August 2022  
Place: Pune**

**A. H. Firodia  
Chairman  
(DIN: 00057324)**



**NOTES:**

1. In pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, Circular No. 20/2021 dated December 08, 2021 and General Circular No. 02/2022 dated May 05, 2022 (collectively referred to as "MCA Circulars") issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has decided to hold its Annual General Meeting (AGM) through Video-conferencing ("VC") or other audio visual means ("OAVM") (hereinafter referred to as "electronic means") i.e. without the physical presence of the members. The deemed venue for the AGM shall be the registered office of the Company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kineticindia.com](http://www.kineticindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars stated above in point no. 1.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period will commence at 9.00 a.m. (IST) on Monday, 26 September 2022 and will end at 5.00 p.m. (IST) on Wednesday, 28 September 2022. 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 22 September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>

	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
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"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [kelinvestors@kineticindia.com](mailto:kelinvestors@kineticindia.com)), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 22 55 33.

1. General Instructions:

- (i) The Board of Directors have appointed M/s Dinesh Birla & Associates as the Scrutinizer to the e-voting process, and voting at the AGM in a fair and transparent manner.
- (ii) The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system of CDSL.
- (iii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated

Scrutinizers' report of the total votes cast in favor or against, if any, to the Chairman who shall countersign the same.

- (iv) The scrutinizer shall submit his report to the Chairman as the case may be, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.
2. The Scrutinizer shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman/person of the Meeting or a person authorized by him/her in writing, who shall countersign the same and declare the results of the voting forthwith.
  3. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.kineticindia.com](http://www.kineticindia.com), on the website of BSE Limited [www.bseindia.com](http://www.bseindia.com) and also on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman/person of the Meeting or the person authorized by him / her in writing.
  4. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM.

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

**Date: 30 August 2022  
Place: Pune**

**A. H. Firodia  
Chairman  
(DIN: 00057324)**

\*Members are requested to support the "Green Initiative" by registering their email address with the Registrar & Share Transfer Agent (RTA)/Company, if not already done.

As required by Section 102 of the Companies Act, 2013 (the "Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item no. 2, 3 and 4 of the accompanying Notice dated 30 August 2022

**Item No. 2: To appoint a director in place of Mr. Ajinkya Firodia who retires by rotation and being eligible, offers himself for reappointment.**

**Annexure - A**

<b>Details of Director seeking appointment/ re-appointment at the Annual General Meeting [In pursuance of Corporate Governance provision of Listing Regulations, 2015]</b>	
Name of the Director	Mr. Ajinkya Firodia
Date of Birth (Age)	24-10-1979
DIN	00332204
Date of Appointment	06-04-2009
Qualification	B.E. from Brown University, USA
Directorship as on 31 <sup>st</sup> March, 2022	<ol style="list-style-type: none"> <li>1. Kinetic Engineering Ltd</li> <li>2. Kinetic Green Energy and Power Solutions Limited</li> <li>3. Kinetic Auto Limited</li> <li>4. Jaya Hind Mechanics Limited</li> <li>5. Kinetic Hyundai Elevator and Movement Technologies Limited</li> <li>6. MV Agusta India Private Limited</li> <li>7. Motoroyale Kinetic Private Limited</li> <li>8. Motoroyale India Private Limited</li> </ol>
Chairmanship/Membership of Committees of other Companies as on 31 <sup>st</sup> March, 2022.	Nil
Shareholding in the Company	21,24,055 (Equity Shares)

**Item No. 3 - Reappointment of Pawan Jain & Associates (Practicing CA Firm Reg. No. 107867W), as Statutory Auditors of the Company and to fix their remuneration.**

As per the provisions of section 139 of Companies Act, 2013 ('the Act'), every company shall appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting. Pursuant to section 139(2) of the Act, no listed company shall appoint an audit firm as auditor for more than two terms of five consecutive years.

The current Auditors, Pawan Jain & Associates, Chartered Accountants were appointed on 29 September 2017 as the statutory auditors of the Company from the conclusion of 46<sup>th</sup> annual general meeting till the conclusion of 51<sup>st</sup> annual general meeting, covering a term of five consecutive years of the first term. Accordingly, the first term of statutory auditors expires at the conclusion of the ensuing 51<sup>st</sup> annual general meeting.

In view of the above, it is now proposed to consider reappointing Pawan Jain & Associates (Practicing CA Firm Reg. No. 107867W as Statutory Auditors of the Company, from the conclusion of 51<sup>st</sup> annual general meeting till the conclusion of 56<sup>th</sup> annual general meeting, covering term of further five consecutive years.

The Statutory Auditors have confirmed that their appointment, if made, will be within the limit specified under Section 144 of the Act. They have also confirmed that they are not disqualified to be appointed as



statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

**Pursuant to Regulation 36(5) of SEBI Listing Regulations, the following details are mentioned below for the information of Members:**

Proposed audit fee payable to auditors	The fees proposed to be paid to Pawan Jain & Associates, towards statutory audit and limited review (including certifications but excluding applicable taxes and reimbursements) to be determine by Board as it may deem fit for the said term.
Terms of appointment	Pawan Jain & Associates, if appointed, will be Statutory Auditors of the Company for a period of further five years from the conclusion of 51 <sup>st</sup> annual general meeting till the conclusion of 56 <sup>th</sup> annual general meeting, i.e., for the financial years ending from 31 March 2023 to 31 March 2027.
Material change in fee payable	No material change in fee.
Basis of recommendation and auditor credentials	The Audit Committee and the Board of Directors based on the credentials of the firm and partners and eligibility criteria prescribed under the Companies Act, 2013, recommends the appointment of Pawan Jain & Associates, as the Statutory auditors of the Company.  Brief Profile –  Pawan Jain & Associates, is a Chartered Accountant firm registered with The Institute of Chartered Accountants of India (“ICAI”) with Firm Registration No. 107867W. The firm was established in 01/04/1981. The firm provides a range of services which include audit & assurance, advisory & accounting.

**Item No. 4 – Issue of Equity Shares on Preferential basis to Micro Age Instruments Private Ltd.**

The Special Resolutions under Item No 4 is proposed for Members approval. The Board has resolved to create, issue, offer and allot up 8,79,310 (INR Eight Lakh Seventy Nine Thousand Three Hundred and Ten) Equity Shares of the face value of INR 10.00 each (INR Ten Only) fully paid up at an Issue Price of INR 116 (INR One Hundred and Sixteen only) including Premium of INR 106 (INR One Hundred and Six only) per share aggregating to INR 10,19,99,960 (INR Ten Crore Nineteen Lakh Ninety Nine Thousand Nine Hundred and Sixty only) to Micro Age Instruments Private Ltd. on a preferential basis in such manner and on such terms and conditions as prescribed under SEBI (ICDR) Regulations, 2018 and in compliance with Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) second amendment Rules, 2018 and the Companies (Share Capital and Debentures) Rules, 2014.

The details are as follows:-

Sr. No.	Name of the proposed allottee	Amount	Number of Equity Shares to be issued / allotted
1.	Micro Age Instruments Private Ltd.	INR 10,19,99,960 (INR Ten Crore Nineteen Lakh Ninety Nine Thousand Nine Hundred and Sixty only)	8,79,310 equity shares @ INR 116 Issue Price

Disclosure under Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations') are as under:

1. Object of the Issue through preferential Allotment:

The object is to issue equity shares to Micro Age Instruments Private Ltd. as specified in the Resolution.

2. Type and Number of Securities to be issued:

The Board of Directors at its meeting held on 30<sup>th</sup> August, 2022 had, subject to the approval of the Members and such other approvals as may be required, approved the issuance of up to 8,79,310 Equity Shares at a price of INR 116 each, aggregating to INR 10,19,99,960 (INR Ten Crore Nineteen Lakh Ninety Nine Thousand Nine Hundred and Sixty only)

3. Pricing of the Issue, Class of Proposed Allottee and Relevant Date:

The price of equity shares to be issued is fixed at INR 116/- (INR One Hundred and Sixteen only) per equity share of INR 10.00 (Face Value) each for preferential issue. The shares of the Company are frequently traded on the BSE Limited, hence the price is determined in compliance with Regulation 164 of SEBI (ICDR) Regulations, 2018.

A certificate from Independent Valuer confirming the minimum price for preferential issue as per preferential issue guidelines of SEBI (ICDR) Regulations, 2018 along with the calculation thereof is obtained and the same is available for inspection at the Registered Office of the Company.

Accordingly, the number of Equity Shares proposed to be issued is as under:

Sr. No.	Name of the Proposed Allottee	No. of Equity Shares
1.	Micro Age Instruments Private Ltd.	8,79,310 Equity Shares

The Relevant Date on the basis of which the price of the Equity Shares will be calculated is 30<sup>th</sup> August, 2022, i.e. working day immediately preceding the date 30 days prior to the date of the AGM.

The current and proposed status of the allottee(s) post the preferential issues is the same as promoter and the Maximum number of specified securities to be issued is 8,79,310

4. Intention of Promoters, directors or key managerial personnel to subscribe to the offer:

The Equity Shares shall be issued to Micro Age Instruments Private Ltd. The Micro Age Instruments Private Ltd. has indicated intention for an amount of INR 10,19,99,960 (INR Ten Crore Nineteen Lakh Ninety Nine Thousand Nine Hundred and Sixty only) by way of Preferential Issue. None of the other Directors or Key Managerial Personnel of the Company intend to subscribe to any of the Equity Shares proposed to be issued under the Preferential Issue.

5. Identity of the Proposed Allottee(s) and the Percentage of Post Preferential Issue Capital:

The details of the proposed allottee and the percentage of post preferential issue shall be :-

Sr. No.	Name of Applicant along with PAN & address	Pre-Preferential Holding-before allotment of Equity		Post-Preferential Holding-after allotment of Equity	
		No. of shares	%	No. of shares	%
1.	Micro Age Instruments Private Ltd. PAN: AABCM1787E Address: D-1 Block, Plot 18/2, MIDC, Chinchwad, Pune, Maharashtra 411019	39,53,683	20.81	48,32,993	24.32

6. Proposed time within which the allotment shall be completed:

As required under the SEBI ICDR Regulations, the Equity Shares shall be allotted by the Company within a period of 15 days from the date of passing of this Resolution, provided that where the allotment of the proposed Equity Shares is pending on account of receipt of any approval or permission from any regulatory or statutory authority, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

7. Change in control, if any, of the Company that would occur consequent to preferential offer:

There shall be no change in control of the Company pursuant to the issue of Equity Shares.

8. Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

The Board allotted 2,93,569 Equity Shares at a price of Rs. 92.50 per Equity Share (including Rs. 82.50/- as premium) to Mr. Ajinkya Firodia, Managing Director & Promoter of the Company upon conversion of loan given by him to the Company aggregating to Rs. 2,71,55,133/- on preferential basis.

9. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not applicable as this issue is not for consideration other than cash.

10. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control:

Arun Firodia Trust holds majority share capital of the proposed allottee M/s. Micro Age Instruments Private Limited as on the date of this notice. Mrs. Jayshree Firodia and Mr. Ajinkya Firodia are the Trustees and Mr. Arun Firodia is ultimate beneficial owner of the said trust.

11. Disclosures specified in Schedule VI of SEBI (ICDR) Regulations, 2018, if the issuer or any of its promoters or directors is a willful defaulter:

The Company and none of its Directors or Promoter have been declared as a willful defaulter as defined under the SEBI ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI ICDR Regulations. Hence, the said disclosure required under Schedule VI of SEBI (ICDR) Regulations, 2018 is not applicable.

12. The current and proposed status of the allottee(s) post the preferential issues:

The allottee is a promoter of the Company and will be continue as promoter post the allotment of proposed preferential issue.

13. Certificate of practicing company secretary:

The certificate from M/s Dinesh Birla & Associates, practicing company secretary, certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations will be kept open for inspection by members on all working days (except Saturday and Sunday) between 11:00 a.m. (IST) to 4:00 p.m. (IST) during the period of Remote E- voting under AGM. The company also hosted the certificate on its website [www.kineticindia.com](http://www.kineticindia.com) and following link <https://www.kineticindia.com/investors.html>

14. Shareholding Pattern before and after preferential issue of the capital would be as follows:

The pre issue and post issue shareholding pattern of the Company –

Sr. No.	Category	Pre Issue of Equity Shares		Post Issue of Equity Shares	
		No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
A	Promoters Holding –				
	1. Indian				
	Individual	60,34,692	31.76	60,34,692	30.36
	Body Corporate	39,53,683	20.81	48,32,993	24.32
	Sub Total	99,88,375	52.57	1,08,67,685	54.68
	2. Foreign Promoters	-	-	-	-
	<b>Sub Total (A)</b>	<b>99,88,375</b>	<b>52.57</b>	<b>1,08,67,685</b>	<b>54.68</b>

B	Non-Promoters Holding –				
	1. Institutional investors	3525	0.02	3525	0.02
	2. Non-Institution				
	Corporate Bodies	30,63,221	16.12	30,63,221	15.41
	Directors	39,574	0.21	39,574	0.20
	Indian Public	53,57,480	28.20	53,57,480	26.95
	Others (Including NRIs)	5,45,015	2.87	5,45,015	2.74
	<b>Sub Total (B)</b>	<b>90,08,815</b>	<b>47.43</b>	<b>90,08,815</b>	<b>45.32</b>
	<b>Grand Total (A+B)</b>	<b>1,89,97,190</b>	<b>100.00</b>	<b>1,98,76,500</b>	<b>100.00</b>

**15. Lock-in Period:**

The Equity Shares will be subject to applicable lock-in and transfer restrictions stipulated as per amended ICDR Regulations 2018.

**16. Undertakings:**

The Company hereby undertakes that,

- (i) It would re-compute the price of the securities specified above in terms of the provisions of SEBI (ICDR) Regulations, where it is so required;
- (ii) If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations the above shares shall continue to be locked-in till the time such amount is paid by the allottees.

In accordance with the SEBI ICDR Regulations,

- (i) All the Equity Shares held by the proposed allottees in the Company are in dematerialized form only;
- (ii) No person belonging to the promoters / promoter group have sold / transferred any Equity Shares of the Company during 90 trading days preceding the Relevant Date;
- (iii) The entire pre-preferential holding of the proposed allottee will be under lock in for a period commencing from the Relevant Date up to a period 90 trading days from the date of trading approval granted by the stock exchange;
- (iv) No person belonging to the promoters / promoter group has previously subscribed to any equity shares / warrants of the Company but failed to exercise them; and
- (v) The shares of the Company are frequently traded on the BSE Limited, hence the price is determined in compliance with Regulation 164 of SEBI (ICDR) Regulations, 2018.

**17. Other disclosures:**

In accordance with the provisions of Sections 23(1)(b), 42 and 62(1)(c) of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said Equity Shares to Micro Age Instruments Private Ltd. is being sought by way of a Special Resolution as set out in the said items of the Notice. Issue of the Equity Shares pursuant to the Preferential Issue would be within the Authorized Share Capital of the Company.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the Special Resolution as specified under Item No. 4 of the accompanying Notice for approval of the Members of the Company.

Mr. Ajinkya A. Firodia, Mr. Arun H. Firodia, Dr. Jayashree A. Firodia and Ms. Sulajja Firodia Motwani, may be deemed to be interested in the resolution. Except them, none of the Directors, Key Managerial Personnel of the Company or their respective relatives, are concerned or interested in the above said resolution. However, they may be deemed to be concerned to the extent of change in the percentage of their voting rights in the post equity shareholding in the Company, if any.

Further Micro Age Instruments Private Ltd., have not been debarred from accessing the capital market or have been restrained by any regulatory authority from, directly or indirectly, acquiring the said securities. The Offers have been made only to such persons whose names are recorded by the Company prior to the invitation to subscribe as per the requirements of Section 42 of the Companies Act, 2013 Total number of person to whom offer/invitation to subscribe to the securities has been made, including any previous offer/invitation, is not more than 200 persons in aggregate in a financial year. Allotment w.r.t invitation made earlier of the security offered under present issue or any other kind of security made earlier have been completed.

The company or its promoters or whole-time directors are not in violation of the provisions of Regulation 34 of the SEBI Delisting Regulations, 2021. The company, its promoters, its directors are not in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017. The Company does not have any outstanding dues to SEBI, stock exchanges or depositories.

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

**Date: 30 August 2022**

**Place: Pune**

**A. H. Firodia**  
**Chairman**  
**(DIN: 00057324)**

**DIRECTORS' REPORT 2021-22**  
**(Including Management Discussion & Analysis)**

Dear Members,

Your Directors have pleasure in presenting the 51<sup>st</sup> Annual Report on the business and operations of **Kinetic Engineering Limited** and the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2022.

**I. Financial Performance & Business:**

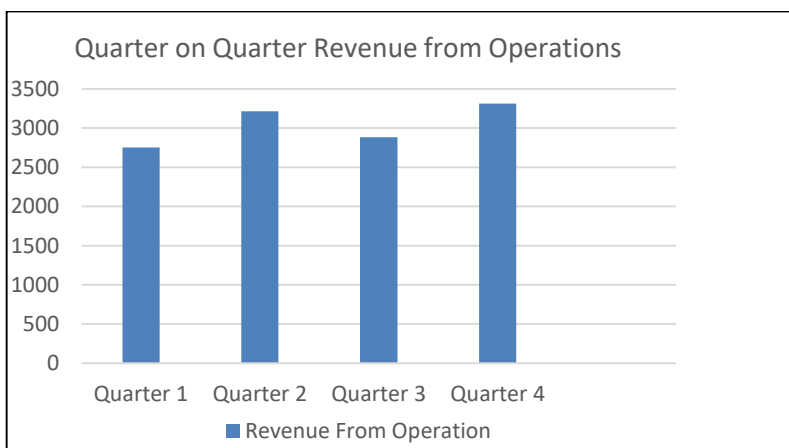
(INR in Lakhs)

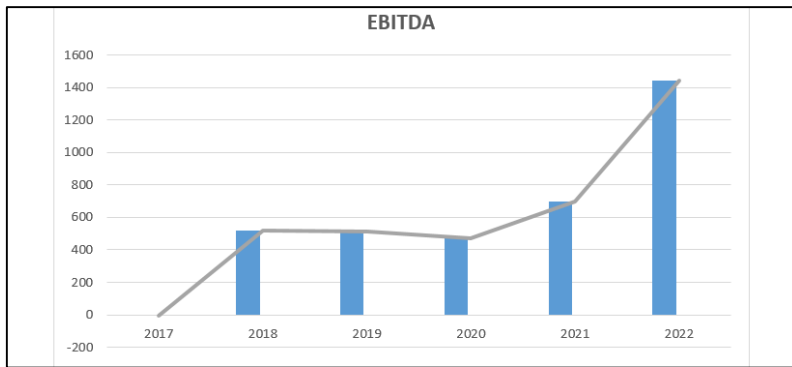
Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Total Revenue	12,435.34	8703.47
Profit/(Loss) before Interest, Depreciation, Tax and Other Amortizations ("EBIDTA")	1,441.12	699.14
Less : Depreciation and Amortization Expenses	646.68	677.68
Finance Cost	658.40	644.39
Tax Expenses – Net	-	-
Profit/(Loss) for the year	136.04	(622.93)
Other Comprehensive Income	18.02	12.20
Total comprehensive income/(loss) for the year	154.06	(610.73)

During the financial year, your Company has achieved a turnaround of its business after a long period of time by showing net profit quarter on quarter and for the entire year. The revenue of the company has grown by 43 % to Rs 124.35 cr., compared to last year's revenue of Rs. 87.03 cr. The company has recorded an EBITDA profit of Rs. 14.41 cr. compared to last year's EBITDA of Rs. 6.99 cr. a jump of 106%. Moreover, the company has shown a net profit of Rs. 154 lacs.

