



KINETIC ENGINEERING LIMITED

Registered Office: D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019, India, Tel.: +91-20-66142049 Fax: +91-20-66142088/89 CIN: L35912MH1970PLC014819

kelinvestors@kineticindia.com \ www.kineticindia.com

To,
The Shareholders,
Kinetic Engineering Limited (the “Company”)

Notice is hereby given, pursuant to Section 110 and other applicable provisions if any, of the Companies Act, 2013, (“Act”), read with the Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), including any statutory modification to or reenactment thereof, that the appended resolutions (“**Proposed Resolutions**”) are proposed to be passed as special resolutions by means of postal ballot/voting through electronic mode (“**E-voting**”). The Proposed Resolutions and Explanatory Statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto along with a postal ballot form for your consideration.

Please note that that in compliance with the provisions of Section 110 of the Act read with Rule 22 of the Rules and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, with Stock Exchanges, the Company has engaged the services of Central Depository Services (India) Limited (“**CDSL**”) to provide the members with the facility of E-voting. A member may opt to cast their vote by electronic mode instead of casting the vote through the postal ballot form (enclosed herewith).

The Board of Directors of the Company have appointed Mr. Dinesh Birla, Practicing Company Secretary (Membership No. F7658) as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

If you intend to cast your vote through the postal ballot form please read the instructions printed on the postal ballot form for casting of vote and return the form duly completed and signed in the enclosed self-addressed postage pre-paid business reply envelope so as to reach the Scrutinizer at the Link Intime India Private Limited, Unit: Kinetic Engineering Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078 on or before the close of working hours (i.e. 5.00 p.m. IST) on 15th May 2017. Please note that postal ballot forms received after the said date will not be valid and shall be treated as if the reply from the member had not been received. If you intend to cast your vote by the electronic mode, please do so in

accordance with the **procedure / instructions for e-voting** as set out in the notes to this Notice.

Kindly note that members can opt for only one mode of voting i.e. either by way of the postal ballot notice or E-voting. If you are opting for E-voting, then do not vote by way of the postal ballot form also and vice versa. However, in case a member has voted both in physical as well as e-voting, then voting done through E-voting shall prevail and voting done by physical form shall be treated as invalid.

The Scrutinizer will submit his report to the Chairman of the Board of Directors of the Company after completion of the scrutiny of the votes cast through postal ballot forms and the votes cast by E-voting. The Chairman of the Board of Directors of the Company or, in his absence, any Director of the Company or the Company Secretary of the Company will announce the results of the postal ballot on 16th May, 2017 at 11.00 a.m. at the registered office of the Company situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019, Maharashtra.

The results will be displayed at the registered office of the Company besides being communicated to the stock exchanges on which the Company's equity shares are listed. In addition, the results will be displayed on the website of the Company viz. **www.kineticindia.com**. The declaration/announcement of the results of the postal ballot by the Chairman or any Director or Company Secretary of the Company as stated above shall be treated as declaration of results at a general meeting of the members as per the provisions of the Companies Act, 2013 and applicable rules made thereunder.

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

Sourav Chowdhury
Company Secretary

Date : 8th April, 2017
Place : Pune

PROPOSED RESOLUTION

1. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Sections 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification thereto or reenactment thereof for the time being in force), the Memorandum of Association and Articles of Association of Kinetic Engineering Limited (the “Company”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Securities and Exchange Board of India, as amended, and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, from time to time, to the extent applicable, and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) to exercise its powers including the powers conferred by this resolution, consent of the Company be and is hereby accorded to the Board to create, issue, offer, and allot 7,31,707 (Seven lacs Thirty One Thousand Seven Hundred Seven) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each at a premium of Rs. 72/- (Rupees Seventy Two Only), aggregating up to Rs. 6,00,00,000/- (Rupees Six Crores Only) considering 14th April, 2017 as the Relevant Date being the date 30 days prior to the date of passing of this postal ballot resolution as per provisions of Regulation 71 of Chapter VII of SEBI Regulations, on a preferential basis through private placement (the “Preferential Issue”) and on such further terms and conditions, including payment of monies as may be approved or finalized by the Board to the following person belonging to promoter Category (the “Proposed Allottee”) as detailed herein below:

Sr. No.	Proposed Allottee	PAN	Category	No. of Shares
1	Mr. Ajinkya A Firodia	AAGPF0983K	Promoter	7,31,707

“RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Company to the Proposed Allottee within a period of 15 days from the date of passing of this resolution, provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval for such allotment by Reserve Bank of

India (RBI) any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.”

“**RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either subdivided or consolidated prior to the Preferential Issue, then the number of Equity Shares to be allotted under the said Preferential Issue shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- (Rupees Ten Only) per Equity Share to the revised face value of the Equity Shares after such sub-division or consolidation, and the subscription price payable by the Proposed Allottee shall automatically stand reduced or augmented, as the case may be, in the same proportion as the revised face value of the Equity Shares after such sub-division or consolidation bears to the present face value of Rs.10/- (Rupees Ten Only) per Equity Share, without affecting any other rights or obligations of the said Proposed Allottee.”

“**RESOLVED FURTHER THAT** the Equity Shares to be offered, issued and allotted through the Preferential Issue shall rank *pari passu* with the existing Equity Shares of the Company in all respects, including dividend, and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted shall be subject to lock-in as provided under the SEBI Regulations.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, to finalize, approve and sign the offer documents with authority to amend, vary, modify the same as may be considered desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, undertakings, certificates, consents, authorities as may be necessary and required from time to time, issuing clarifications on the offer, issue and allotment of the Equity Shares, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries and advisors for the Preferential Issue), resolving all questions of doubt that may arise in regard to the offer, issue and allotment of the Equity Shares and utilization of proceeds of the issue of the Equity Shares 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 and to do all such things, deeds and acts and to comply with all the formalities as may be required in connection with and incidental to the aforesaid offering of Equity Shares, including for the post issue formalities, without being required to seek any fresh approval of the shareholders of the Company 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 Director(s) and / or to any official(s) of the Company and to generally do all such acts, deeds and things as may be required in

connection with the aforesaid resolutions, including making necessary applications and filings with the Stock Exchanges and regulatory authorities.”

