

KINETIC ENGINEERING LIMITED

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

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

CIN : L35912MH1970PLC014819

Website : www.kineticindia.com

Date: 11th February, 2021

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

Scrip Code: BSE-500240

Subject: Postal Ballot notice- Disclosure under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2018 ("SEBI LODR")

Dear Sir/Madam,


Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of Postal Ballot as issued to the Members of the Company.

The above referred notice is also available on the website of the Company viz. www.kineticindia.com.

It is requested to take this intimation on record and acknowledge receipt of the same.

Thanking you,
Yours faithfully,

For Kinetic Engineering Limited



Nikhil Deshpande
Company Secretary



Encl: a/a

KINETIC ENGINEERING LIMITED

CIN: L35912MH1970PLC014819

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

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

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

NOTICE OF POSTAL BALLOT

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

To
The Members of **Kinetic Engineering Limited**

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable laws and regulations, if any, the Company hereby proposes to seek the consent of the shareholders ('Members') of Kinetic Engineering Limited ('the Company'), for the Resolutions appended herein below through Postal Ballot by way of Remote E-voting('E-voting') only.

In view of the pandemic situation of Covid-19 and in light of MCA Circular No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 05th May, 2020, 22/2020 dated 15th June, 2020, 39/2020 dated 31st December, 2020 ("the MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and pursuant to other applicable laws and regulations, the following Resolutions are proposed for obtaining Shareholders approval through Postal Ballot (Remote E-Voting only). The explanatory statement setting out material facts pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 is also annexed herewith. The Postal Ballot Notice will be sent by E-mail to all the Members whose E-mail ID are registered with the Company/Depository Participant/Registrar and Share Transfer Agents. The Members assent / dissent will be received only through Remote E-voting System. This Postal Ballot is accordingly initiated in compliance of above MCA Circulars.

In compliance with the requirements of the MCA Circulars, hard copy of the Postal Ballot Notice along with Postal Ballot Form and prepaid business envelope will not be sent to the Members for this Postal Ballot.

The Company has appointed Mr. Dinesh Birla (FCS No.- 7658 and CP No-13029) as the Scrutinizer for conducting the postal ballot process through remote e- voting in a fair and transparent manner. The Shareholders are requested to follow the procedure as stated in the notes and instructions for casting of votes by Remote E-voting. The Company has engaged services of M/s. Central Depository Services (India) Limited (CDSL) for providing E-voting facility to shareholders of the Company. The Shareholders are requested to carefully read the instructions indicated in this Notice and communicate their assent(for) or dissent(against) through Remote E-voting only.

The Scrutinizer will submit her report to the Chairman of the Company, or any other person authorized by the Board in writing, after completion of scrutiny of postal ballot (by remote e-voting) process in a fair and transparent manner. The results of the postal ballot will be announced on or before 5:00 p.m. (IST) on Tuesday, 16th March, 2021 and will be displayed on the website of the Company i.e. www.kineticindia.com and will be intimated to BSE Ltd. where the Equity Shares of the Company are listed.

SPECIAL BUSINESS:

1. ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS TO MR. AJINKYA A. FIRODIA (DIN - 00332204), MANAGING DIRECTOR AND PROMOTER OF THE COMPANY, ON CONVERSION OF EXISTING UNSECURED LOAN

To consider and if thought fit, to pass, 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 hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to create, offer, issue, and allot up to 17,70,862 (Seventeen Lakhs Seventy Thousand Eight Hundred Sixty-two) Equity Shares of the face value of INR 10.00 each (INR Ten Only) fully paid up at an Issue Price of INR 35.00 (INR Thirty-five only) including Premium of INR 25.00 (INR Twenty-five only) per share aggregating to INR 6,19,80,170.00 (INR Six Crores Nineteen Lakhs Eighty Thousands One Hundred Seventy only), to Mr. Ajinkya A. Firodia (DIN - 00332204), Managing Director and Promoter of the Company on preferential basis, by way of conversion of unsecured loan given by him to the Company, 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.	Mr. Ajinkya A. Firodia	Promoter	17,70,862
Total			17,70,862

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 12th February, 2021 i.e. being the date which is 30 days prior to the date of declaring results of this Postal Ballot;
- 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 hereby 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 upon conversion of his

outstanding unsecured loan amount and 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 foregoing 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."