This turn around has been possible because of the company's strategy to control its costs through in sourcing of critical operations such as forging & turning; having a tight control on efficiency by its workmen, reducing rejection percentages by using the company's training center in Ahmednagar, and through tight control of all expenses. Whereas there has been equal focus on delivering the growing schedules of customers due to the pent up demand observed post covid. The company has proudly achieved almost 50% of its revenue through exports and continues to enjoy the benefits of high volume & long term contracts with its global partners.

Your company would like to thank the efforts of all team members and vision of the management in order to achieve this historic turnaround.





### New products and capital expenditure:

The company has decided to foray aggressively in the market of EVs. As you may be aware, there is tremendous growth in the EV segment, focused on 2 wheelers and 3 wheelers. Nearly 5,79,000 number of vehicles have been registered in a year alone in EV and is expected to grow at CAGR of 76% (2W) and 27% (3W). Hence the company plans to tap into this market by:

- **Exploring opportunities for making axles & gearboxes for the EV 3 wheeler segment** - In this initiative the company already has made upto 5 Kw rigix axle & transaxle solutions.
- **Exploring opportunities for making chasis for electric 2w and 3w** - In this initiative the company already has received an order to make the chasis of the upcoming electric moped, E – Luna and is developing various body parts for electric scooters/3 wheelers.
- **Tie ups with motor manufacturers for comprehensive solution** - In this initiative the company is devising the Kinetic Josh kit with a suitable manufacturer of motors to provide a motor + axle + gearbox + controller solution (one stop shop) to its customers.
- **Other initiatives that will pave way for a long term focus on EVs** - the company plans to explore any and all initiatives for tapping into the opportunities of this segment.

### Employee Relations:

The company continues to enjoy warm relationships with its employees. Recently, the company had a 50 - year celebration where it commemorated all employees who have been with the company from 15 years to 42 years in a grand felicitation programme. Some photographs of the event are mentioned below.

The company also is in talks with its union for concluding on a new agreement and is confident of amicably settling the same and gaining further productivity from the employees.

### Management Discussion and Analysis:

#### Risks:

The Company's sound risk management strategy attempts to detect various risks and continually devises risk mitigation strategies. The Company regularly monitors developments of Geo-Political Risks, Government policy risks, Raw material price fluctuations and their potential impact in the business. The company continue to cementing relationship with customers.

**Opportunities:**

The company sees major opportunities in exploring business in the EV space as described earlier. Since EV products cater not only to current OEMs but many new OEMs, it opens a box of opportunities. Being ahead in development of complex systems pertaining to axles & gearboxes and having a functional press & paint shop poses KEL ahead of others in becoming a one stop shop for EV solutions to both, OEMs and new players coming up. Moreover, using its international tie ups & bases KEL aims to strive to get collaborations/partners that can jointly cater to this segment and is in talks with various players for such initiatives.

KEL also sees a large opportunity in utilizing the strength of its known, established and loved brand name to aggressively tap opportunities.

KEL continues to develop and enhance its export portfolio, and is looking at extending its current contracts for the next terms. KEL also is exploring more focus on tractor segment, as a hedge against automobile and is adding various new customers here.

The new solar installation should bring positive increase in the bottom line, once the raw material prices stabilize. KEL sees these opportunities and a growing profitable situation to negotiate better terms with its bankers, suppliers & associates.

**II. Preferential issue to Promoters**

The Board allotted 2,93,569 Equity Shares at a price of Rs. 92.50 per Equity Share (including Rs. 82.50/- as premium) to Mr. Ajinkya Firodia, Managing Director & Promoter of the Company upon conversion of loan given by him to the Company aggregating to Rs. 2,71,55,133/- on preferential basis.

Further, The Board has also approved to issue of 8,79,310 Equity Shares at a price of Rs. 116/- per Equity Share (including Rs. 106/- as premium) to promoter company - Micro Age Instruments Private Ltd. aggregating to INR 10,19,99,960/- on preferential basis. The resolution to this effect is being put up for consideration of shareholders in the ensuing AGM to be held on 29 September 2022. The Board recommend to the shareholders for favourable consideration of the same.

**III. Corporate Governance**

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under the provision of Listing Regulations, 2015 forms part of the Annual Report.

**Board of Directors****Board's Composition and Independence**

As on 31<sup>st</sup> March 2022, our Board comprised of nine members, headed by a Non- Executive Chairman, one Executive Director and eight Non-Executive Directors where in five are Independent Directors. Two out of nine members are women directors. The composition of Board is in accordance with the requirements of Listing Regulations 2015 & Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors stating that they meet the prescribed criteria for independence.



**Directors and Key Managerial Personnel (KMP)**

## Director

Mr. Ajinkya Firodia (DIN: - 00332204), Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

## Key Managerial Personnel (KMP)

During the year under review, following change occurred in the Key Managerial Personnel of the Company:

Name of the KMP	Nature of Change	Date	Category
Mr. Nikhil Deshpande	Resignation	31 <sup>st</sup> May, 2021	Company Secretary
Ms. Khusboo Kothari	Resignation	31 <sup>st</sup> August, 2021	Company Secretary
Mr. Kamlesh Shinde	Resignation	15 <sup>th</sup> March, 2022	Company Secretary

**Declaration given by Independent Directors**

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence as provided under section 149(6) of the Act, as amended, and regulation 16 of the SEBI Listing Regulations.

The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

**Board Meetings**

The Board met Eight (8) times during the financial year 2021-22 viz. 21 June 2021, 29 June 2021, 20 July 2021, 12 August 2021, 01 October 2021, 20 October 2021, 13 November 2021 and 11 February 2022.

**Audit Committee**

All the Committee members are Non-Executive Independent Directors. All the Members of the Committee possess sufficient accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committees also. The recommendations of the Audit Committee during the year were accepted by the Board.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 2015, Independent Directors at their discussion, without the participation of the Non-Independent Directors and Management, evaluated the Boards' performance, Performance of the Chairman and other Non-Independent Directors.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

The criteria for performance evaluation have been detailed in the Corporate Governance Report which forms part of the Annual Report.

### **Remuneration Policy of the Company**

The Remuneration policy of the Company comprising of the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of the Directors and other related matters has been framed by Nomination and Remuneration Committee and has been briefed in Annexure-III to this Report.

### **Vigil Mechanism**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Regulations, 2015, is implemented through the Company's Whistle Blower Policy to enable the Directors and employees of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of the Company is available on the Company's website at [www.kineticindia.com/investors](http://www.kineticindia.com/investors).

### **Information required under Sexual Harassment of Women at Work place**

The Company has in place, the requisite Internal Committee as envisaged in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints on the issues covered by the above Act were received, during the year.

### **Contracts or Arrangements with Related Parties**

As required under the Listing Regulations, 2015, Related party transactions are placed before the Audit Committee for approval. At the beginning of the financial year, prior approval of the Audit Committee is obtained on an omnibus basis for continual transactions. The corresponding actual transactions then become a subject of review by the Committee at subsequent meetings.

All related party transactions/arrangements entered into by the Company during the year, were on an arm's length basis and in ordinary course of business.

There were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which could conflict with the interest of the Company as a whole. Consequently, disclosures in form AOC-2 pursuant to Rule 8 (2) of the Companies (Accounts) Rules, 2014 are not required.

The policy on Related Party Transactions as approved by the Board is available on the Company's website at [www.kineticindia.com/investors](http://www.kineticindia.com/investors).

### **Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note 4 & 5 of Notes to the Financial Statements.

**Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- (a) In the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors had in consultation with Statutory Auditors, selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were operating effectively during the Financial Year ended 31<sup>st</sup> March, 2022;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31<sup>st</sup> March, 2022.

**Share Capital**

The paid-up equity share capital as on 31 March 2022 stood at ₹ 1,870.36 lakh. During the year under review, there was no public issue, rights issue, bonus issue nor had the Company issued shares with differential voting rights or granted stock options or sweat equity.

**Particulars of Employees and related disclosures:**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees drawing remuneration in excess of the limits set out in the said Rules.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure V of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

#### **IV. Audit and Internal Financial Control**

##### **Statutory Auditor**

The Board has approved the appointment of M/s Pawan Jain & Associates (FRN: 0107867W) Chartered Accountants, Pune to hold office for further five years until the conclusion of Annual General Meeting to be held in the calendar year 2027 in accordance with the provisions of Section 139 of the Companies Act, 2013. The resolution to this effect is being put up for consideration of shareholders in the ensuing AGM to be held on 29 September 2022.

##### **Auditors' Report**

There are no qualifications, reservations or adverse remarks made by M/s Pawan Jain & Associates, Statutory Auditors, in their report for the financial year ended 31<sup>st</sup> March, 2022.

Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the statutory auditors have not reported any incident of fraud to the Audit Committee during the year under review.

##### **Secretarial Audit – FY 2021-22**

Mr. Dinesh Birla, proprietor of Dinesh Birla and Associates, Practicing Company Secretaries was appointed by the Board to conduct the audit of the Company's Secretarial Records in respect of the financial year 2021-22. The report of the Secretarial Audit appears as in Annexure – IV. There are no qualifications in the Report.

##### **Secretarial Auditor – FY 2022-23**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Dinesh Birla, Practicing Company Secretary (Certificate of Practice No.: 13029) to undertake the Secretarial Audit of the Company for the financial year 2022-23.

##### **Internal Control System and their adequacy**

The Company has adequate internal control system commensurate with its size and nature of business for ensuring efficiency of operations, adherence to management policies and protection of company's assets. The Company's Audit Committee periodically reviews the internal control systems and compliance with Company's policies, procedures and laws.

#### **V. Other Disclosures**

##### **Postal Ballot:**

There was no Postal Ballot conducted during the financial year under review.

##### **Deposits:**

During the year under review, your Company had not accepted any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as Annexure I to this Report.

**Extract of Annual Return:**

Pursuant to section 134 and section 92 of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31<sup>st</sup> March, 2022 in Form No. MGT- 9 is attached herewith as Annexure II and forms part of this Report. It is also available on the website of the Company at [www.kineticindia.com](http://www.kineticindia.com).

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/Ministry of Corporate Affairs within the Regulatory timelines is hosted on the Company's website and can be accessed at [www.kineticindia.com](http://www.kineticindia.com).

**Material changes and commitments between the end of the financial year and date of report:**

There have been no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of the Report.

**Cautionary Statement**

The report contains estimates and expectations, which could be 'forward looking'. Actual results, however, might differ from estimates and expectations expressed or implied in this report, as the same are affected by many other uncertainties, including raw material availability & prices, changes in Government regulations, tax regimes, economic developments and other incidental factors.

**Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

**Acknowledgement**

The Directors' express their sincere thanks to Central & State Governments, Financial Institutions, banks who have extended their support in form of Credit Facilities, suppliers and stakeholders for the support extended to the Company and also wish to place on record their appreciation of the dedicated services rendered by the employees of the Company.

**On behalf of the Board of Directors  
For Kinetic Engineering Limited**

**Date: 30 August 2022  
Place: Pune**

**A. H. Firodia  
Chairman  
(DIN: 00057324)**

**Annexure I**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO  
[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]**
**A) Conservation of Energy:**

1. Details of steps taken during previous year for conserving electrical energy:

Sr. No.	Point Details	Saving	Saving Amount (In Rs.)
1	Maximum demand control against sanction of 2500 KVA	1821.975 KVA	-
2	Ideal machine cut off by introducing timers	6728.92 KWH	61,838
3	Energy efficient tube light to be replacing 250 W Mercury fittings	50,853 KWH	4,67,344
4	Maintaining power factor throughout year	0.979	-
5	Switch off Lights, Fan, Machines, Air Valves when not required	-	-
6	Oil Leakage Arrest	-	-
7	Air Leakage to be stopped and Fixing Air Gun as per requirement	-	-
8	Daily Shopwise, Cell wise Energy Audit and Record	-	-
9	We have replaced one Energy saving Screw Compressor 750 CFM, 110 KW motor, Instead of CPT compressor 150 KW slipping Induction Motor	2,01,600 KWH	18.14
10	We start solar plant (16/2/22) and generate unit	321900 KWH	12,42,534

2. Steps taken by the Company for utilizing alternative sources of energy: Solar plant installation.
3. Due to solar initiative we generate approx. next year 21,60,000 unit (approx. saving p.a. Rs. 83,37,600).
4. Capital Investment in energy conservation: Nil

**B) Technology Absorption:**

- i) The efforts made towards technology absorption:

1. Production Rigid axle for electric three/four wheelers - Single speed - import substitute.
2. Production 2 speed Rigid axle and gear box.
3. Improved process for Spline yoke for better balancing on customer line.
4. In-house build end of Line with Vehicle like load to check deceleration.
5. Development of Single Speed Transaxle with ratio 1:10 with 5.5 Kw.
6. Introduction of Electronic Auto Gauging system for Intermediate Shaft.
7. Spline Yoke Forging in-house development in vertical forging.
8. Adoption of poka-yoka on Spline Yoke machines.

## II) Benefits derived as a result of the above efforts:

- a. Development of import substitute for transmissions used in Electric Vehicles.
- b. Upgradation of existing transmissions for higher capacity.
- c. Savings on capital investments by developing in machinery.
- d. Reduction in foreign exchange outgo.
- e. Improvements in Manufacturing methods and quality standards.
- f. Aiming towards self-sufficiency in engineering skills for manufacturing range of steering gears and connected products.
- g. Development of cost effective, high performance engineering products.
- h. Meet customer demands.
- i. Use of solar power with green energy to minimise pollution.
- j. For new technology - In-house Skill development and Increased business from EV market which is the future of automobiles.

III) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil

IV) The expenditure incurred on Research and Development: INR 185 Lakhs (Previous Year INR 173 Lakhs)

**C) Foreign Exchange Earnings and Outgo:**

The Company continues to strive to improve its export earnings. The information on foreign exchange earnings and outgo for the year under review are as under:

S. N.	Particulars	INR in Lakhs
1	Total foreign exchange earned in terms of actual inflows	5,365.97
2	Total foreign exchange outgo in terms of actual outflows	68.42

**On behalf of the Board of Directors  
For, Kinetic Engineering Limited**

**Date: 30 August 2022  
Place: Pune**

**A. H. Firodia  
Chairman  
(DIN: 00057324)**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the Financial Year ended on 31<sup>st</sup> March, 2022**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L35912MH1970PLC014819
ii)	Registration Date	08/10/1970
iii)	Name of the Company	Kinetic Engineering Limited
iv)	Category / Sub-Category of the Company	Limited Company / Limited by Shares
v)	Address of the Registered office and contact details	D-1 Block, Plot No. 18/2, M.I.D.C, Chinchwad, Pune: 411019, T: 020 6614 2078/ 2088
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. Block no. 202, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411 001 (Phone: +91 20 26160084   26161629)

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacturing of Auto Components	3748	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):**
**i) CATEGORY-WISE SHARE HOLDING**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 <sup>st</sup> April, 2021]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2022]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	4471429	274694	4746123	26.80	5741123	-	5741123	30.69	3.89
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3250464	703219	3953683	22.33	3953683	-	3953683	21.13	(1.20)



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 <sup>st</sup> April, 2021]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2022]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>7721893</b>	<b>977913</b>	<b>8699806</b>	<b>49.13</b>	<b>9694806</b>	-	<b>9694806</b>	<b>51.83</b>	<b>2.70</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	<b>7721893</b>	<b>977913</b>	<b>8699806</b>	<b>49.13</b>	<b>9694806</b>	-	<b>9694806</b>	<b>51.83</b>	<b>2.70</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	12	682	694	0.00	12	682	694	0.00	0.00
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate investment funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital investors	-	-	-	-	-	-	-	-	-
e) Foreign portfolio Investor	64	192	256	0.00	64	192	256	0.00	0.00
f) Financial Institutions/ Banks	110	2465	2575	0.01	110	2465	2575	0.01	0.00
g) Insurance Companies	69604	-	69604	0.39	-	-	-	-	(0.39)
h) Provident fund/ Pension fund	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>	<b>69790</b>	<b>3339</b>	<b>73129</b>	<b>0.41</b>	<b>186</b>	<b>3339</b>	<b>3525</b>	<b>0.01</b>	<b>(0.40)</b>
2. Central Govt./State Govt./ President of India	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>3. Non-Institutions</b>									
a) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR 2 Lakhs.	2770308	410612	3180920	18.00	3195760	406804	3602564	19.26	1.26
ii) Individual shareholders holding nominal	1589388	620710	2210098	12.48	1823798	-	1823798	9.75	(2.73)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 <sup>st</sup> April, 2021]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2022]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
share capital in excess of INR 2 Lakhs.									
b) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs)	-	-	-	-	-	-	-	-	-
e) Any Others (specify)	-	-	-	-	-	-	-	-	-
Trusts	0	18	18	<0.001	0	18	18	<0.001	0.00
Hindu Undivided Family	379033	85	379118	2.14	344604	85	344689	1.84	(0.22)
Foreign companies	519586	0	519586	2.93	-	-	-	-	(2.93)
Non -Resident Indians (Non Repatriation & Repatriation)	63122	24280	87402	0.49	106892	24152	131044	0.69	0.20
Overseas Bodies Corporate	0	342	342	<0.002	0	342	342	<0.002	0.00
Clearing Members	12443	0	12443	0.07	18330	0	18330	0.09	0.02
Bodies corporate	2543815	1944	2545759	14.37	3082561	1944	3084505	16.49	2.12
<b>Sub-total (B)(3):-</b>	<b>7877695</b>	<b>1057991</b>	<b>8935686</b>	<b>50.46</b>	<b>8571945</b>	<b>433345</b>	<b>9005290</b>	<b>48.14</b>	<b>(2.32)</b>
<b>Total Public (B)= (B1+B2+B3)</b>	<b>7947485</b>	<b>1061330</b>	<b>9008815</b>	<b>50.87</b>	<b>8572131</b>	<b>436684</b>	<b>9008815</b>	<b>48.16</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>15434023</b>	<b>2274598</b>	<b>17708621</b>	<b>100</b>	<b>18266937</b>	<b>436684</b>	<b>18703621</b>	<b>100</b>	<b>0.00</b>

**(ii) SHAREHOLDING OF PROMOTERS**

Sr. No.	Shareholder's Name	As on 01 <sup>st</sup> April, 2021			As on 31 <sup>st</sup> March, 2022			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Arun H. Firodia	141230	0.80	-	141230	0.75	-	0.05
2	Jayashree A. Firodia	3475222	19.62	-	3475222	18.58	-	1.04
3	Sulajja F. Motwani	616	<0.003	-	616	<0.003	-	0.00
4	Ajinkya A. Firodia	1129055	6.38	-	2124055	11.35	-	4.97
5	Micro Age Instruments Pvt. Ltd.	3953683	22.33	-	3953683	21.13	-	1.20

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING:**

Sr. No.	Name of Shareholder, Date and Reason of Change*	As on 01 <sup>st</sup> April, 2021		As on 31 <sup>st</sup> March, 2022	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Arun H. Firodia	141230	0.80	141230	0.75
2.	Dr. Jayashree Firodia	3475222	19.62	3475222	18.58
3.	Ms. Sulajja Firodia Motwani	616	<0.003	616	<0.003
4.	Mr. Ajinkya A. Firodia	1129055	6.38	2124055	11.35
5.	M/s. Micro Age Instruments Private Ltd.	3953683	22.33	3953683	21.13

\*Reason of change – Preferential Allotment of 995000 equity shares to Mr. Ajinkya A. Firodia

**(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS):**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year - 1 <sup>st</sup> April, 2021		Change during the year (No. of Shares)		Cumulative Shareholding at the end of the year - 31 <sup>st</sup> March, 2022	
		No. of Shares held	% of Shares	No. of Shares	% of Shares	No. of Shares held	% of Shares
1.	Ashoka Investment Holdings Ltd.	1750452	9.88				
	Sale / Purchase			Nil			
	At the end of the year					1750452	9.35
2.	Reliance Value Services Private Ltd.						
	Sale / Purchase			600001	3.20		
	At the end of the year					600001	3.20
3.	Reliance Corporate Advisory Services Ltd.	599700	3.38				
	Sale / Purchase			Nil			
	At the end of the year					599700	3.20
4.	Harsha Hitesh Javeri	405000	2.29				
	Sale / Purchase			Nil			
	At the end of the year					405000	2.16
5.	Hitesh Ramji Javeri	197424	1.10				
	Sale / Purchase			2589	0.04		
	At the end of the year					200013	1.06
6.	Neelam Vinod Ohri	94000	0.53				
	Sale / Purchase			10525	0.02		
	At the end of the year					104525	0.55
7.	Veena K. Jagwani						
	Sale / Purchase			95000	0.50		
	At the end of the year					95000	0.50
8.	Bharati Bharat Dattani	91934	0.52				
	Sale / Purchase			15389	0.12		
	At the end of the year					76545	0.40
9.	Kamal Metharam Jagwani						
	Sale / Purchase			65000	0.34		
	At the end of the year					65000	0.34

10.	Jay Bharat Dattani						
	Sale / Purchase			63833	0.34		
	At the end of the year					63833	0.34

**(v) SHAREHOLDING OF DIRECTORS:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Arun H. Firodia	141230	0.80	-	141230	0.75	-	0.05
2.	Dr. Jayashree A. Firodia	3475222	19.62	-	3475222	18.58	-	1.04
3.	Ms. Sulajja F. Motwani	616	<0.003	-	616	<0.003	-	0.00
4.	Mr. Ajinkya A. Firodia	1129055	6.38	-	2124055	11.35	-	4.97
5.	Mr. Shirish R. Kotecha	0	0.00	-	10	0.00	-	0.00
6.	Mr. Ramesh J. Kabra	525	<0.003	-	525	<0.003	-	0.00
7.	Mr. Rohit P. Bafana	10302	0.05	-	10302	0.05	-	0.00
8.	Mr. Jinendra H. Munot	28712	0.16	-	28712	0.15	-	0.01
9.	Mr. Venkataiah Madipalli	25	<0.001	-	25	<0.001	-	0.00

**(vi) SHAREHOLDING OF KEY MANAGERIAL PERSONNEL:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Ajinkya A. Firodia	1129055	6.38	-	2124055	11.35	-	4.97
2.	Mr. Chaitanya Koranne	1255	0.00	-	1255	0.00	-	0.00
3.	Mr. Chaitanya Mundra	-	-	-	-	-	-	0.00

**V. INDEBTEDNESS:**
**INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT:**

(Amount in INR)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	19,68,19,042	63,11,21,727	-	82,79,40,769
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	35,45,436	-	35,45,436
<b>Total (i+ii+iii)</b>	<b>19,68,19,042</b>	<b>63,46,67,163</b>		<b>83,14,86,206</b>

<b>Change in Indebtedness during the financial year</b>				
☑ Addition	2,92,01,339		-	2,92,01,339
☑ Reduction		2,01,49,919		2,01,49,919
<b>Net Change</b>	2,92,01,339	-2,01,49,919		<b>90,51,420</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	22,60,20,382	61,37,61,931		83,97,82,313
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	7,55,312		7,55,312
<b>Total (i+ii+iii)</b>	<b>22,60,20,382</b>	<b>61,45,17,244</b>		<b>84,05,37,625</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:**

(Amount in INR)

Particulars of Remuneration	Name of MD/WTD/Manager		Total
	Ajinkya A. Firodia (Managing Director)		
<b>Gross Salary:</b>			
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8,661,136		8,661,136
(b) Value of perquisites under section 17(2) Income Tax Act, 1961	15,000		15,000
(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-		-
<b>Stock Option:</b>	-		-
<b>Sweat Equity:</b>	-		-
<b>Commission:</b> - as % of profit - others, specify	-		-
<b>Total</b>	<b>8,676,136</b>		<b>8,676,136</b>

**B. REMUNERATION TO OTHER DIRECTORS:**
**(I). INDEPENDENT DIRECTORS:**

(Amount in INR)

Particulars of Remuneration	Name of the Independent Director				Total Amount
	Jinendra Munot	Ramesh Kabra	Shirish Kotecha	Rohit Bafana	
Fee for attending Board/Committee Meetings	52,000	21,500	75,000	39,500	114,500
Commission	-	-	-	-	-
Others, please Specify	-	-	-	-	-
<b>Total (I)</b>	<b>52,000</b>	<b>21,500</b>	<b>75,000</b>	<b>39,500</b>	<b>114,500</b>

**(II) OTHER NON-EXECUTIVE DIRECTORS:**

(Amount in INR)

Particulars of Remuneration	Name of the Directors		Total Amount
	Jayashree A. Firodia		
Fee for attending Board/Committee Meetings	42,000		42,000
Commission	-		-
Others, please Specify	-		-
<b>Total (II)</b>	<b>42,000</b>		<b>42,000</b>
<b>Total (B)=[I+II]</b>			<b>1,86,500</b>

**C. REMUNERATION OTHER THAN MD/ WTD/ MANAGER:**

(Amount in INR)

Sr. No	Particulars of Remuneration	CEO	CS	Total
		Chaitanya Koranne	Chaitanya Mundra	
<b>1.</b>	<b>Gross Salary:</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	22,54,557	1,01,000	23,55,557
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	3,45,000	-	3,45,000
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-
<b>2.</b>	<b>Stock Option:</b>	-	-	-
<b>3.</b>	<b>Sweat Equity:</b>	-	-	-
<b>4.</b>	<b>Commission:</b> -as % of profit - others, specify	-	-	-
<b>5.</b>	<b>Others, Please Specify:</b>	-	-	-
<b>Total (C)</b>		<b>25,99,557</b>	<b>1,01,000</b>	<b>27,00,557</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

**POLICIES AT THE GLANCE****A. Preservation & Archival Policy:**

Pursuant to Regulation 9 of Listing Regulations, 2015, the Board of Directors has adopted Policy on Preservation of Documents. This Policy envisages the procedure governing preservation of documents as required to be maintained under the various statutes. The Policy can be accessed from the Company's website at [www.kineticindia.com/investors](http://www.kineticindia.com/investors).

Pursuant to Regulation 30(8) of Listing Regulations, 2015, every listed company shall disclose on its website, all such events or information which have been disclosed to the stock exchange(s) under Regulation 30. Such disclosures shall be posted on the website of the company for a minimum period of five years and thereafter as per the archival policy of the company. Accordingly, the Board of Directors has approved the 'Archival Policy'. The Policy can be accessed from the Company's website at [www.kineticindia.com/investors](http://www.kineticindia.com/investors).

**B. Policy on Determination of Materiality for Disclosures of Events or Information:**

Pursuant to Regulation 30 of Listing Regulation 2015, the Board of Directors has adopted the Policy for Determination of Material Events or information. The objective of the Policy is to ensure timely and adequate disclosure of material events or information. The Policy can be accessed from the company's website at [www.kineticindia.com/investors](http://www.kineticindia.com/investors).

**C. Remuneration Policy:**

The Company had framed a remuneration policy to review the existing tenure of all its directors and criteria for the appointment/re-appointment of directors wherein it takes into account, various factors viz. remuneration package offered to Senior Directors in the automobile and engineering industry, trends in industry, financial position of the Company, performance of the Executive Directors, their qualifications, experience and past remuneration, terms of employment, etc. The components of remuneration include Basic Salary, Allowances, Perquisites and Retirement Benefits. The Policy can be accessed from the company's website at [www.kineticindia.com/investors](http://www.kineticindia.com/investors).

**D. Whistle Blower Policy:**

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/Employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Policy can be accessed from the company's website at [www.kineticindia.com/investors](http://www.kineticindia.com/investors).

**Form No. MR 3**  
**Secretarial Audit Report**  
**(For the year ended 31<sup>st</sup> March, 2022)**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Board of Directors  
Kinetic Engineering Limited  
D 1 Block, Plot No. 18/2  
Chinchwad, Pune 411019.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kinetic Engineering Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Kinetic Engineering Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended by Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended by The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;



- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;  
Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review.
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 upto 12<sup>th</sup> August, 2021. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from 13<sup>th</sup> August 2021.  
Not Applicable as the Company has not issued or listed any such securities during the financial year under review.
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 upto 15<sup>th</sup> August 2021. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with effect from 16<sup>th</sup> August, 2021;  
Not Applicable as the Company has not issued and listed any debt securities during the financial year under review.
- g. Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013 upto 15<sup>th</sup> August, 2021. The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 with effect from 16<sup>th</sup> August, 2021;  
Not Applicable as the Company has not issued and listed any debt securities during the financial year under review.
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review.
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;  
Not Applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.
- j. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited;
- k. The Memorandum and Articles of Association.

**I have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no major decisions, specific actions/ events have occurred which has major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Dinesh Birla & Associates  
Company Secretaries**

**Sd/-**

**Dinesh Birla**

**Proprietor**

**FCS: 7658, CP No.: 13029**

**PRC No.: 1668/2022**

**UDIN: F007658D000795918**

**Place: Pune**

**Date: 12<sup>th</sup> August, 2022**

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

To,  
The Board of Directors  
Kinetic Engineering Limited  
D 1 Block, Plot No. 18/2  
Chinchwad, Pune 411019.

Our Secretarial Audit report of even date is to be read together with this letter:

I further report that:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes, as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, regulations and happening of events etc.
4. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, and Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. We have also relied on the documents and evidences provided on email to us, in view of the prevailing pandemic situation of COVID -19.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For Dinesh Birla & Associates  
Company Secretaries**

**Sd/-  
Dinesh Birla, Proprietor  
FCS: 7658, CP No.: 13029  
PRC No.: 1668/2022  
UDIN: F007658D000795918**

**Place: Pune  
Date: 12<sup>th</sup> August, 2022**

**ANNRXURE V**
**Information pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year ended 31<sup>st</sup> March, 2022

Name	Designation	Ratio of remuneration to the median remuneration of employees	% increase in the financial year
Arun H Firodia	Chairman Non-Executive Director	NA*	NA*
Jayashree A Firodia	Non-Executive Director	NA*	NA*
Sulajja Firodia Motwani	Non-Executive Director	NA*	NA*
Ajinkya A Firodia	Managing Director	55.61	-
Shirish Kotecha	Independent Director	NA*	NA*
Ramesh Kabra	Independent Director	NA*	NA*
Rohit Bafana	Independent Director	NA*	NA*
Jinendra Munot	Independent Director	NA*	NA*
Venkataiah Madipalli	Independent Director	NA*	NA*
Chaitanya Koranne	Chief Executive Officer	16.66	-
Chaitanya Mundra	Company Secretary	NA <sup>#</sup>	NA <sup>#</sup>

\*Do not draw any remuneration from the Company.

<sup>#</sup>Ratio of Remuneration to the median remuneration of employees and % increase in the remuneration in the financial year cannot be calculated since employed for part of the year.

2. The median remuneration of the employees of the Company during the financial year ended 31<sup>st</sup> March, 2022 was Rs. 156000/-
3. The percentage increase in the median remuneration of employees in the financial year was 5.55%
4. The number of permanent employees on the rolls of the Company: 286
5. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: N.A
6. We confirm that the remuneration is as per the remuneration policy recommended by the Nomination and Remuneration Committee of the Company and adopted by the Company.

**REPORT ON CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**1. Corporate Governance Philosophy:**

The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders, and strong commitment to values, ethics and business conduct. The Company is committed to good corporate governance, based on an effective Independent Board, separation of supervisory role from the executive management and the constitution of committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plans to performance measurement and consumer satisfaction.

Kinetic Engineering Limited Corporate Governance philosophy is about intellectual honesty, whereby the governance is not just about encompassing regulatory and legal requirements but also strives to enhance stakeholders' value as a whole. The Company's philosophy includes protection and facilitation of shareholders' rights, provide adequate and timely information and ensuring equitable treatment to all shareholders. The Company also ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

**2. Board of Directors:**

2.1 We believe that our Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. The SEBI (Listing Obligations and Disclosure Requirements) 2015 (hereby referred to as "Listing Regulations, 2015") mandate that for a Company with a Non-Executive Chairman, who is a promoter, at least fifty percent of the Board should comprise of independent Directors.

As on 31<sup>st</sup> March, 2022, our Board comprised nine members, consisting of a Non- Executive Chairman, one executive director and eight Non-Executive Directors where in five are Independent Directors. Two out of nine members are Women Directors. The composition of Board is in accordance with the requirements of Listing Regulations, 2015 & Companies Act, 2013.

All the directors possess the requisite qualifications and experience in corporate management and finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

All the Independent Directors of the Company furnish declaration annually that they qualify the conditions of their being independent. All such declarations are placed before the Board. Further all the Directors provide declarations annually that they have not been disqualified to act as Director under Section 164(2) of the Companies Act, 2013.

**2.2 The Composition of the Board as on 31<sup>st</sup> March, 2022 and category of Directors are as under:**

Name of the Director	Designation	Category	No. of other Directorships held #	No. of Independent Directorships held in Listed Companies #	No. of other Board committees ##	
					Chairman	Member
Mr. Arun H. Firodia	Chairman	Promoter/ Non-Executive	2	NIL	-	-
Dr. Jayashree A. Firodia	Director	Promoter/ Non- Executive	3	NIL	-	-
Ms. Sulajja. F. Motwani	Director	Promoter/ Non-Executive	1	NIL	-	-
Mr. Ajinkya A. Firodia	Director	Promoter/ Executive	4	NIL	-	-
Mr. Shirish R. Kotecha	Director	Independent	2	NIL	-	-
Mr Ramesh J. Kabra	Director	Independent	0	NIL	-	-
Mr Rohit P. Bafana	Director	Independent	0	NIL	-	-
Mr. Jinendra H. Munot	Director	Independent	0	NIL	-	-
Mr. Venkataiah Madipalli	Director	Independent	0	NIL	-	-

#Excludes Directorship in Indian Private limited companies, Foreign companies, Companies registered under Section 8 of the Companies Act, 2013 and Directorship in Kinetic Engineering Limited.

## Committees considered are Audit Committee and Stakeholders Relationship Committee in Public Companies excluding Kinetic Engineering Limited.

**2.3 None of the Directors of the Company holds membership of more than ten Board Committees or holds Chairmanship of more than five Board Committees.**
**2.4 Attendance of Directors at Board Meetings and at the last Annual General Meeting:**

During the year under review, eight (8) Board Meetings were held on 21<sup>st</sup> June, 2021, 29<sup>th</sup> June, 2021, 20<sup>th</sup> July, 2021, 12<sup>th</sup> August, 2021, 1<sup>st</sup> October, 2021, 20<sup>th</sup> October, 2021, 13<sup>th</sup> November, 2021 & 11<sup>th</sup> February, 2022. The maximum time gap between any two Board Meetings was not more than one hundred twenty days.

The details of Attendance of Directors at the Board Meetings and at the last Annual General Meeting are as hereunder:

Name of the Director	Board meeting held during the tenure of the Director	Board Meeting Attended	Attendance at the last AGM held on 28 <sup>th</sup> September, 2021
Mr. Arun H. Firodia	8	8	Yes
Dr. Jayashree A. Firodia	8	6	Yes
Ms. Sulajja F. Motwani	8	5	Yes
Mr. Ajinkya A. Firodia	8	7	Yes
Mr. Shirish R. Kotecha	8	8	Yes

Mr. Ramesh J. Kabra	8	2	Yes
Mr. Rohit P. Bafana	8	4	Yes
Mr. Jinendra H. Munot	8	5	Yes
Mr. Venkataiah Madipalli	8	2	Yes

**2.5 Pecuniary relationship or transactions of Non-Executive Directors: Nil**
**3. Audit Committee:**
**3.1 Brief description of terms of reference:**

The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the Independent Auditors and notes the processes and safeguards employed by each of them. The audit committee is responsible to select, evaluate and where appropriate, replace the independent auditors in accordance with the law. All possible measures are taken by the committee to ensure the objectivity and independence of Independent auditors.