2. APPOINTMENT OF MR. VENKATAIAH MADIPALLI (DIN - 00041420) AS AN INDEPENDENT DIRECTOR.

To consider and if thought fit, to pass, the following resolutions as **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 149, 150 and 152 and other applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Venkataiah Madipalli (DIN - 00041420), aged 78 years, who was appointed by the Board as an Additional Director, pursuant to Section 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder, Articles of Association of the Company, approvals and recommendations of the Nomination and Remuneration Committee, with effect from 10th February, 2021, in respect of whom the company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 years up to 09th February, 2026, and that he shall not be liable to retire by rotation."

RESOLVED FURTHER THAT any one of the directors and / or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds or things and to file such requisite forms, papers and other documents with Registrar of Companies, as may be deemed expedient to give effect of the foregoing resolution."

NOTES:

1. The Explanatory Statement pursuant to Sections 102 and 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), as amended, setting out material facts relating to the Resolutions proposed to be passed is annexed hereto.
2. In view of the ongoing COVID-19 pandemic and the provisions of Circulars issued by the Ministry of Corporate Affairs on April, 8th 2020, 13th April, 2020, 5th May, 2020, 12th May, 2020 and 15th June, 2020 read with General Circular No. 39/2020 dated 31st December, 2020 (MCA Circulars) and SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020, the Company has sent this Postal Ballot Notice only through e-mail to all the Members. whose names appear in the Register of Members/ List of Beneficial Owners as received from RTA / Depositories as on Friday, 5th February, 2021 (the 'cut-off date') and who have registered their e-mail address with the Company/Depository Participants.
3. Members holding shares in physical form and who have not yet registered their e-mail address are requested to register the same with the Company by sending an e-mail to kelinvestors@kineticindia.com. Members holding shares in electronic form are requested to get their e-mail address registered with their respective depository participant. Thereafter, the Company would endeavor to send the Postal Ballot Notice to such Members to enable them to cast their vote through e-voting.
4. The Postal Ballot Notice is also being uploaded on the Company's website www.kineticindia.com and on the website of Central Depository Services (India) Limited (CDSL) www.evotingindia.com.
5. On account of the threat posed by the COVID-19 pandemic and in terms of the MCA Circulars, the Company will send this Postal Ballot Notice in electronic form only. The hard copy of this Notice along with postal ballot forms and pre-paid business envelope will not be sent to the Members for the postal ballot in accordance with the requirements specified under the MCA Circulars. Accordingly, the communication of the assent or dissent of the Members would take place through e-voting only.

6. The Company has engaged CDSL, for facilitating voting through electronic means, as authorized agency.
7. All the material documents referred to in the explanatory statement will be available for inspection electronically until the last date for receipt of votes through the e-voting process. Members seeking to inspect such documents can send an email to kelinvestors@kineticindia.com.
8. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, 5th February, 2021.
9. Person, whose name is recorded in the register of Members or in the register of beneficial owners as on the cut-off date, i.e. Friday, 5th February, 2021, only shall be entitled to avail the facility of e-voting.
10. The e-voting period will commence on Saturday, 13th February, 2021 at 09:00 a.m. (IST) and will end on Sunday, 14th March, 2021 at 05:00 (IST) (both days inclusive). During this period, Members of the Company holding shares as on cut-off date either in physical form or in dematerialized form may cast their votes electronically. The e-voting module shall be disabled by CDSL thereafter. Please note that once the vote on a resolution has been cast, the Member cannot change it subsequently or cast the vote again.
11. Based on the consent received from Mr. Dinesh Birla, Company Secretary in Practice, (Membership Number F7658), Board has appointed him as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
12. The Scrutinizer shall, not later than two days from the end of remote e-voting, prepare a scrutinizer's report of the total votes cast in favor or against, if any. The Scrutinizer will submit his final report to the Chairman to declare the result of the voting forthwith.
13. Institutional / Corporate Shareholders (i.e. other than HUF, NRI etc.) intending to vote on the postal ballot through their authorized representatives are requested to send a scanned copy of certified true copy of the Board Resolution to the Company authorizing their representative to vote on their behalf electronically, to our RTA at pune@linkintime.co.in, to the Company at kelinvestors@kineticindia.com, to the Scrutinizer by e-mail to csdineshbirla@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
14. Resolution(s) passed by the Members through Postal Ballot are deemed to have been passed effectively at a General Meeting.
15. The results declared along with the Scrutinizer's Report will be posted on the Company's website www.kineticindia.com and on the website of CDSL at www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchange.
16. The resolutions, if passed by the requisite majority shall be deemed to have been passed on Sunday, 14th March, 2021 i.e., the last date specified for receipt of votes through the e-voting process.