**3.2 Composition of Committee during the year under review:**

The Committee is comprised solely of Independent Directors and is in compliance with the requirements of Section 149 of the Companies Act, 2013 & Regulation 18 of the Listing Regulations, 2015 during the financial year 2021-22:

Name of the Director	Category	Status
Mr. Shirish Kotecha	Independent Director	Chairman
Mr. Ramesh Kabra	Independent Director	Member
Mr. Rohit Bafana	Independent Director	Member
Mr. Jinendra H. Munot	Independent Director	Member
Mr. Venkataiah Madipalli	Independent Director	Member

**3.3 Meetings and attendance during the year under review:**

During the year under review, five (5) Meetings of the Audit Committee were held on 29<sup>th</sup> June 2021, 20<sup>th</sup> July 2021, 12<sup>th</sup> August, 2021, 13<sup>th</sup> November 2021 & 11<sup>th</sup> February 2022. Details of attendance of the Members at the meeting were as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. Shirish Kotecha	5	5
Mr. Ramesh Kabra	5	2
Mr. Rohit Bafana	5	3
Mr. Jinendra Munot	5	5
Mr. Venkataiah Madipalli	5	2

The Head of Finance Department, CEO, Internal Auditors, Representative of Statutory Auditors, and other Senior Executives members of the Company were also invited to attend the Audit Committee Meetings. The Company Secretary acts as a secretary to the Audit Committee.

**4. Nomination and Remuneration Committee:**
**4.1 Brief description of Terms of reference:**

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity;
- Recommending to the Board on candidates for any Board vacancies that are to be filled.

**4.2 Composition of Committee during the year under review:**

The composition of the Nomination and Remuneration Committee for the year ended 31<sup>st</sup> March, 2022 is as follows: -

Name of the Director	Category	Status
Mr. Shirish Kotecha	Independent Director	Chairman
Mr. Ramesh Kabra	Independent Director	Member
Mr. Rohit Bafana	Independent Director	Member
Mr. Jinendra H. Munot	Independent Director	Member
Mr. Venkataiah Madipalli	Independent Director	Member

**4.3 Meetings and attendance during the year under review:**

During year under review, three (3) Meetings of the Nomination and Remuneration Committee were held on 20<sup>th</sup> October 2021, 13<sup>th</sup> November 2021 and 11<sup>th</sup> February 2022. Details of attendance of the Members at the meeting were as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. Shirish Kotecha	3	3
Mr. Ramesh Kabra	3	1
Mr. Rohit Bafana	3	1
Mr. Jinendra Munot	3	3
Mr. Venkataiah Madipalli	3	1

The Company Secretary acts as a secretary to the Nomination and Remuneration Committee Meeting.

**4.4 Details of Remuneration:**

The details of remuneration paid to Executive Directors, as required under Regulation 34 read with Schedule V of the Listing Regulations, 2015 during the financial year ended on 31<sup>st</sup> March, 2022 are as follows:



Sr. No.	Particulars of Remuneration	Ajinkya A. Firodia	Total (in INR)
1	Gross Salary		
	(a.) Salary as per section 17(1)	8,661,136	8,661,136
	(b.) Perquisites as per section 17(2)	15,000	15,000
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
5	Others	-	-
Total		8,676,136	8,676,136

All the above remuneration was fixed/varies with respect to time-scale.

Details of Sitting Fees paid to Non-Executive Directors for attending Board/ Committee Meetings and their shareholding in the Company during the period ended on 31<sup>st</sup> March, 2022, are as follows:

Sr. No.	Name of the Non- Executive Director	Sitting Fees (In INR)	No. of Shares Held in the Company
1	Dr. Jayashree A. Firodia	42,000	34,75,222
2	Mr. Ramesh J. Kabra	21,500	525
3	Mr. Shirish R. Kotecha	75,000	10
4	Mr. Rohit P. Bafana	39,500	10,302
5	Mr. Jinendra Munot	52,000	28,712
6	Mr. Venkataiah Madipalli	21,500	25

## 5. Stakeholders Relationship Committee

5.1 The Committee assists the Board and the Company in maintaining healthy relationships with all stakeholders. The Committee oversees the mechanisms for redressing grievances and complaints from stakeholders and reviews the matters connected therewith. The Company Secretary acts as a secretary to the Stakeholders Relationship Committee.

5.2 Composition of the Committee during the year under review:

The composition of the Stakeholders Relationship Committee for the year ended 31<sup>st</sup> March, 2022 is as follows: -

Name of the Director	Category	Status
Mr. Shirish Kotecha	Independent Director	Chairman
Mr. Ramesh Kabra	Independent Director	Member
Mr. Rohit Bafana	Independent Director	Member
Mr. Jinendra H. Munot	Independent Director	Member
Mr. Venkataiah Madipalli	Independent Director	Member

5.3 Meetings and attendance during the year under review:

During the period under review, One (1) meetings of the Stakeholders Relationship Committee were held on 29<sup>th</sup> June, 2021. Details of attendance of the Members at the meeting were as follows:

Name of the Director	No. of Meetings held during the Year	No. of Meetings attended
Mr. Shirish Kotecha	1	1
Mr. Ramesh Kabra	1	0
Mr. Rohit Bafana	1	1
Mr. Jinendra Munot	1	1
Mr.Venkataiah Madipalli	1	0

#### 5.4 Complaints/requests/ grievances during the year under review:

No. of shareholder's complaints/request received during the period under review	112
No. of complaints/request not resolved to the satisfaction of the shareholders	0
No. of pending Complaints/request as on 31 <sup>st</sup> March, 2022	0

#### 6. Evaluation of Board's performance:

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of the Board and Individual Directors, including the Chairman of the Board. The exercise was carried out through evaluation process covering various aspects.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees.

#### 7. Meeting of Independent Directors:

As stipulated by code for Independent Directors under the Companies Act, 2013 and the Listing Regulations, 2015, a separate meeting of Independent Directors was held on 10<sup>th</sup> February, 2022 to review the performance of Non-Independent Directors and the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

#### 8. Code of Conduct:

The Board of Directors has laid down Code of Conduct for Board Members and designated Senior Management and Employee of the Company. All Board Members and Senior Management personnel have affirmed compliance with these Codes of Conduct. The code of conduct is available on the website of the Company at [www.kineticindia.com/investors](http://www.kineticindia.com/investors). A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

#### 9. Code of Conduct for prohibition of insider trading:

The Company has adopted an Insider Trading policy to regulate, monitor and report trading by insiders under Securities and Exchange Board of India SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosures. The policy is available on Company's website of the Company at [www.kineticindia.com/investors](http://www.kineticindia.com/investors).

#### 10. Auditors' certificate on Corporate Governance:

As required under Schedule V of the Listing Regulations, 2015 the Auditors' certificate on Corporate Governance is enclosed as Annexure to the Board of Directors' report.

**11. CEO and CFO certification:**

As required by the Listing Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

**12. Compliance Officer:**

Mr. Chaitanya Mundra, Company Secretary is the Compliance Officer for complying with the requirements of Companies Act, 2013, SEBI Regulations, Secretarial Standards etc.

**13. Annual General Meetings:**

The details of the last three Annual General Meetings of the Company are as hereunder:

Year ended	Date of AGM	Time	Venue	Whether Special Resolution Passed or not	Details of Special Resolution passed
31 <sup>st</sup> March 2021	28 <sup>th</sup> September, 2021	11.30 a.m.	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility. D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	Not*	Nil*
31 <sup>st</sup> March, 2020	25 <sup>th</sup> November, 2020	11.00 a.m.	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility. D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	Yes	Appointment of Dr. Jayashree Arun Firodia (DIN :00328499) as Non-Executive Director who retired by rotation and being eligible offered herself for re-appointment.
31 <sup>st</sup> March 2019	28 <sup>th</sup> August, 2019	11.00 a.m.	D-1 Block, Plot No. 18/2, Chinchwad MIDC, Pune – 411019	Yes	Appointment of Mr. Arun H Firodia (DIN 00057324) as Non-Executive Chairman who retired by rotation and being eligible offered himself for reappointment.

\*The Shareholders through an Extra Ordinary General Meeting dated 10<sup>th</sup> June 2022 passed Special Resolution for Payment of remuneration to Mr. Ajinkya A. Firodia, Managing Director of the company.

**14. Postal Ballot - Nil**
**15. Remote e-voting and ballot voting at the AGM**

To allow the shareholder to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The company has engaged CDSL to provide e-voting facility to all the members.

Members, whose name appears on the register of members as on Thursday, the 22 September, 2022 shall be eligible to participate in the e-voting.

**16. Disclosures:**

- (i) Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or management, their subsidiaries or relatives etc. that may have potential conflict with interests of Company at large:

Normal trade transactions were entered into by the Company with the related parties. The Executive Directors were paid remuneration. The disclosures on related party transactions are given in Note No. 45 of Notes Forming part of the Financial Statements for the year ended on 31<sup>st</sup> March, 2022.

- (ii) The Company has complied with all mandatory requirements of the Listing Regulations, 2015, in respect of Corporate Governance.

**17. Means of Communication:**

The Company's quarterly/half-yearly/annual financial results are sent to Stock Exchange and published in 'Financial Express' and 'Loksatta' newspapers. Simultaneously, they are also hosted on Company's website - [www.kineticindia.com](http://www.kineticindia.com). In terms of SEBI circular, the Company has designated an email address- [kelinvestors@kineticindia.com](mailto:kelinvestors@kineticindia.com) for enabling investors to post their grievances and to enable timely action on investor grievances, if any.

**18. Press Releases, News Release:**

Official Press Releases are sent to Stock Exchange and are hosted on Company's website. No presentation was made to Institutional Investors or Analysts.

**19. General Shareholders Information:**

The 51<sup>st</sup> Annual General Meeting is proposed to be held on Thursday, 29<sup>th</sup> September, 2022 at 11:30 a.m. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility.

**20. Financial Calendar (Tentative):**

The tentative dates to declare unaudited/audited financials of the Company are as follows: -

Quarter Ending	Date
30 <sup>th</sup> June, 2022	12 <sup>th</sup> August, 2022 (Declared)
30 <sup>th</sup> September, 2022	14 <sup>th</sup> November, 2022
31 <sup>st</sup> December, 2022	14 <sup>th</sup> February, 2023
31 <sup>st</sup> March, 2023	30 <sup>th</sup> May, 2023

**a. Dividend Payment Date:**

The Directors have not recommended any Dividend for the financial year ended on 31<sup>st</sup> March, 2022.

**b. Listing of Shares on Stock Exchanges:**

The shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400 001.

**c. Payment of Listing Fees:**

Annual Listing Fee for the year 2022-23 has been paid by the Company to the stock exchange.

**d. Payment of Annual Custodian Fees:**

Annual Custodian fees for the year 2022-23 has been paid by the Company to the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

Stock Code and ISIN:

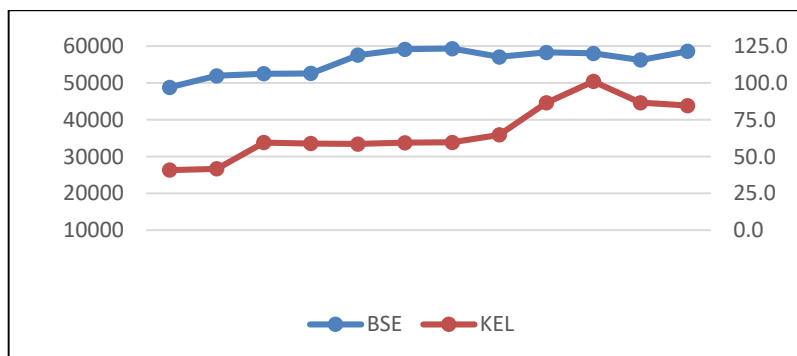
BSE (Equity Shares) : 500240  
ISIN for equity shares : INE266B01017.

Stock Market Price Data (Source: Official Website of BSE [www.bseindia.com](http://www.bseindia.com)):

Month & Year	KEL Share Price			BSE Sensex		
	High (In INR)	Low (In INR)	Close (In INR)	High	Low	Close
April, 2021	44.00	36.65	40.80	50375.77	47204.50	48782.36
May, 2021	42.10	36.65	41.75	52013.22	48028.07	51937.44
June, 2021	60.80	39.70	59.55	53126.73	51450.58	52482.71
July, 2021	69.20	56.50	58.85	53290.81	51802.73	52586.84
August, 2021	62.25	49.55	58.50	57625.26	52804.08	57552.39
September, 2021	66.00	55.00	59.45	60412.32	57263.90	59126.36
October, 2021	65.90	56.20	59.60	62245.43	58551.14	59306.93
November, 2021	69.00	55.65	64.75	61036.56	56382.93	57064.87
December, 2021	86.50	60.05	86.50	59203.37	55132.68	58253.82
January, 2022	101.05	74.00	101.05	61475.15	56409.63	58014.17
February, 2022	116.45	80.10	86.60	59618.51	54383.20	56247.28
March, 2022	94.35	79.00	84.60	58890.92	52260.82	58568.51

Performance in comparison to broad based BSE Sensex:

Kinetic Engineering Ltd (KEL) Share price on BSE vis-à-vis BSE Sensex (2021-22)


**Registrars and Transfer Agents:**

The Company's equity shares are compulsorily traded in Demat mode and hence transferable through the depository system. Link Intime India Pvt. Limited, Akshay Complex, Block No. 202, 2nd Floor, Dhole Patil

Road, Pune-411001 has been appointed as Company's Registrars and Transfer Agent as per SEBI's Circular for appointment of Common Agency to carry physical and electronic share registry work.

**Share Transfer System:**

All the transfers received are processed by the Registrars and Transfer Agent and approved by the Authorised Directors/ Company Secretary of the Company. The demat request which were received in physical form, were processed and the share certificates returned within a period of 30 days from the date of receipt, (as per the relaxation in time line granted for processing of Demat request vide SEBI letter no. NSDL/11/SEBI/PP/2150/2018 dated 24<sup>th</sup> January, 2019) subject to the documents being valid and complete in all respects.

**Distribution of Shareholding as on 31 March 2022:**

Shareholding of Nominal value (INR)	No. of Shareholders	% of No. of Shareholders	Amount (INR)	% to paid-up Capital
Upto 1000	20,197	96.57	17170130	9.18
1001-2000	312	1.49	4749570	2.54
2001-3000	116	0.55	2948000	1.58
3001-4000	57	0.27	2026200	1.08
4001-5000	59	0.28	2806250	1.50
5001-10000	87	0.41	6254010	3.34
10001-100000	84	0.40	151082050	80.78
Total	20912	100.00	187036210	100.00

**Shareholding Pattern as on 31<sup>st</sup> March, 2022:**

Sr. No.	Category	No. of Shares	Percentage (%)
A)	Promoter and Promoter Group		
	Indian	9694806	51.83
	Foreign	0	0
	TOTAL (A)	9694806	51.83
B) (I)	Public Shareholding		
	Institutions:		
	Mutual Funds/UTI	694	0.00
	Financial Institutions/Banks	2575	0.01
	Insurance Companies	0	0
	Foreign Portfolio Investors	256	0
	Total B (I)	3525	0.02
(II)	Non- Institutions:		

Bodies Corporate	3084505	16.49
Individuals	5426362	29.01
Clearing Members	18330	0.09
NRI/ NRN	131044	0.69
Foreign Companies	0	0
OCB	342	0.00
Trusts	18	0.00
HUF	344689	1.84
NBFC	0	0
Total B (II)	9005290	48.13
TOTAL (B) [I+II]	9008815	48.17
GRAND TOTAL(A+B)	18703621	100

**Dematerialization of Shares:**

The Company's Shares are compulsory traded on BSE in dematerialized form. As on 31<sup>st</sup> March, 2022, the details of the Shares of the Company held in physical and demat form are given below:

Sr. No.	Particulars	No. of Shares	% to the Capital
1.	Shares held in Physical Form	4,36,684	13.85
2.	Shares held in Demat Form - NSDL	1,56,76,712	83.82
3.	Shares held in Demat Form - CDSL	25,90,225	2.33
Total		1,87,03,621	100.00

**Outstanding GDRs/ADRs/Warrants:** Not applicable as not issued.

**Plant Locations:** The Company's plant is located at Ahmednagar - Daund Road, Ahmednagar (Maharashtra).

**Address for correspondence:**

Shareholder's correspondence may be addressed to the Registrars & Transfer Agent, Link Intime India Pvt. Limited, Block No. 202, Akshay Complex, 2nd floor, Dhole Patil Road, Pune - 411001. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants. Investor grievances, queries, etc. can be additionally marked to kelinvestors@kineticindia.com

**On behalf of the Board of Directors  
For, Kinetic Engineering Limited**

**Date: 30<sup>th</sup> August, 2022  
Place: Pune**

**A. H. Firodia  
Chairman  
(DIN : 00057324)**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

To  
The Members,  
Kinetic Engineering Limited  
D1 Block, Plot No.18/2, MIDC  
Chinchwad, Pune - 411019

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kinetic Engineering Limited having CIN L35912MH1970PLC014819 and having registered office at D1 Block, Plot No.18/2, MIDC Chinchwad Pune - 411019 and (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.N.	DIN	Name	Date of Appointment
1	00052851	Sulajja Firodia Motwani	04/05/1996
2	00057324	Arun Hastimal Firodia	01/07/1987
3	00170659	Shirish Ratanlal Kotecha	27/11/1987
4	00306688	Ramesh Jankiram Kabra	28/06/2014
5	00328499	Jayashree Arun Firodia	27/10/2017
6	00332204	Ajinkya Arun Firodia	06/04/2009
7	00392438	Venkataiah Madipalli	10/02/2021
8	00590469	Rohit Prakash Bafana	13/02/2019
9	00049838	Jinendra Hirachand Munot	20/10/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Dinesh Birla & Associates  
Company Secretaries**

**Sd/-  
Dinesh Birla, Proprietor  
FCS: 7658, CP No.: 13029  
UDIN: F007658D000732635  
Place: Pune  
Date: 3<sup>rd</sup> August 2022**



**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

I, Ajinkya A. Firodia, Managing Director of the Company hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed their compliance with the 'Code of Conduct for Members of the Board and Senior Management' in respect of financial year 2021-22 in terms of Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**On behalf of the board  
For Kinetic Engineering Limited**

**Ajinkya A. Firodia  
Managing Director & CFO  
(DIN: 00332204)**

**Date: 30<sup>th</sup> August, 2022  
Place: Pune**

**CEO & CFO CERTIFICATION**

The Chief Executive Officer and Chief Financial Officer have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Chaitanya Koranne  
Chief Executive Officer**

**Ajinkya A. Firodia  
Managing Director & CFO  
(DIN: 00332204)**

**Date: 30<sup>th</sup> August, 2022  
Place: Pune**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****To the Members  
Kinetic Engineering Limited**

This certificate is issued in accordance with the terms of our engagement with Kinetic Engineering Limited ('the Company').

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**MANAGEMENTS' RESPONSIBILITY**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**OPINION**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Pawan Jain and Associates**  
Chartered Accountants  
Firm's Registration No.: 0107867W

**Pawan Jain**  
Partner  
Membership No.: 032900  
UDIN: - 21032900AAAAEJ6980

Date: 12/08/2022  
Place: Pune

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Kinetic Engineering Limited

### Opinion

We have audited the standalone financial statements of Kinetic Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2022, and its loss (financial performance including other comprehensive income), its changes in equity and cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

Refer Note - 44 describing the basis of company's ability to continue as a Going Concern.

Our opinion is not modified in respect of the above mentioned matters.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report.

<b>The key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Revenue recognition:</b> The Company is engaged in manufacture and supply of automotive components to its customers both in domestic and international markets. Effective April 01, 2018 company has applied Ind As-115 accordingly Revenue is recognised upon transfer of control of promised products and services to customers. (refer note-2.6 to standalone financial statements).</p> <p>Ind AS 115 has been implemented starting from 1 April 2018. As a consequence, the Company has analysed its various sales contracts and concluded on the principles for determining the point of time for recognition of revenue from the Company's sales transactions.</p> <p>In view of the comprehensive change of the accounting standard applicable for the revenue and the re-evaluation of all contracts in this light, this aspect has been identified for enhanced attention in the audit.</p>	<p><b>Principal audit procedures:</b> Our audit included but was not limited to the following activities:</p> <p><b>Control testing:</b></p> <ul style="list-style-type: none"> <li>• Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.</li> </ul> <p><b>Test of details:</b></p> <ul style="list-style-type: none"> <li>• Evaluated the Company's procedure in place for implementing Ind AS 115 and assessed whether Company's accounting principles comply with the new accounting standard.</li> <li>• Tested a sample of sales transactions for compliance with the Company's accounting principles.</li> <li>• Performed data analytical procedures to identify and evaluate a sample of manual journal entries.</li> <li>• Traced disclosure information to accounting records and other supporting documentation.</li> </ul>

### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - A. As required by Section 143(3) of the Act, we report that:
    - (a.) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b.) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - (c.) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
    - (d.) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
    - (e.) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
    - (f.) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" .
    - (g.) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      - i. The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements - Refer Note 38;
      - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
      - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

iv. (a) The management has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note No. 47)

(b) the management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note No. 47).

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

**For Pawan Jain and Associates**  
Chartered Accountants  
Firm’s Registration No.: 0107867W

**Pawan Jain**  
Partner  
Membership No.: 032900  
UDIN: - 21032900AAAADF6146

Pune  
May 25, 2022



## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under the heading, “Report on Other Legal and Regulatory Requirements” of our report on even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company is maintaining proper records showing full particulars of intangible assets

(b) As informed to us, the fixed assets are being physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. All the major fixed assets have been verified by the management in the current year and discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(d) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i) (e) of the Order is not applicable.

- ii. Physical verification of inventory has been conducted by the management during the current year. In our opinion, the interval of such verification is reasonable. As informed to us, discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
- iii. The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, clause (iii) a, b and c of the Order are not applicable to the Company.
- iv. According to the information and explanations provided to us, in respect of loans, investments, guarantees, and security; provisions of section 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable.
- v. According to information and explanation provided to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to the Company. According to information and explanation provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

- vi. As informed to us, the cost records, pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 are not applicable to the company.
- vii. (a) According to the records of the company, it is generally regular in depositing undisputed statutory dues of, provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues with the appropriate authorities except depositing dues of Provident Fund where there are delays.

According to the information and explanation provided to us, undisputed amounts payable in respect of Provident Fund amounting to Rs. 6.13 Lakhs was in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanation provided to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Service tax or duty of Customs or duty of Excise or Value added tax or entry tax, which have not been deposited by the Company on account of disputes, except for the following:

Nature of Dues	Amount in (Rs) Lacs	Forum where dispute is pending
Income Tax 2000-01	1.29	ITAT, Pune
Income Tax 2011-12	0.24	CIT Appeals Pune
CST (Pune) 2014-15	7.51	Joint Commissioner of Sales Tax, Pune
Entry Tax 2008-09	6.19	Dy. Commissioner Commercial Tax, Indore
MP VAT Tax 2007-08, 2008-09, 2009-10	9.17	Appellate Dy. Commissioner commercial Tax, Indore
VAT (Pune) 2014-15	32.61	Joint Commissioner of Sales Tax, Pune
Excise Duty	56.39	CESTAT, Mumbai and Nagpur

- viii. Based on our Audit procedures and according to the information and explanation provided to us, the Company has not defaulted in repayment of dues to a financial institution, bank or government.
- ix. According to information and explanation provided to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has raised moneys by way of term loans from the bank during the year and were applied for the purposes for which those are raised.
- x. Based upon the Audit procedures performed by us and according to the information and explanations provided to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year.
- xi. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and accordingly, Clause (xii) of the Order is not applicable to the Company.

- xiii. According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, reporting under clause 3(xvi)(b) of the Order is not applicable.
- xviii. According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the Order is not applicable.
- xix. The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.
- xx. There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the Order is not applicable.
- xxi. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

For **Pawan Jain and Associates**  
Chartered Accountants  
Firm's Registration No.: 0107867W

**Pawan Jain**  
Partner  
Membership No.: 032900  
UDIN: - 21032900AAAADF6146

Pune  
May 25, 2022

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 1(A) (f) under the heading, “Report on Other Legal and Regulatory Requirements” of our report on even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Kinetic Engineering Limited** (the “Company”) as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain Audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Pawan Jain and Associates**  
Chartered Accountants  
Firm's Registration No.: 0107867W

Pune  
May 25, 2022

**Pawan Jain**  
Partner  
Membership No.: 032900  
UDIN: 21032900AAAADF6146

<b>KINETIC ENGINEERING LIMITED</b>			
<b>Balance Sheet as at March 31, 2022</b>			Rs. In Lakhs
<b>PARTICULARS</b>	<b>Note</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
a) Property, Plant & Equipment	3	6,860.18	7,242.43
b) Capital work-in-progress		-0	0
c) Other Intangible Assets	3	3.52	3.48
<b>d) Financial Assets</b>			
(i) Investments	4	460.93	560.24
(ii) Other	5	444.70	444.51
e) Deferred Tax Assets	6	-	-
f) Other Non-Current Assets	7	69.77	93.17
		<b>7,839.09</b>	<b>8,343.84</b>
<b>2) Current assets</b>			
a) Inventories	8	3,592.24	2,991.20
<b>b) Financial Assets</b>			
(i) Investments	4	-	0.11
(ii) Trade receivables	9	3,053.27	2,717.61
(iii) Cash and cash equivalents	10	15.70	14.88
(iv) Bank Balances other than (iii) above	11	11.80	11.80
(v) Loans	12	3.65	3.65
(vi) Others	13	3.50	10.05
c) Current Tax Assets(Net)	14	40.85	39.25
d) Other current assets	15	408.82	367.91
		<b>7,129.83</b>	<b>6,156.46</b>
<b>TOTAL</b>		<b>14,968.92</b>	<b>14,500.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Share Capital	16	1,870.36	1,770.86
b) Other Equity	17	-596.78	-999.58
		<b>1,273.58</b>	<b>771.28</b>
<b>Liabilities</b>			
<b>1) Non-current liabilities</b>			
<b>a) Financial Liabilities</b>			
(i) Borrowings	18	3,826.33	3,640.28
b) Provisions	19	271.59	391.66
c) Other Non-Current Liabilities	20	1,259.84	1,451.71
		<b>5,357.76</b>	<b>5,483.65</b>
<b>2) Current liabilities</b>			
<b>a) Financial Liabilities</b>			
(i) Borrowings	21	3,129.65	2,932.70
(ii) Trade payables	22	4,104.48	4,054.82
(iii) Others	23	478.32	548.61
b) Provision	25	518.84	606.67
c) Other Current Liabilities	24	106.29	102.56
		<b>8,337.58</b>	<b>8,245.37</b>
<b>TOTAL</b>		<b>14,968.92</b>	<b>14,500.30</b>
Summary of significant accounting policies	2		
Notes are integral part of the financial statements			
As per our report of even date For <b>Pawan Jain And Associates</b> <i>Chartered Accountants</i>		For and on behalf of Board of Directors For <b>Kinetic Engineering Limited</b>	
<b>A. H. Firodia</b> (Chairman) DIN:00057324		<b>A. A Firodia</b> (Managing Director & CFO) DIN:00332204	
<b>Pawan Jain</b> Partner Membership Number- 032900 Firm Reg No.:0107867W Place : Pune Date : 25th May, 2022 UDIN: 22032900ANPLOE9191		<b>Chaitanya Koranne</b> (Chief Executive Officer)	
		<b>Chaitanya Mundra</b> (Company Secretary) Membership No. ACS 57832	

<b>KINETIC ENGINEERING LIMITED</b>			
<b>Statement of Profit and Loss for the year ended March 31, 2022</b>			Rs. In Lakhs
<b>PARTICULARS</b>	<b>Note</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>INCOME :</b>			
a) Revenue from Operations	26	12,156.42	8,386.94
b) Other income	27	278.92	316.54
<b>Total Income</b>		<b>12,435.34</b>	<b>8,703.47</b>
<b>EXPENSES :</b>			
a) Cost of materials consumed	28	6,954.66	4,452.38
b) Changes in inventories of finished goods and work-in-progress	29	(546.19)	(100.36)
c) Employee benefits expenses	30	1,913.26	1,738.48
d) Finance costs	31	658.40	644.39
e) Depreciation and amortization expenses	3	646.68	677.68
f) Other expenses	32	2,672.49	1,913.84
<b>Total Expenses</b>		<b>12,299.30</b>	<b>9,326.40</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>136.04</b>	<b>(622.93)</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>136.04</b>	<b>(622.93)</b>
<b>Tax expenses :</b>			
a) Current tax		-	-
b) Deferred tax		-	-
<b>Profit (Loss) for the year</b>		<b>136.04</b>	<b>(622.93)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
(i) Re-measurement of net defined benefit plan		18.02	12.20
(ii) Income Tax Effect		-	-
<b>Total Other Comprehensive Income</b>		<b>18.02</b>	<b>12.20</b>
<b>Total Comprehensive Income for the year</b>		<b>154.06</b>	<b>(610.73)</b>
<b>Earnings Per Share (Nominal value per share Rs. 10)</b>			
<b>Basic</b>		<b>0.82</b>	<b>(3.45)</b>
<b>Diluted</b>		<b>0.82</b>	<b>(3.45)</b>
Summary of significant accounting policies	2		
Notes are integral part of the financial statements			
As per our report of even date For <b>Pawan Jain &amp; Associates</b> Chartered Accountants		For and on behalf of Board of Directors For <b>Kinetic Engineering Limited</b>	
<b>Pawan Jain</b> Partner Membership Number- 032900 Firm Reg No.:0107867W Place : Pune Date : 25th May, 2022 UDIN: 22032900ANPLOE9191		<b>A. H. Firodia</b> (Chairman) DIN:00057324	<b>A. A Firodia</b> (Managing Director & CFO) DIN:00332204
		<b>Chaitanya Koranne</b> (Chief Executive Officer)	<b>Chaitanya Mundra</b> (Company Secretary) Membership No. ACS 57832

**KINETIC ENGINEERING LIMITED**
**Statement of Cash Flows For the period ended March 31,2022**

PARTICULARS	Rs in Lakhs	
	March 31, 2022	March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) for the year	154.06	(610.73)
Adjustment For :		
Depreciation	646.68	677.68
Interest & Finance charges (Net)	445.14	416.63
Dividend Received	(4.91)	(4.30)
Profit (-) / Loss (+) on sale of Assets	(13.34)	(5.75)
<b>Operative Profit before Working Capital Changes</b>	<b>1,227.61</b>	<b>473.53</b>
Adjustment for net change in:		
Trade and Other Receivables	(374.60)	(318.59)
Inventories	(601.04)	(13.39)
Trade & Other payables	(95.10)	(182.66)
<b>Cash generated from operations</b>	<b>156.88</b>	<b>-41.11</b>
Direct Taxes	(1.60)	111.97
<b>Net Cash Generated from operating activities</b>	<b>155.28</b>	<b>70.86</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment and Intangible Assets (Net)	(318.21)	(194.55)
Sale of Property, Plant & Equipment and Intangible Assets	82.50	8.03
Sale of Investment (Net)	99.39	-
Dividend received	4.91	4.30
Interest Received	4.71	7.81
<b>Net Cash used in investing activities</b>	<b>(126.69)</b>	<b>(174.41)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(97.80)	(86.79)
Proceeds from Short Term Borrowings	196.95	556.73
Issue of Equity Shares	348.25	-
Interest and Financial Charges paid	(475.17)	(424.17)
<b>Net Cash used in financing activities</b>	<b>(27.77)</b>	<b>45.77</b>
<b>D. Net change in Cash and cash equivalents (A+B+C)</b>	<b>0.83</b>	<b>(57.78)</b>
Cash and Cash Equivalents (Opening)	14.88	72.66
Cash and Cash Equivalents (Closing)	<b>15.70</b>	<b>14.88</b>

Notes : 1. Figures in brackets represent cash outflows.  
2. Previous year figures have been regrouped wherever necessary.  
3. Cash and cash equivalents comprises of :

	March 31, 2022	March 31, 2021
Cash on hand	0.27	0.15
Balances with banks	15.43	14.73
	<b>15.70</b>	<b>14.88</b>

As per our report of even date  
For **Pawan Jain & Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
For **Kinetic Engineering Limited**

**A. H. Firodia**  
(Chairman)  
DIN:00057324

**A. A Firodia**  
(Managing Director & CFO)  
DIN:00332204

**Pawan Jain**  
Partner  
Membership Number- 032900  
Firm Reg No.:107867W  
Place : Pune  
Date : 25th May, 2022  
UDIN : 22032900ANPLOE9191

**Chaitanya Koranne**  
(Chief Executive Officer)

**Chaitanya Mundra**  
(Company Secretary)  
Membership No. ACS 57832



**KINETIC ENGINEERING LIMITED**
**Statement of changes in equity for the year ended March 31, 2022**
**A. Equity share capital**

PARTICULARS	Rs. In Lakhs	
	Number	Amount
As at April 01, 2020	1,77,08,621	1,770.86
Changes in equity share capital	-	-
As at March 31, 2021	1,77,08,621	1,770.86
Change in equity share capital	9,95,000	99.50
As at March 31, 2022	1,87,03,621	1,870.36

**B. Other equity**

PARTICULARS	Rs. In Lakhs							
	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/Surplus	Other Comprehensive Income	Total
As at April 01, 2020	1,963.52	3,535.19	9,384.06	8,669.25	0.46	(23,814.96)	(126.37)	(388.86)
Increase/ (Decrease)	-	-	-	-	-	-	12.20	12.20
Profit/(Loss) for the year	-	-	-	-	-	(622.93)	-	(622.93)
<b>Changes during the year</b>	-	-	-	-	-	<b>(622.93)</b>	<b>12.20</b>	<b>(610.73)</b>
As at March 31, 2021	1,963.52	3,535.19	9,384.06	8,669.25	0.46	(24,437.89)	(114.17)	(999.58)

PARTICULARS	Rs. In Lakhs							
	Preference Shares	Capital Reserve	Securities premium reserve	General reserve	Special Reserve	Retained Earnings/Surplus	Other Comprehensive Income	Total
As at April 01, 2021	1,963.52	3,535.19	9,384.06	8,669.25	0.46	(24,437.89)	(114.17)	(999.58)
Increase/ (Decrease)	-	-	248.75	-	-	136.04	18.02	402.81
Others	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>1,963.52</b>	<b>3,535.19</b>	<b>9,632.81</b>	<b>8,669.25</b>	<b>0.46</b>	<b>(24,301.85)</b>	<b>(96.15)</b>	<b>(596.78)</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

For **Pawan Jain And Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
For **Kinetic Engineering Limited**

A. H. Firodia  
(Chairman)  
DIN:00057324

A. A Firodia  
(Managing Director & CFO)  
DIN:00332204

Pawan Jain  
Partner  
Membership Number- 032900  
Firm Reg No.:107867W  
Place : Pune  
Date : 25th May, 2022  
UDIN : 22032900ANPLOE9191

Chaitanya Koranne  
(Chief Executive Officer)

Chaitanya Mundra  
(Company Secretary)  
Membership No. ACS 57832

**Kinetic Engineering Limited****Notes to Financial Statements for the year ended March 31, 2022****1. The corporate overview**

Kinetic Engineering Limited ('the company') is a public limited company domiciled in India and incorporated under the provisions of Indian Companies Act. The Registered Office of the Company is situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune. The company's ordinary shares are listed on the Bombay Stock Exchange.

The company is engaged in the business of supply of automotive components. The company caters to both domestic and international markets.

**2. Significant accounting policies****2.1 Statement of Compliance**

The financial statements of the company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors at its meeting held on May 25, 2022.

**2.2 Basis of preparation**

The financial statements have been prepared on a historical cost basis, except certain financial instruments and defined benefit plans, which are measured at fair value.