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

1. The voting period begins on Saturday, 13th February, 2021 at 09:00 a.m. (IST) and ends on Sunday, 14th March, 2021 at 05:00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 05th February, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website www.evotingindia.com.
3. Click on Shareholders / Members
4. 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

7. If you are a first time user follow the steps given below:

For Members holding shares in DEMAT Form and Physical Form	
PAN	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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 as mentioned in instruction (iv).

8. After entering these details appropriately, click on "SUBMIT" tab.

9. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

11. Click on the EVSN for the relevant Kinetic Engineering Ltd. on which you choose to vote.

12. 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.

13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

14. 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.

15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

16. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

17. If a DEMAT account holder has forgotten the changed login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

18. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

19. **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csdineshbirla@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evotingindia.com to reset the password.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 1

The Special Resolutions under Item No 1 is proposed for Members approval. The Company had borrowed funds from Mr. Ajinkya A. Firodia (DIN - 00332204), Managing Director and Promoter of the Company and the same has been included as Unsecured Loan in the Company's books of accounts. He has now requested that unsecured loan of an amount of INR 6,19,80,170.00 (INR Six Crores Nineteen Lakhs Eighty Thousands One Hundred Seventy only) given by him to the Company be converted into equity shares. Based on the said request, the Board has resolved to create, issue, offer and allot up to 17,70,862 (Seventeen Lakhs Seventy Thousand Eight Hundred Sixty-two) Equity Shares at an issue price of INR 35.00 (Face Value of INR 10.00 and premium of INR 25.00 per equity share) aggregating to INR 6,19,80,170.00 (INR Six Crores Nineteen Lakhs Eighty Thousands One Hundred Seventy only) to Mr. Ajinkya A. Firodia, by way of conversion of unsecured loan on a preferential basis. The Special Resolutions as mentioned under Item No. 1 proposes to authorize the Board to issue and allot these Equity shares on 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 following are the details of the unsecured loan sought to be converted into Equity Shares pursuant to this resolution:

Sr. No.	Name of the proposed Allottee	Amount of unsecured loan to be converted in to equity shares	Number of Equity Shares to be issued / allotted
1.	Mr. Ajinkya A. Firodia	INR 6,19,80,170.00 (INR Six Crores Nineteen Lakhs Eighty Thousands One Hundred Seventy only)	17,70,862 equity shares @ INR 35.00 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 of this issue is to convert the outstanding unsecured loan from Mr. Ajinkya A. Firodia into Equity Shares as specified in the Resolution and thereby to reduce the amount of outstanding liabilities of the Company and to increase the Equity amount of the Company.

2. Type and Number of Securities to be issued

The Board of Directors at its meeting held on 10th February, 2021 had, subject to the approval of the Members and such other approvals as may be required, approved the issuance and allotment of up to 17,70,862 Equity Shares at a price of INR 35.00 each, aggregating to INR 6,19,80,170.00 (INR Six Crores Nineteen Lakhs Eighty Thousands One Hundred Seventy only) by conversion of outstanding

unsecured loan up to that amount.

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

The price of equity shares to be issued is fixed at INR 35.00 (INR Thirty-five only) per equity share of INR 10.00 (Face Value) each for preferential issue. The shares of the Company are infrequently traded on the BSE Limited, hence the price is determined in compliance with Regulation 165 of SEBI (ICDR) Regulations, 2018 for Preferential Issues taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares.

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.	Mr. Ajinkya A. Firodia (Managing Director and Promoter)	17,70,862 Equity Shares

The Relevant Date on the basis of which the price of the Equity Shares will be calculated is 12th February, 2021, i.e. working day immediately preceding the date 30 days prior to the date of declaration of the results of the Postal Ballot process.

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

The Equity Shares shall be issued to Mr. Ajinkya A. Firodia, Promoter and Managing Director of the Company. He has indicated his intention to subscribe to the 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 offer capital that will be held by him shall be:

Sr. No.	Name of the Applicant along with PAN and address	Pre – Preferential Holding – before allotment of Equity		Post – Preferential Holding – after allotment of Equity	
		No. of shares	%	No. of shares	%
1.	Mr. Ajinkya A. Firodia PAN: AAGPF0983K Address: 20, Swagat, Off Senapati Bapat Road, Pankuwar Firodia Path, Pune 411016 Maharashtra India	11,29,055	6.38	28,99,917	14.89

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

No allotment(s) has been made on a preferential basis from the beginning of the year to the date of issue of this notice.