**2.3 Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise stated.

**2.4 Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions which affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual estimates may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

Estimation of current tax expense and payable – Note 14

Estimation of defined benefit obligation – Note 19 & Note 25

Recognition of revenue – Note 26

Recognition of deferred tax assets for carried forward tax losses – Note 6

Useful lives of property, plant and equipment- Note 3

Impairment of trade receivables – Note 9

Estimation and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

**2.5 Current versus non-current classification**

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

**An asset is current when it is:**

Expected to be realised or intended to be sold or consumed in normal operating cycle;

Held primarily for the purpose of trading;

Expected to be realised within twelve months after the reporting period; or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

**A liability is current when:**

It is expected to be settled in normal operating cycle;

It is held primarily for the purpose of trading;

It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.6 Revenue recognition**

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The standard is applied by the company prospectively and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Export benefits in the form of Duty Draw Back/ Merchandise Exports Incentive Scheme(MEIS) claims are recognised in the statement of profit and loss on receipt basis.

**2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is ascertained on a weighted average basis.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**2.8 Property, plant and equipment (PPE)****Recognition and measurement**

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

**Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

**Disposal**

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

**Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

On PPE acquired on or before 31 March 2000: Depreciation is recognised in the statement of profit and loss on a written down value basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation.

On PPE acquired after 31 March 2000: Depreciation is recognised in the statement of profit and loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation.

Freehold land is not depreciated.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

The estimated useful lives for main categories of property, plant and equipments are:

<b>Category</b>	<b>Useful life</b>
Building	30 to 60 years
Plant and Machinery	15 to 25 years
Electrical installation and Fittings	10 years
Dies, Jigs & Fixtures	10 to 15 years
Furniture and Fixtures	5 to 15 years
Office Equipments	3 to 5 years
Vehicles	8 to 10 years

**2.9 Intangible assets**

**Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

**Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

**Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Asset	Useful life
Software	4 Years

**2.10 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is measured at cost less accumulated depreciation.

**2.11 Impairment of tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**2.12 Foreign currency transactions and balances**

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

**2.13 Employee benefits**
**Short-term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

**Defined benefit plans**

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

**Compensated absences**

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Termination benefits**

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

**2.14 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

**Finance leases** are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**Operating lease** payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

**Company as lessor**

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**2.15 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

**2.16 Income tax**

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

**Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Minimum Alternate Tax (MAT)** paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

#### **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

**When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;**

#### **Taxable temporary differences arising on the initial recognition of goodwill.**

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

**When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.**

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### **2.17 Financial instruments**

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.



**Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Impairment of financial assets**

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**2.18 Fair value measurement**

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as;

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### 2.19 Provisions and contingencies

A **provision** is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**Contingent liabilities** are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.20 Earnings per share (EPS)

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

### 2.21 Cash dividend to equity holders

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.22 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

### 2.23 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

#### Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessor. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019.

#### Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangement**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Company does not currently have any control of a business that is a joint operation.

<b>NOTE 3 : PROPERTY PLANT AND EQUIPMENT AND INTANGIBLE ASSETS</b>											<b>Rs. In Lakhs</b>	
<b>1ST APRIL 2021 TO 31ST MARCH 2022</b>												
<b>Particulars</b>	<b>Lease-hold Land **</b>	<b>Free-hold Land</b>	<b>Buildings</b>	<b>Tangible Plant &amp; Machinery</b>	<b>Electrical Installation &amp; Fittings</b>	<b>Dies, Jigs &amp; Fixtures</b>	<b>Furniture Fixture</b>	<b>Office Equipment</b>	<b>Vehicles</b>	<b>In-tangible Technical Know-how **</b>	<b>Balance As At 31st MARCH 2022</b>	
<b>(1) GROSS BLOCK : OWNED ASSETS</b>												
<b>As At 31st March, 2021</b>	<b>163.19</b>	<b>2,080.00</b>	<b>3,087.72</b>	<b>15,503.79</b>	<b>207.64</b>	<b>1,850.06</b>	<b>425.22</b>	<b>592.19</b>	<b>63.41</b>	<b>615.58</b>	<b>24,588.79</b>	
Additions	10.47		5.35	277.45	1.95	57.27	4.44	6.29		0.88	364.10	
Business Acquisition □												
Deductions	94.60			26.97		3.81		0.15			125.53	
<b>As At 31st March 2022</b>	<b>79.06</b>	<b>2,080.00</b>	<b>3,093.07</b>	<b>15,754.27</b>	<b>209.59</b>	<b>1,903.51</b>	<b>429.66</b>	<b>598.33</b>	<b>63.41</b>	<b>616.45</b>	<b>24,827.36</b>	
<b>Depreciation / Amortisation:</b>												
<b>Upto 31st March, 2021</b>	<b>25.36</b>		<b>2,987.07</b>	<b>11,451.83</b>	<b>198.46</b>	<b>1,057.91</b>	<b>377.20</b>	<b>571.49</b>	<b>61.49</b>	<b>612.09</b>	<b>17,342.89</b>	
<b>For The April 2021 to March 2022</b>												
Depreciation	0.53		8.88	525.77	1.06	96.02	6.38	7.20	0.00	0.84	646.68	
Business Acquisition □												
Deductions	25.89										25.89	
Transfer to General Reserve												
<b>Tot Dep/Amort Upto 31st March 2022</b>	<b>-0.00</b>		<b>2,995.94</b>	<b>11,977.60</b>	<b>199.52</b>	<b>1,153.93</b>	<b>383.58</b>	<b>578.68</b>	<b>61.49</b>	<b>612.93</b>	<b>17,963.67</b>	
<b>Net Block As At 31st March 2022</b>	<b>79.06</b>	<b>2,080.00</b>	<b>97.13</b>	<b>3,776.67</b>	<b>10.07</b>	<b>749.59</b>	<b>46.08</b>	<b>19.65</b>	<b>1.91</b>	<b>3.52</b>	<b>6,863.69</b>	
Net Block As At 31st March 2021	137.82	2,080.00	100.66	4,051.96	9.19	792.15	48.02	20.71	1.92	3.48	7,245.91	
<b>** Amortisation Charges For The Year Are In Respect Of Leasehold Land And Technical Know-how.</b>												
<b>(2) GROSS BLOCK : LEASED ASSETS</b>												
<b>As At 31st March, 2021</b>				4.07							4.07	
Additions												
Deductions												
<b>As At 31st March 2022</b>				<b>4.07</b>							<b>4.07</b>	
<b>Depreciation / Amortisation</b>												
<b>Upto 31st March, 2021</b>				4.06							4.06	
<b>For The April 2021 to March 2022</b>												
Deductions												
<b>Tot Dep/Amort Upto 31st March 2022</b>				<b>4.06</b>							<b>4.06</b>	
<b>Net Block As At 31st March 2022</b>				<b>0.01</b>							<b>0.01</b>	
Net Block As At 31st March 2021				0.01							0.01	
<b>Net Block As At 31st March 2022</b>	<b>79.06</b>	<b>2,080.00</b>	<b>97.13</b>	<b>3,776.68</b>	<b>10.07</b>	<b>749.59</b>	<b>46.08</b>	<b>19.65</b>	<b>1.91</b>	<b>3.52</b>	<b>6,863.70</b>	
Net Block As At 31st March 2021	137.82	2,080.00	100.66	4,051.97	9.19	792.15	48.02	20.71	1.92	3.48	7,245.92	
<b>Gross block includes revaluation of assets made in terms of scheme of Arrangement approved by Bombay High court as under</b>												
	<b>Rs. In Lacs</b>											
a) Free Hold Land	2,021											
c) Building	2,169											
c) Lease hold land	441											

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31,2022**
**Note 4: Investments**

4 (a) Non-current investments	( Rs In Lakhs)	
PARTICULARS	March 31, 2022	March 31, 2021
<b>Investment in Equity instruments (fully paid-up)</b>		
<b>Equity instruments at FVTPL</b>		
<b>Unquoted</b>		
Kinetic Communications Limited	11.24	10.83
Kinetic Escalator and Elevator Limited	57.74	57.74
Kinetic Marketing & Services Limited	-	-
Kinetic Motor Automotives Private Limited	-	-
<b>Total (equity instruments)</b>	<b>68.98</b>	<b>68.57</b>
<b>Investment in preference shares (fully paid-up)</b>		
<b>Preference instruments at FVTPL</b>		
<b>Unquoted</b>		
Kinetic Green Energy and Power Solutions Ltd. [3,71,606 (31 March 2019: 5,90,000) Preference shares of Rs 100 each fully paid up]	371.47	470.86
<b>Total (preference shares)</b>	<b>371.47</b>	<b>470.86</b>
<b>Investment in Shares (classified as FVTPL)</b>		
Daewoo Motors (India) Limited (Formerly DCM Toyota Ltd.)	0.01	0.01
Eicher Limited	0.03	0.03
Escorts Limited	0.84	0.64
Hindustan Motors Limited	0.02	0.01
LML Limited	0.00	0.00
Majestic Auto Limited	0.11	0.10
Hero Motocorp Limited (Formerly Hero Motors Limited)	0.02	0.03
The Premier Automobiles Limited	0.00	0.00
Saraswat Co-operative Bank Limited	0.25	0.25
Ajinkya Auto Fab Limited	18.94	19.47
<b>Total (Shares)</b>	<b>20.24</b>	<b>20.57</b>
<b>Investment in Government Securities (classified as FVTPL)</b>		
7 Years National Savings Certificates	0.24	0.24
<b>Total (Investment in Securities)</b>	<b>0.24</b>	<b>0.24</b>
<b>Total Non-current investments</b>	<b>460.93</b>	<b>560.24</b>
<b>4(b) Current investments</b>		
PARTICULARS	March 31, 2022	March 31, 2021
<b>Investment in Mutual Fund (classified as FVTPL)</b>		
HDFC Cash Management Fund	-	-
BIRLA Sunlife Saving Fund	-	0.11
<b>Total current investments</b>	<b>-</b>	<b>0.11</b>

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31,2022**
**(Rs In Lakhs)**
**PARTICULARS**
**March 31, 2022**
**March 31, 2021**
**Note - 5 : Other Non Current Financial Asset**
**(a) Security Deposits**

Unsecured, considered good

141.84

141.87

Doubtful

13.02

13.02

**154.86**
**154.89**

Less: Provision for doubtful deposits

13.02

13.02

**141.84**
**141.87**
**(b) Other Loans and advances**
**(i) Advances**

Unsecured, considered good

96.21

95.99

Doubtful

9.13

9.13

**105.34**
**105.12**

Less: Provision for doubtful advances

9.13

9.13

**96.21**
**95.99**
**(ii) Bills Receivable (Refer Note-40 for details)**

206.65

206.65

**Total**
**444.70**
**444.51**
**Note - 6: Deferred tax assets (Net)**
**Deferred tax liability**

(i) On accumulated depreciation

138.60

247.92

(ii) On other timing differences

-

-

Deferred tax liability (A)

**138.60**
**247.92**
**Deferred tax assets**

(i) On disallowance under Section 43B &amp; 40A of Income Tax Act,1961

231.22

285.52

(ii) On provision for doubtful debts

4.22

4.22

(iii) On carried forward loss under Income Tax Act,1961

-96.84

-41.83

-

-

Deferred tax assets (B)

**138.60**
**247.92**
**Note - 7: Other Non Current Assets**
**(a) Capital Advances**

Unsecured, considered good

69.77

93.17

Doubtful

-

-

**69.77**
**93.17**

Less: Provision for doubtful advances

-

-

**69.77**
**93.17**
**(b) Others**

-

-

**Total**
**69.77**
**93.17**

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31,2022**

**Rs In Lakhs**

**PARTICULARS** **March 31, 2022** **March 31, 2021**

**Note - 8: Inventories**

(i)	Raw Materials	572.63	506.30
(ii)	Work-in-progress	2,129.10	1,577.43
(iii)	Finished goods	-	5.48
(iv)	Stores and spares	890.51	901.99
	<b>Total</b>	<b>3,592.24</b>	<b>2,991.20</b>

**Note - 9: Trade Receivables**

(i)	Unsecured, considered good	3,053.27	2,717.61
(ii)	Unsecured, considered doubtful	-	-
		<b>3,053.27</b>	<b>2,717.61</b>
Less	Allowance for doubtful debts	-	-
	<b>Total</b>	<b>3,053.27</b>	<b>2,717.61</b>

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade receivables are due from firms or private companies respectively in which and director is a partner or a member. Trade Receivables are non-interest bearing and generally on credit terms of 60 to 90 days.

**Aging Schedule as on 31st March, 2022**

Particulars	Less than 6 Months	6 Months- 1 Year	Total
Unsecured & Considered Good	2,921.28	131.99	<b>3,053.27</b>
Unsecured & Considered doubtful	-	-	-

**Aging Schedule as on 31st March, 2021**

Particulars	Less than 6 Months	6 Months- 1 Year	Total
Unsecured & Considered Good	2,537.58	180.03	<b>2,717.61</b>
Unsecured & Considered doubtful	-	-	-

**Note - 10 : Cash and cash equivalents**

(i)	Balance with Banks	15.43	14.73
(ii)	Cash on hand	0.27	0.15
	<b>Total</b>	<b>15.70</b>	<b>14.88</b>

**Note - 11: Other Bank Balances**

(i)	Fixed deposits (more than 3 months but less than 12 months)	11.80	11.80
	<b>Total</b>	<b>11.80</b>	<b>11.80</b>

**Note - 12 : Current Loans**

(i)	<b>Deposits with Govt. authorities</b>		
	Unsecured, considered good	3.65	3.65
	Doubtful	-	-
		<b>3.65</b>	<b>3.65</b>
Less	Provision for doubtful advances	-	-
	<b>Total</b>	<b>3.65</b>	<b>3.65</b>

**Note - 13: Other Current Financial Assets**

(i)	Interest Accrued on Investments & Deposits	3.50	10.05
(ii)	Receivable of Sale of Undertaking	-	-
	<b>Total</b>	<b>3.50</b>	<b>10.05</b>

**Note - 14 : Current Tax Assets(Net)**

(i)	Advance Income tax net of provision	40.85	39.25
	<b>Total</b>	<b>40.85</b>	<b>39.25</b>

**Note - 15: Other current assets**

(i)	Advances to suppliers and others		
	Unsecured, considered good	408.82	367.91
	Doubtful	-	-
		<b>408.82</b>	<b>367.91</b>
Less	Provision for doubtful advances	-	-
	<b>Total</b>	<b>408.82</b>	<b>367.91</b>

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31,2022**
**Note-16: Share Capital**
**A. Authorised Share Capital**

(i) <b>Equity Share Capital</b>	<b>Number</b>	<b>Rs. In Lakhs</b>
Authorised shares as at April 01, 2020	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
Total shares authorised as at March 31, 2021	5,30,13,932	5,301.39
Increase/(decrease) during the year	-	-
<b>Total authorised Equity share capital as at March 31, 2022</b>	<b>5,30,13,932</b>	<b>5,301.39</b>
(ii) <b>Preference Share Capital</b>	<b>Number</b>	<b>Rs. In Lakhs</b>
Authorised shares as at April 01, 2020	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
Total shares authorised as at March 31, 2021	4,22,23,780	14,289.43
Increase/(decrease) during the year	-	-
<b>Total authorised Preference share capital as at 31 March 2022</b>	<b>4,22,23,780</b>	<b>14,289.43</b>
<b>Total authorised Share Capital as at March 31 2022</b>	<b>9,52,37,712</b>	<b>19,590.83</b>

**B. Issued, Subscribed & fully Paid Up Share Capital**

(i) <b>Equity Share Capital</b>	<b>Number</b>	<b>Rs. In Lakhs</b>
Balance as at April 01, 2020	1,77,08,621	1,770.86
Changes during the period	-	-
Balance as at March 31 2021	1,77,08,621	1,770.86
Changes during the period	9,95,000	99.50
<b>Balance as at March 31 2022</b>	<b>1,87,03,621</b>	<b>1,870.36</b>

**C. Details of equity shareholders holding more than 5% shares**

Name of shareholder	March 31, 2022		March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jayashree A. Firodia	34,75,222	18.58%	34,75,222	19.62%
Microage Instruments pvt ltd.	39,53,683	21.14%	39,53,683	22.33%
Ashoka Investment Holdings Limited	17,50,452	9.36%	17,87,294	10.09%
Ajinkya Arun Firodia	21,24,055	11.36%	11,29,055	6.38%

**D. Terms/rights attached to equity shares**

- The company has only one class of equity shares, having par value of Rs. 10 per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend, as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Out of above, 18,85,450 (18,85,450) Equity Shares were allotted as fully paid up Bonus Shares on Capitalisation of the General Reserve.
- Out of above, 36,700 (36,700) Equity Shares were allotted under Employee Stock Option Scheme.



**KINETIC ENGINEERING LIMITED**

Notes to financial statements for the year ended March 31,2022

**Note 17: Other Equity**

PARTICULARS	Rs in Lakhs		
	March 31, 2022	March 31, 2021	March 31, 2020
<b>A. PREFERENCE SHARE CAPITAL</b>			
a) 1,02,000 Optionally Convertible Cumulative Preference Shares of Rs. 156/- each (Note no.17 H-1)	159.12	159.12	159.12
b) 3,20,500 Redeemable Cumulative Preference Shares of Rs. 156/- each.(Note no.17 H-2)	499.98	499.98	499.98
c) 8,30,154 Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.17 H-3)	539.60	539.60	539.60
d) 11,76,650 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- each (Note no.18 H-4)	764.82	764.82	764.82
<b>Total</b>	<b>1,963.52</b>	<b>1,963.52</b>	<b>1,963.52</b>
<b>B. Capital Reserves</b>			
Opening Balance	3,535.19	3,535.19	3,535.19
(+)/(-) Transfer	-	-	-
<b>Closing Balance</b>	<b>3,535.19</b>	<b>3,535.19</b>	<b>3,535.19</b>
<b>C. Securities Premium Account</b>			
Opening Balance	9,384.06	9,384.06	9,384.06
(+)/(-) Transfer	248.75	-	-
<b>Closing Balance</b>	<b>9,632.81</b>	<b>9,384.06</b>	<b>9,384.06</b>
<b>D. General Reserve</b>			
Opening balance	8,669.25	8,669.25	8,669.25
(+)/(-) Transfer	-	-	-
<b>Closing Balance</b>	<b>8,669.25</b>	<b>8,669.25</b>	<b>8,669.25</b>
<b>E. Special Reserve</b>			
Opening balance	0.46	0.46	0.46
(+)/(-) Transfer	-	-	-
<b>Closing Balance</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>
<b>F. Surplus</b>			
Opening balance	(24,552.07)	(23,941.34)	(22,998.89)
Other Comprehensive Income	18.02	12.20	(30.71)
(+) Net Profit / (Net Loss) for the current year	136.04	(622.93)	(911.74)
(+) Fair Value revaluation balance of Investment sold	-	-	-
<b>Closing Balance</b>	<b>(24,398.01)</b>	<b>(24,552.07)</b>	<b>(23,941.34)</b>
<b>Total (A+B+C+D+E+F)</b>	<b>-596.78</b>	<b>-999.60</b>	<b>-388.87</b>

**G. Details of Preference shareholders holding more than 5% shares**

Name of the shareholder	March 31, 2022		March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Optionally Convertible Cumulative Preference Share Capital:</b>				
(a) Microage Instruments Private Limited	1,02,000	100.00%	1,02,000	100.00%
(b) Microage Instruments Private Limited	8,30,154	100.00%	8,30,154	100.00%
<b>Redeemable Cumulative Preference Share Capital:</b>				
(a) Microage Instruments Private Limited	3,20,500	100.00%	3,20,500	100.00%
<b>8.5% New Optionally Convertible Cumulative Preference Share Capital:</b>				
(a) Microage Instruments Private Limited	11,76,650	100.00%	11,76,650	100.00%

**H. Terms/rights attached to Preference shares**

- 1 Each Optionally Convertible Cumulative Preference Share (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs. 146/- per share within 18 months from the date of allotment (i.e. 30.12.2006 wrt. 36,923 shares; and 11.1.2007 wrt. 65,077 shares) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend @ 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to allottee. If any OCCPS is not converted into equity shares, such unconverted preference shares shall carry preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottee and will be redeemed any time after expiry of a period of 5 years from the date of allotment at the option of the Company subject to necessary consent and approval. The option to convert has lapsed.
- 2 Redeemable Cumulative Preference Shares shall be redeemed at the option of the Company at any time after the expiry of a period of 5 years from the date of allotment i.e. 30.12.2006, subject to necessary consent or approval. They will carry a preferential right to be paid a fixed rate of dividend @ 8.50% p.a. due and payable on the date of their redemption or other date(s) as may be acceptable to the allottee.
- 3 Each Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs.10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (i.e. 18.09.2013) at the option of the allottee. The OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to the allottee. If any OCCPS are not converted into equity shares, such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% p.a. due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after the expiry of a period of 18 months from the date of allotment at the option of the allottee. The Option to convert has lapsed.
- 4 Each 8.5% new Optionally convertible cumulative preference shares (OCCPS) is convertible into one fully paid up equity share of the face value of Rs. 10/- each at a premium of Rs.55/- per share within a period of 18 months from the date of allotment (i.e. 18.09.2013) at the option of the allottee. The 8.5% new OCCPS shall carry a preferential right to be paid a fixed rate of dividend at 1% p.a. due and payable on the date of their conversion into equity shares or such other date(s) as may be acceptable to allottees. If any 8.5% new OCCPS are not converted into equity shares such unconverted preference shares shall carry preferential rights to be paid a fixed rate of dividend at 8.5% pa due and payable on the date of their redemption or such other date(s) as may be acceptable to the allottees and will be redeemed any time after expiry of a period of 18 months from the date of allotment at the option of the allottee. The Option to convert has lapsed.
- 5 On 5th February, 2018, the Company, on request of allottees, has exercised its option for conversion of 9,92,639 (8.5% Optionally Convertible Cumulative Preference shares of Rs. 22/- each with premium of Rs. 67.66 /- each) into equity shares of Rs.10/- with premium of Rs. 81.01 each, ranking pari passu with the existing equity shares of the Company. The company is in the process of obtaining necessary approval from BSE/SEBI in respect of preferential allotment made.
- 6 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, no provision for dividend under finance cost has been considered necessary & it is considered as other equity.

**KINETIC ENGINEERING LIMITED**

Notes to financial statements for the year ended March 31,2022

Rs. In Lakhs

PARTICULARS	March 31, 2022	March 31, 2021
<b>Note - 18: Non Current Borrowings</b>		
<b>Secured</b>		
(a) Term Loans from Banks	1,031.12	749.20
<b>Unsecured</b>		
(a) Loans and advances from related parties	2,283.93	2,439.08
(b) Term Loans from Others	511.27	452.01
<b>Total</b>	<b>3,826.33</b>	<b>3,640.28</b>
<b>Note -19: Non Current Provisions</b>		
<b>Provision for employee benefits :</b>		
(a) Gratuity	231.89	343.68
(b) Leave Encashment	39.70	47.98
<b>Total</b>	<b>271.59</b>	<b>391.66</b>
<b>Note -20: Other Non Current Liabilities</b>		
(a) Others		
(i) Remeasurement of Long Term Liabilities	827.94	1,043.04
(ii) Payable to Related Party	431.90	408.67
	<b>1,259.84</b>	<b>1,451.71</b>
<b>Note - 21: Current Borrowings</b>		
<b>Secured</b>		
(a) Cash Credit Facility from Banks	1,097.08	1,095.99
<b>Unsecured</b>		
(a) Overdraft Facility from Banks	2,032.57	1,836.71
(b) Short Term Loan From Bank		
<b>Total</b>	<b>3,129.65</b>	<b>2,932.70</b>

Cash credit from banks are repayable on demand and are secured by hypothecation of Stock and Debtors (excluding Tata Motors Ltd.) and pari-passu second charge on factory land and building at Ahmednagar.

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31,2022**
**Rs. In Lakhs**
**Note - 22: Trade payables**
**Unsecured :**

(a) Total outstanding dues of Micro, Small & Medium Enterprises creditors	409.38	382.16
(b) Total outstanding dues of creditors other than Micro, Small & Medium E	3,695.10	3,672.66
<b>Total</b>	<b>4,104.48</b>	<b>4,054.82</b>

**Aging Schedule as on 31st March, 2022**

Particulars	Less than 6 Months	6 Months- 1 Year	Total
Micro,Small & Medium Enterprises	283.10	126.28	<b>409.38</b>
Creditors other than MSME	3,135.73	559.37	<b>3,695.10</b>

**Aging Schedule as on 31st March, 2021**

Particulars	Less than 6 Months	6 Months- 1 Year	Total
Micro,Small & Medium Enterprises	251.04	131.12	<b>382.16</b>
Creditors other than MSME	2,955.92	716.74	<b>3,672.66</b>

**Note - 23: Other Current Financial Liabilities**

(a) Current maturities of long-term debt	182.00	254.72
(b) Interest accrued and due on borrowings	-	-
(c) Interest accrued but not due on borrowings	7.55	35.45
(d) Other payables		
(i) Premium payable on Redemption of Debentures	35.20	35.20
(ii) Capital Creditors	22.68	30.28
(iii) Other Liabilities	230.89	192.96
<b>Total</b>	<b>478.32</b>	<b>548.61</b>

**Note - 24: Other Current Liabilities**

(a) Other payables		
(i) Advance against Sales	17.92	-5.53
(ii) Other Liabilities	88.37	108.09
<b>Total</b>	<b>106.29</b>	<b>102.56</b>

**Note - 25 : Current Provisions**
**Provision for employee benefits :**

(a) Gratuity	495.83	585.46
(b) Leave Encashment	23.02	21.22
<b>Total</b>	<b>518.84</b>	<b>606.67</b>

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31, 2022**
**Rs. In Lakhs**
**25.1 Employee benefits**
**a) Defined contribution plans**
**(i) Provident fund**

The Company operates plan for its employees to provide employee benefits in the nature of "Provident fund" and "Employee Pension Schemes". Contributions are made at the rate as prescribed in the regulations. The Company has recognised following amount in the statement of profit and loss:

Particulars	March 31, 2022	March 31, 2021
Provident fund	44.62	34.11
Employees Pension Scheme	61.53	61.05
<b>Total</b>	<b>106.15</b>	<b>95.16</b>

**b) Defined benefit plan**
**(i) Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefit to its employees in the form of gratuity. The Company has maintained a fund with Reliance Nippon Life Insurance Company Limited of India, to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

Particulars	March 31, 2022	March 31, 2021
<b>Gratuity</b>		
Non-current	231.89	343.68
Current	495.83	585.46
<b>Total</b>	<b>727.71</b>	<b>929.13</b>

The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	March 31, 2022	March 31, 2021
<b>Present value of obligation as at the beginning of the period</b>	<b>957.68</b>	<b>957.15</b>
Interest cost	56.28	62.48
Current service cost	22.01	26.44
Benefits paid	(284.07)	(76.52)
Remeasurements on obligation - (gain) / loss	0.30	(11.87)
<b>Present value of obligation as at the end of the period</b>	<b>752.20</b>	<b>957.68</b>

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	March 31, 2022	March 31, 2021
<b>Fair value of plan assets at the beginning of the period</b>	<b>28.55</b>	<b>33.39</b>
Adjustment to opening funds	(22.40)	
Interest income	2.34	2.05
Contributions	285.68	70.00
Benefits paid	(275.01)	(76.52)
Monthly charges and Taxes	(0.83)	(0.70)
Transfer In / (Out)	-	-
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	6.17	0.33
<b>Fair value of plan assets as at the end of the period</b>	<b>24.50</b>	<b>28.55</b>

Amounts recognised in the balance sheet are as follows:

Particulars	March 31, 2022	March 31, 2021
Present value of obligation as at the end of the period	752.20	957.68
Fair value of plan assets as at the end of the period	24.50	28.55
<b>Surplus / (deficit)</b>	<b>(727.70)</b>	<b>(929.13)</b>

Amounts recognised in the statement of profit and loss are as follows:

Particulars	March 31, 2022	March 31, 2021
Current service cost	22.01	26.43
Net interest (income) / expense	53.94	60.44
<b>Net periodic benefit cost recognised in the statement of profit and loss</b>	<b>75.95</b>	<b>86.87</b>

Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

Particulars	March 31, 2022	March 31, 2021
Remeasurement for the year - obligation (gain) / loss	0.30	(11.87)
Remeasurement for the year - plan assets (gain) / loss	(18.32)	(0.33)
<b>Total remeasurements cost / (credit) for the year</b>	<b>(18.02)</b>	<b>(12.20)</b>

**Net interest (income) / expense recognised in statement of profit and loss are as follows:**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Interest (income) / expense - obligation	56.28	62.48
Interest (income) / expense - plan assets	(2.34)	(2.05)
<b>Net interest (income) / expense for the year</b>	<b>53.94</b>	<b>60.43</b>

**Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Discount rate	7.30%	6.90%
Rate of increase in compensation levels	3.00%	3.00%
Expected rate of return on plan assets	6.90%	6.80%
Expected average remaining working lives of employees (in years)	14.55*	11.98*
Withdrawal rate		
Age upto 30 years	1.00%	1.00%
Age 31 - 40 years	1.00%	1.00%
Age 41 - 50 years	1.00%	1.00%
Age above 50 years	1.00%	1.00%

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

**A quantitative sensitivity analysis for significant assumptions are shown as follows:**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%) at a time:

**a) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point**

<b>Discount rate</b>	<b>Present value of obligation</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Decrease by 1%	767.16	977.79
Increase by 1%	738.78	939.47

**b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point**

<b>Salary increment rate</b>	<b>Present value of obligation</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Decrease by 1%	741.47	943.20
Increase by 1%	764.09	973.52

**c) Impact of change in withdrawal rate when base assumption is decreased / increased by 100 basis point**

<b>Withdrawal rate</b>	<b>Present value of obligation</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Decrease by 1%	748.00	953.36
Increase by 1%	755.96	961.60

**KINETIC ENGINEERING LIMITED**

Notes to financial statements for the year ended March 31,2022

( Rs In Lakhs)

PARTICULARS	March 31, 2022	March 31, 2021
<b>Note - 26: Revenue from operations</b>		
(a) Sale of Products	12,127.55	8,229.16
(b) Machining and Processing Receipts	14.02	114.13
(c) Other operating revenue	14.85	43.64
<b>Total</b>	<b>12,156.42</b>	<b>8,386.93</b>
<b>Note - 27: Other income</b>		
(a) Interest Income		
(i) On Fixed Deposits	-	0.16
(ii) From Others	-1.83	12.51
(b) Dividend Income from:		
(i) Long Term Investment	4.91	4.30
(ii) Short Term Investment	-	-
(c) Profit / (Loss) on sale of Assets	13.34	5.75
(d) Profit / (Loss) on sale of Investments	-0.03	-
(e) Sundry Credit Balances Written Back	35.34	-
(f) Excess Provision Written Back	-	-
(g) Amortisation of deferred financial assistance		
(i) From related parties	181.90	181.90
(ii) From others	33.20	33.20
(h) Fair Valuation (Gain)/Loss on Investments	0.08	17.95
(i) Others	12.01	60.78
<b>Total</b>	<b>278.92</b>	<b>316.54</b>
<b>Note - 28 : Cost of material consumed</b>		
(a) Raw Material Consumed	5,180.32	3,357.00
(b) Stores and Spares Consumed	1,145.25	642.09
(c) Fabrication and Processing Charges	580.33	419.25
(d) Freight, Octroi and Forwarding Charges	48.76	34.04
<b>Total</b>	<b>6,954.66</b>	<b>4,452.38</b>
<b>Note - 29: Changes in inventories of finished goods and work-in-progress</b>		
<b>Inventory at the end of the year</b>		
(a) Finished Goods	-	5.48
(b) Work-In- Progress	2,129.10	1,577.43
<b>Total</b>	<b>2,129.10</b>	<b>1,582.91</b>
<b>Inventory at the beginning of the year</b>		
(a) Finished Goods	5.48	5.48
(b) Work-In- Progress	1,577.43	1,477.07
<b>Total</b>	<b>1,582.91</b>	<b>1,482.54</b>
<b>Increase (-) / decrease (+) in inventories</b>	<b>(546.19)</b>	<b>(100.36)</b>

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31,2022**

Rs. In Lakhs

PARTICULARS	March 31, 2022	March 31, 2021
<b>Note - 30: Employee benefit expenses</b>		
(a) Salaries & wages	1,641.62	1,478.31
(b) Contributions to provident and other funds	121.64	107.07
(c) Gratuity	90.00	103.87
(d) Staff welfare expenses	60.00	49.22
<b>Total</b>	<b>1,913.26</b>	<b>1,738.48</b>
<b>Note - 31: Finance costs</b>		
(a) Interest expense	436.38	424.46
(b) Unwinding of Loans		
(i)Related party loans	181.91	167.19
(ii)Other loans	29.23	34.95
(c) Other Borrowing Costs	10.89	17.79
<b>Total</b>	<b>658.40</b>	<b>644.39</b>
<b>Note - 32: Other expenses</b>		
(a) Power & Fuel	1,413.49	1,073.77
(b) Repairs and Maintenance:		
(i)Plant and Machinery	136.08	104.77
(ii)Buildings	0.79	1.82
(iii)Others	0.08	0.56
(c) Contract Labour cost	729.42	393.48
(d) Rent	19.65	31.93
(e) Outward Freight Charges	80.58	62.50
(f) Packing and Forwarding Charges	91.73	58.42
(g) Legal, Professional & Consultancy Fee	98.01	55.26
(h) Rates and taxes	25.53	23.65
(i) Travelling Expenses	11.94	5.33
(j) Insurance	9.24	6.96
(k) Payments to auditor (Refer details below)	4.77	4.95
(l) Exchange (Gain) / Loss	(85.04)	2.97
(m) Excise Duty Paid (Net)	-	-
(n) Publicity & Sales Promotion	2.00	-
(o) Directors Fees & Travelling Expenses	2.54	0.07
(p) Maintenance Other	34.26	37.09
(q) Miscellaneous Expenses	135.77	79.52
	<b>2,710.84</b>	<b>1,943.07</b>
Less: Expenses Capitalised	38.35	29.24
<b>Total</b>	<b>2,672.49</b>	<b>1,913.84</b>
<b><u>Details of payments to Auditors</u></b>		
Audit Fee	3.57	3.35
Tax Audit Fee	0.60	0.60
Limited review and Certification work	0.60	1.00
<b>Total</b>	<b>4.77</b>	<b>4.95</b>



**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31,2022**
**Note 33 Income Taxes**

As per Ind As 12 An explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms need to be disclosed:  
 – a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;  
 or  
 – a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;  
 The above said reconciliation will not arise in situations where there is accounting losses to taxable Income.

**Note 34 Financial instruments – Fair values and risk management**

		Carrying amount				Fair value			Rs. In Lakhs
March 31, 2022	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total	
<b>Non-Current Financial Assets</b>									
Investments									
Quoted Equity Instruments	-	-	-	-	-	-	-	-	
Unquoted Equity Instruments *	-	89.22	-	89.22	-	89.22	-	89.22	
Unquoted Preference Shares	-	371.47	-	371.47	-	-	371.47	371.47	
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24	
<b>Current Financial Assets</b>									
Current Investments	-	-	-	-	-	-	-	-	
Trade Receivables	3,053.27	-	-	3,053.27	-	-	-	-	
Cash and Cash Equivalents	15.70	-	-	15.70	-	-	-	-	
Other Bank Balances	11.80	-	-	11.80	-	-	-	-	
Loans	3.65	-	-	3.65	-	-	-	-	
Other Financial Assets	3.50	-	-	3.50	-	-	-	-	
	<b>3,087.93</b>	<b>460.93</b>	<b>-</b>	<b>3,548.85</b>	<b>-</b>	<b>89.22</b>	<b>371.71</b>	<b>460.93</b>	
<b>Non-Current Financial Liabilities</b>									
Borrowings	3,826.33	-	-	3,826.33	-	-	-	-	
<b>Current Financial Liabilities</b>									
Borrowings	3,129.65	-	-	3,129.65	-	-	-	-	
Trade Payables	4,104.48	-	-	4,104.48	-	-	-	-	
Other Financial Liabilities	478.32	-	-	478.32	-	-	-	-	
	<b>11,538.78</b>	<b>-</b>	<b>-</b>	<b>11,538.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>31st march, 2021</b>		<b>Carrying amount</b>				<b>Fair value</b>			
	<b>Amortised Cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
<b>Non-Current Financial Assets</b>									
Investments									
Quoted Equity Instruments	-	-	-	-	-	-	-	-	
Unquoted Equity Instruments	-	89.14	-	89.14	-	89.14	-	89.14	
Unquoted Preference Shares	-	470.86	-	470.86	-	-	470.86	470.86	
Other Financial Assets	-	0.24	-	0.24	-	-	0.24	0.24	
<b>Current Financial Assets</b>									
Current Investments	-	0.11	-	0.11	0.11	-	-	0.11	
Trade Receivables	2,717.61	-	-	2,717.61	-	-	-	-	
Cash and Cash Equivalents	14.88	-	-	14.88	-	-	-	-	
Other Bank Balances	11.80	-	-	11.80	-	-	-	-	
Loans	3.65	-	-	3.65	-	-	-	-	
Other Financial Assets	10.05	-	-	10.05	-	-	-	-	
	<b>2,757.99</b>	<b>560.35</b>	<b>-</b>	<b>3,318.34</b>	<b>0.11</b>	<b>89.14</b>	<b>471.10</b>	<b>560.35</b>	
<b>Non-Current Financial Liabilities</b>									
Borrowings	3,640.28	-	-	3,640.28	-	-	-	-	
<b>Current Financial Liabilities</b>									
Borrowings	2,932.70	-	-	2,932.70	-	-	-	-	
Trade Payables	4,054.82	-	-	4,054.82	-	-	-	-	
Other Financial Liabilities	548.61	-	-	548.61	-	-	-	-	
	<b>11,176.42</b>	<b>-</b>	<b>-</b>	<b>11,176.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of instrument is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31, 2022**
**Note 35 Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**(A) Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

**Credit risk management**

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been made for expected credit loss for credit risk arising from these financial assets.