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

Not applicable since the allottee Mr. Ajinkya A. Firodia is an individual natural person and will be ultimate beneficial owner of both pre and post preferential shareholding in the Company.

11. 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		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	47,46,123	26.80	65,16,985	33.46
	Body Corporate	39,53,683	22.33	39,53,683	20.30
	Sub Total	86,99,806	49.13	1,04,70,668	53.75
	2. Foreign Promoters	-	-	-	-
	Sub Total (A)	86,99,806	49.13	1,04,70,668	53.75
B	Non-Promoters Holding–				
	1. Institutional investors	73,129	0.41	73,129	0.38
	2. Non-Institution				
	Corporate Bodies	25,40,186	14.34	25,40,186	13.04
	Directors	39,539	0.22	39,539	0.20
	Indian Public	53,82,500	30.39	53,82,500	27.63
	Others(Including NRIs)	9,73,461	5.50	9,73,461	5.00
	Sub Total (B)	90,08,815	50.87	90,08,815	46.25
	Grand Total (A+B)	1,77,08,621	100.00	1,94,79,483	100.00

Note- *Pre-Shareholding pattern as on Friday, 05th February, 2021.

12. Lock-inPeriod

The Equity Shares will be subject to applicable lock-in and transfer restrictions stipulated under the SEBI ICDR Regulations.

13. 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."

14. 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 the 6 (Six) months 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 of six months 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) Valuation requirement is not applicable as the securities are proposed to be issued on conversion of unsecured loan of the proposed allottees. However, since the shares of the Company are infrequently traded on the BSE Limited, hence the price is determined in compliance with Regulation 165 of SEBI (ICDR) Regulations, 2018, the Company will obtain 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.

15. Auditors' Certificate

The certificate from Pawan Jain and Associates, Chartered Accountants, being the Statutory Auditors of the Company 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 Postal Ballot.

16. 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 Mr. Ajinkya A. Firodia 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. 1 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.

Item No. 2

The Board, at its meeting held on 10th February, 2021 appointed Mr. Venkataiah Madipalli (DIN - 00041420) as Independent Director (Additional) of the Company, pursuant to Section 161 of the Companies Act, 2013. The Company has also received (i) consent in writing from Mr. Venkataiah Madipalli to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules'), (ii) intimation in Form DIR 8 in terms of the Appointment Rules from Mr. Venkataiah Madipalli to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Act.

Mr. Venkataiah Madipalli is having more than 45 years of rich experience in Automotive and allied industries and General Management. In the opinion of the Board, Mr. Venkataiah Madipalli fulfils the conditions for independence specified in the Act, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1st April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

The Board of Directors is of the opinion that Mr. Venkataiah Madipalli is a person of integrity; possess relevant expertise and vast experience. His association as Non-Executive Independent Director will be beneficial and in the best interest of the Company. The brief resume of said Director as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

A copy of the draft letter for his appointment as an Independent Director setting out the terms and conditions shall be made available for inspection, without any fee, by the members at the Company's registered office during normal business hours on working days.

The Board of Directors, therefore, recommends the Special Resolution as specified under Item No. 2 of the accompanying Notice for approval of the Members of the Company.

Mr. Venkataiah Madipalli, may be deemed to be interested in the resolution. Except him, none of the Directors, Key Managerial Personnel of the Company or their respective relatives, are concerned or interested in the above said resolution.

Annexure - A
"Details of Director seeking appointment through Postal Ballot
[In pursuance of Corporate Governance provision of Listing Regulations, 2015]"

Name of the Director	Mr. Venkataiah Madipalli
Date of Birth (Age)	78 years
DIN	00041420
Date of Appointment	10 th February, 2021
Qualification	M.I.E. Mechanical Engineering, The Institute of Engineers of India
Directorship as on 10 th February, 2021.	NIL
Chairmanship/Membership of Committees of other Companies as on 10 th February, 2021.	NIL
Shareholding in the Company	25 Equity shares
Brief profile	M.I.E. Mechanical Engineering from The Institute of Engineers of India. Mr. Venkataiah Madipalli, is a Professional Engineer over 45 years of experience in the Automotive Industries. He has served renowned organizations like Hindustan Aeronautics Ltd., Tata Motors Ltd. (Formerly known as TELCO), Force Motors Ltd. (Formerly known as Bajaj Tempo) and Kinetic Engineering Limited in the past.

By Order of the Board of Directors
For Kinetic Engineering Limited

Sd/-
Nikhil Deshpande
Company Secretary and Compliance Officer

Pune, 10th February, 2021

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