**Trade receivables**

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The credit risk is considered low given the past experience of negligible or minimal write-offs.

**The ageing of trade receivables are as follows:**

	Rs. In Lakhs	
	March 31, 2022	March 31, 2021
<b>Not past due date</b>	2,667.20	2,498.75
Past due 1–90 days	204.87	32.63
Past due 91–180 days	49.21	6.20
Past due more than 180 days	131.99	180.03
<b>Total Trade receivables</b>	<b>3,053.27</b>	<b>2,717.61</b>

**(B) Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The company has obtained fund based / Non-fund based working capital facilities from banks.

**Exposure to liquidity risk**

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity group based on their contractual maturities:

	Rs. In Lakhs			
	March 31, 2022	< 1 year	1 to 3 years	> 3 years
<b>Non-derivative liabilities</b>				
Borrowings	3,129.65	730.00	3,096.33	
Trade payables	4,104.48	-	-	
Other financial liabilities	478.32	-	-	
<b>Total non-derivative liabilities</b>	<b>7,712.45</b>	<b>730.00</b>	<b>3,096.33</b>	
March 31, 2021	< 1 year	1 to 3 years	> 3 years	
<b>Non-derivative liabilities</b>				
Borrowings	2,932.70	959.15	2,681.13	
Trade payables	4,054.82	-	-	
Other financial liabilities	548.61	-	-	
<b>Total non-derivative liabilities</b>	<b>7,536.13</b>	<b>959.15</b>	<b>2,681.13</b>	

**(C) Market risk**
**(i) Foreign currency risk**

Foreign currency risk means the risk that the result or economic situation of the Company changes due to changes in exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency which is not the Company's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

**(a) The Company's exposure to foreign currency risk at the end of the year are as follows :-**

Particulars	Currency	Exposure in F.C.	Amt.In Lakhs
			Exposure in INR
<b>Financial Assets</b>			
<b>Trade receivables</b>	<b>USD</b>		
As at March 31,2022		14.13	1,052.18
As at March 31,2021		15.24	1,102.43
<b>Financial Liabilities</b>			
<b>Trade Payables</b>	<b>USD</b>		
As at March 31,2022		0.03	1.97
As at March 31,2021		0.01	0.90
<b>Net Exposure as at March 31,2022</b>		<b>14.10</b>	<b>1,050.21</b>
<b>Net Exposure as at March 31,2021</b>		<b>15.23</b>	<b>1,101.53</b>

**(b) Sensitivity analysis:**

		Rs. In Lakhs	
		Impact on profit before tax	
		March 31, 2022	March 31, 2021
<b>USD sensitivity</b>			
INR/USD -Increase by 5% *	▾	52.50	51.54
INR/USD -Decrease by 5% *	▾	(52.50)	(51.54)

\*Holding all other variables constant

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company Interest rate risk is linked to PLR rates therefore subject to interest rate risk, carrying amount and future cash flows will fluctuate because of change in the market interest rates (PLR Rates).

**Sensitivity:**

Change		Rs. In Lakhs	
		Impact on profit before tax	
		March 31, 2022	March 31, 2021
25 Basis Points increase	▾	(16.46)	(16.11)
25 Basis Points decrease	▾	16.46	16.11

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31, 2022**
**Note 36 Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

The Company's adjusted net debt to equity position are as follow:

<b>Particulars</b>	<b>Rs. In Lakhs</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Net debt	6,955.98	6,572.98
Less: Cash and Cash Equivalents	27.50	26.68
Less: Current Investments	-	0.11
Adjusted net (Cash)/Debt	6,928.48	6,546.19
Total equity	1,273.58	771.28
<b>Net debt to equity ratio</b>	<b>5.44</b>	<b>8.49</b>

**Note 37 Segment Reporting**

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available which involves predominantly one operating segment i.e. automotive components.

**Note 38 Contingencies and commitments**

<b>Particulars</b>	<b>Rs. In Lakhs</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Contingent Liabilities:</b>		
a. Income Tax matter under appeal approx	5.75	5.75
b. Sales Tax matter under appeal	52.04	181.19
c. Excise Duty in dispute	111.74	294.19
d. ESIC liability in dispute	1.26	1.26
e. Municipal property Tax in dispute	9.16	9.16
f. Labour Cases	50.54	50.54
g. Entry Tax in dispute	6.19	10.13
h. Other Compensation Matters	20.00	20.00
i. Claim against Company not acknowledged as debt	26.07	26.07
<b>Commitments :</b>		
On Capital Account	344.93	334.66

**Note 39 Earnings per share**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Basic and diluted earnings per share</b>		
a) Profit attributable to the equity holders of the company (Rs. In Lakhs)	154.06	(610.73)
b) Weighted average number of equity shares outstanding (Nos.)	1,87,03,621	1,77,08,621
c) Earnings per share		
- Basic and diluted	<b>0.82</b>	<b>(3.45)</b>

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31, 2022**

**Note 40** Company has purchased six bills of exchange and paid Rs. 206.65 Lakhs (Rs. 206.65 Lakhs) for the same. These bills have matured but have not been honoured. Company has filed suits in the High Court of Judicature at Bombay.

**Note 41** Issue of **4550** (4550) Bonus Shares and **480** (480) Rights shares have been kept in abeyance as per the provisions of the Companies Act.

**Note 42** In terms of the Notification dated March 31, 2009 by The Ministry of Corporate Affairs amending the erstwhile Ind AS -21 "The Effects of Changes in Foreign Exchange Rates", the company had exercised the option to recognize the exchange difference on long term non-monetary items retrospectively from the accounting period 2007-08. Such exchange differences relating to the acquisition of capital assets are adjusted to the cost of capital and would be depreciated over the balance life of the asset. Exchange difference amounting to Rs.737.08 Lakhs (Rs.925.72 Lakhs) has been carried in the Fixed Assets as on March 31, 2022.

**Note 43 Disclosure as required under Micro Small and Medium Enterprises Development Act, 2006** **Rs in Lakhs**

<b>PARTICULARS</b>	<b>As at March 31, 2022</b>
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	409.38
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	12.88
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-
iv. The amount of interest due and payable for the year	12.88
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	12.88

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of information made available with the company.

**Note 44** In view of the expected growth in Indian Automobile Industry and business potential of the company, having regard to the fact that the company has settled its debts resulting into positive net worth, the company expects substantial growth in its turnover and financial position. Based on these future prospects, though the company has continuously incurred losses in previous years, the financial statements of the company have been prepared on going concern basis.

**Note 45 Related party transactions**

**a) Name of Related Parties**

Jaya Hind Sciaky Ltd.  
 Kinetic Communications Ltd.  
 Microage Instruments Pvt. Ltd.  
 Kinetic Hyundai Elevator & Movement Technologies Ltd.  
 Kinetic Green Energy & Power Solutions Limited.  
 Motoroyale (India) Private Ltd. (Erstwhile Norton Motoroyale India Private Ltd.)

**b) Key management personnel**

Chairman	Mr. Arun Hastimal Firodia
Managing Director & CFO	Mr. Ajinkya Arun Firodia
Chief Executive Officer	Mr. Chaitanya koranne
Company Secretary	Mr. Chaitanya Mundra
Non-executive directors	Mrs. Jayashree Arun Firodia
	Mrs. Sulajja Firodia Motwani
	Mr. Ramesh Jankiram Kabra
	Mr. Shirish Ratanlal Kotecha
	Mr. Rohit Prakash Bafana
	Mr. Jinendra Hirachand Munot
	Mr. Venkataiah Madipalli

<b>c) Transactions and balances with related parties have been set out below:</b>			<b>Rs. in Lakhs</b>
<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	
<b>Jaya Hind Sciaky Ltd.</b>			
Reimbursement of Expenses	0.22	0.29	
Job Work Charges Paid	-	19.70	
<b>Kinetic Green Energy &amp; Power Solutions Limited</b>			
Sales of Goods	90.59	18.11	
Reimbursement of Expenses	32.68	22.84	
Rent Received	2.40	2.40	
Purchase of Goods	2.81	-	
Paint Shop Work		11.00	
<b>Kinetic Hyundai Elevator &amp; Movement Technologies Ltd.</b>			
Dividend Received	4.68	4.14	
<b>Kinetic Communication Ltd</b>			
Dividend Received	0.16	0.16	
Purchase of Goods	-	0.82	
Reimbursement of expenses received from KCL	2.04	-	
Sales of Goods	5.07	-	
<b>Micro Age Instruments Pvt Ltd</b>			
Reimbursement of expenses received from MAIPL	1.18	5.79	
Consultancy Charges Received	-	19.70	
Electricity Charges Paid (Solar)	12.48	-	
<b>Remuneration to Key Managerial Persons</b>			
Mr. Ajinkya Firodia	86.76	58.45	
Mr. Chaitanya koranne (Salary)	3.45	24.60	
Mr. Chaitanya koranne (Professional Fees)	22.55	10.44	
Mr. Nikhil Deshpande	2.43	11.56	
Mrs. Khushboo Kothari	3.24	-	
Mr. Kamlesh Shinde	7.17	-	
Mr. Chaitanya Mundra	0.97	-	
<b>Director Sitting Fee</b>			
Mr. Shirish Ratanlal Kotecha	0.75	0.04	
Mrs. Jayashree Arun Firodia	0.42	0.02	
Mr. Rohit Prakash Bafna	0.40	0.04	
Mr. Jinendra Hirachand Munot	0.52	-	
Mr. Ramesh Jankiram Kabra	0.22	-	
Mr. Venkataiah Madipalli	0.22	-	

**KINETIC ENGINEERING LIMITED**
**Notes to financial statements for the year ended March 31, 2022**
**Note-46 Ratios**

Sr No	Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021
a)	Current Ratio (Times)	Current Assets	Current Liabilities	0.86	0.75
b)	Debt- Equity Ratio (Times)	Net Debt	Equity	5.44	8.49
c)	Debt Service Coverage Ratio (Times)	PBIDTA	Principal + Interest Repayment of loans during the year	1.66	0.98
d)	Return on Equity Ratio (Percentage)	Net Profit	Average Shareholders' Equity	13.31%	NA
e)	Inventory Turnover Ratio (Times)	Cost of Material Consumed	Average Inventory	1.95	1.46
f)	Trade Receivables Turnover Ratio (Times)	Total Sales	Average Trade Receivables	4.21	3.30
g)	Trade Payables Turnover Ratio (Times)	Total Purchases	Average Trade Payables	2.37	1.55
h)	Net Capital Turnover Ratio (Times)			NA	NA
i)	Net Profit Ratio (Percentage)	Net Profit	Total Sales	1.12%	NA
j)	Return on Capital Employed (Percentage)	PBIDTA	Average Capital Employed	2.86%	NA

**Notes**

- Debt- Equity Ratio improved on account of conversion of loan into equity and improvement in profitability.
- Debt Service Coverage Ratio & Return on capital employed ratio improved on account of increase in PBIDTA.
- Inventory Turnover Ratio, Trade Receivable Turnover Ratio & Trade payable Turnover ratio are improved due to better performance.

**Note-47 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013**

(i) The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(ii) The Company does not have any investment property.

(iii) There is no revaluation of Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year, hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

(iv) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

(v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(vi) The Company has been sanctioned facilities from banks on the basis of security of current assets in excess of Rs 5 Cr. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company taking into account notes given in the said statements.

(vii) The Company has not been declared as wilful defaulter by any of the lenders.

(viii) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.

(ix) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2022.

(x) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.

(xii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiii) The Company has not operated in any crypto currency or Virtual Currency transactions.

(xiv) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

As per our report of even date  
For **Pawan Jain And Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
For **Kinetic Engineering Limited**

**A. H. Firodia**  
(Chairman)  
DIN:00057324

**A. A Firodia**  
(Managing Director & CFO)  
DIN:00332204

**Pawan Jain**  
Partner  
Membership Number- 032900  
Firm Reg No.:0107867W  
Place : Pune  
Date : 25th May, 2022  
UDIN: 22032900ANPLOE9191

**Chaitanya Koranne**  
(Chief Executive Officer)

**Chaitanya Mundra**  
(Company Secretary)  
Membership No. ACS 57832

**KYC FORM**

To,  
Linkintime India Private Limited  
C-101,247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai -400083  
Unit: Kinetic Engineering Limited

Date:  
  
Folio No.:  
  
No. of shares:

Dear Sir/Madam,

We refer to the current KYC status as provided by you in the below table:

Name of the shareholder(s)	PAN (A)	Bank details (B)	Specimen Signature(C)	Email id (D)	Mobile no. (E)	Nominee Details (F)

Based on the above data, we are forwarding herewith, the required supporting documents by ticking in the appropriate checkbox below for all the fields where the status is shown as "required" in the above table.

**A. For registering PAN of the registered and/or joint shareholders (as applicable)**

Registered shareholder      Joint Holder 1      Joint Holder 2      Joint Holder 3  
                                                                                                                 

\* Self attested copy for all shareholders should be attached.

**B. For registering Bank details of the registered shareholder**

Aadhar/passport/utility bill       Original cancelled cheque leaf Bank passbook/Bank statement

**C. For registering the specimen signature of registered and/or joint shareholders (as applicable)**

Affidavit       Banker verification       Original cancelled cheque leaf       Bank passbook/Bank statement

**D. For updating the email id:** \_\_\_\_\_

**E. Mobile No.**

--	--	--	--	--	--	--	--	--	--

**F. For registering Nominee Details by the registered shareholder**

Form SH-13

**Note: For residents of Sikkim, instead of PAN provide Aadhar card/ Voter id/ Driving License/ Passport or any other ID proof issued by Govt.**

I/We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by affixing my/our signature on it.

Sign \_\_\_\_\_ Sign \_\_\_\_\_ Sign \_\_\_\_\_ Sign \_\_\_\_\_  
Registered holder      Joint holder 1      Joint holder 2      Joint holder 3





Albert Einstein

“Logic will get you from A to B. Imagination will take you everywhere”

FRIDAY, 12 AUGUST 2022

PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

44. LUNA

India at 75: 'Hamara Bajaj' to Luna - 15 brands that you will never forget

It called for some furious pedalling while still perched on its stands and then it'd come to life. And the rider would go: "Chalmeri Luna!"

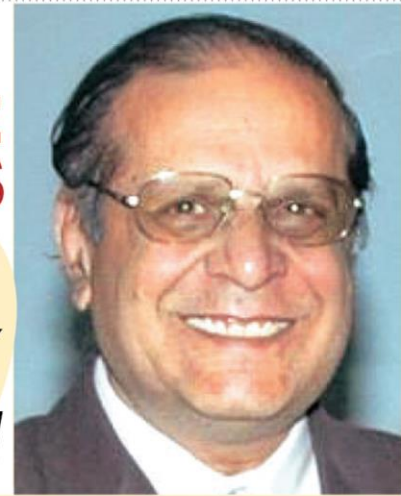
The 50cc lightweight — and liberating — bike became a heavyweight of sorts in the 1970s and '80s. It was India's first moped, and was soon a household name as it revolutionised commuting for the middle-class, and especially for women. Their sari pallus firmly tucked at the waist or their dupattas safely tied at the back, they'd go flying on their Luna — off to office or to ferry their kids from home to school and back. At one point, about 90 per cent of Luna's users were women.

Before it, there was nothing like Luna. Introduced in India in 1972 by Kinetic Engineering, the Pune-based Luna was marketed in the US as Kinetic TFR, while the original Luna was a licensed copy of Piaggio Ciao moped. Its unique ad campaign focused on ordinary Indians who were moving towards progress. As emission norms tightened in the country, Luna died a slow death. Its production ended in the 2000s, following which the Kinetic Group exited the moped market in India.



THE GAME CHANGERS

TWENTY Doyens who shaped India's Business!



12. ARUN FIRODIA

Innovation on two wheels

“We wanted to make a small contribution to the social transformations taking place in India in the '70s. With cities growing, people found it difficult to commute on bicycles. We felt it was the right time to introduce a low-cost vehicle

that would provide mobility. While the Luna gave mobility to the common man, the Kinetic Honda gave mobility to women,” said Arun Firodia, chairman, Kinetic Group, in an interview. The Luna, the first indigenous moped, was an instant

success. Also credited with introducing one of the ultra-modern scooter models in India in a joint venture with the Honda Motor Company, Firodia put affordable mobility within the reach of the masses.

The Kinetic was among the first companies to come up with e-scooters. Firodia has been instrumental in setting up the auto cluster in Pune, which provides expertise to SMEs in the automotive and engineering sector.

CONGRATULATIONS TO KINETIC Chairman: Arun Firodia & Luna on 75<sup>TH</sup> Independence Day!





# ANNUAL REPORT 2021-22

As we completed our 50 year anniversary, the tide seems to have turned. After a long periodspanning more than 15 years, and much efforts by the entire team at **Kinetic Engineering Limited.** the company has had entire year of net profits!



---

**Address:**

Kinetic Engineering Limited  
Kinetic Innovation Park, D-1 Block,  
Plot No. 18/2, MIDC Chinchwad,  
Pune 411 019

**Phone:**

+91-20-66142049  
+91-20-66142088/89

**WEBSITE:**

[www.KineticIndia.com](http://www.KineticIndia.com)