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

Sourav Chowdhury
Company Secretary

Date : 8th April 2017

Place : Pune

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, giving reasons for the proposed Special Resolution stating out material facts in annexed hereto.
2. Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (the “Rules”), the item of the business as set out in the Notice are sought to be passed by E-voting & Postal Ballot.
3. The Board has appointed Mr. Dinesh Birla, Practicing Company Secretary (Membership No.F7658) as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.
4. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and provisions of Section 110 of the Companies Act, 2013 read with Rules, the Company is pleased to offer E-voting facility to all its members to enable them to cast their votes electronically. This notice is being sent to all the members, whose names appear in the Register of Members/ list of Beneficial Owners as received from National Securities Depository Services Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on the close of working hours on 7th April 2017, i.e. “the Cut-off date”. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on 7th April, 2017, being the cut-off Date. E-voting is optional for members. In case a Member has voted through e-voting facility, he / she is not required to send the Physical Form. In case a Member votes through e-voting facility as well as send his/her vote through Physical Form, the vote casted through e-voting shall be considered and the voting through physical form shall be ignored by the Scrutinizer.
5. You are requested to carefully read the instructions printed in the postal ballot form attached hereto, and if you are **not** voting electronically, fill up the Form, give your assent or dissent on the resolution at the end of the form and return the duly completed and signed form (no other form is permitted) in the enclosed self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the closure of working hours (i.e. 5.00 p.m. IST) on 15th May, 2017. Envelope containing postal ballot forms, if sent by courier or by registered post at the expense of the member will also be accepted. However, the Postal

Ballot Forms received after the stipulated day and time will be strictly treated as if no reply has been received from the member.

6. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny. The Chairman will, or in his absence any Director of the Company or the Company Secretary of the Company will announce the results of the Postal Ballot on 16th May, 2017 at 11.00 a.m. at the registered office of the Company situated at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune - 411019, Maharashtra. The date of declaration of postal ballot result will be taken to be the date of passing the Special Resolutions. The said result would be displayed at the notice board of the Registered Office of the Company, intimated to the Stock Exchange where the Company's shares is listed and displayed on the Company's Website viz. 'www.kineticindia.com'.
7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the Office Hours on all working days except Sunday between 11:00 a.m. and 2:00 p.m. upto 15th May, 2017.

8. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 16th April, 2017 at 9.00 a.m. and ends on 15th May, 2017 at 5.00 p.m. 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 7th April, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details	<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).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Kinetic Engineering Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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 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 favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.

The following Statement sets out all material facts relating to the Proposed Resolutions mentioned in the accompanying Notice:

Item No. 1:

With a view to augment funds to meet the short-term and long-term working capital requirements of the existing business operations and at the same time, to support its future growth plans, the Board of Directors of the Company in their meeting 8th April, 2017 has considered and approved the proposal of raising funds on preferential basis to the person belonging to the promoter category subject to receipt of necessary approvals from shareholders and stock exchanges where the shares of the Company are listed.

The details of the issue and other particulars as required in terms of Regulation 73 of the SEBI ICDR Regulations, 2009 and other applicable laws in relation to the proposed Special Resolution as set out at Item No. 1 are given hereunder:

(a) Object/s of the issue:

The object of the proposed Preferential Issue is to finance the long term and short term working capital requirement of the business on one hand and to support the future growth plans of the Company, on the other hand.

(b) Proposal of the Promotes, Directors or Key Management personnel of the issuer to subscribe the offer:

None of the Key Management Personnel intends to subscribe to any share pursuant to this preferential issue of equity shares except Mr. Ajinkya A Firodia, Managing Director of the Company, belonging to Promoter category has shown his intend to subscribe 7,31,707 (Seven Lacs Thirty One Thousand Seven Hundred Seven) number of Equity shares of the Company to meet the object of the issue.

(c) Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to issue to the Proposed Allottee up to 7,31,707 (Seven lacs Thirty One Thousand Seven Hundred Seven) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each at a premium of Rs. 72/- (Rupees Seventy Two Only), aggregating up to Rs. 6,00,00,000/- (Rupees Six Crores Only), in such manner and on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the SEBI Regulations.

The Preferential Issue shall be made only in dematerialized form as per SEBI Regulations.

(d) Shareholding Pattern before and after the issue of shares involved in the present resolutions is as below:

Category Code	Category of Shareholder	Pre-Issue		Post Issue	
		Pre-Issue Shares held	% of Total Shares	Post-Issue Shares held	% of Total Shares
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian :				
	Individual:				
	a. Arun Hastimal Firodia	108061	0.65	108061	0.62
	b. Jayashree Arun Firodia	32,33,431	19.33	32,33,431	18.52
	c. Ajinkya Arun Firodia	11,29,055	6.75	11,29,055	6.47
	Add: Pursuant to this Preferential issue			7,31,707	4.19
	d. Sulajja Firodia Motwani	616	0.00	616	0.00
	Bodies Corporate:				
	a. Micro Age Instruments Private Limited	1849845	11.06	1849845	10.59
	b. Ajinkya Holdings Private Limited	1176260	7.29	11,76,260	6.74
	Sub Total:	7497268	44.81	8228975	47.13
(2)	Foreign Promoters	-	-	-	-
	Sub Total of (A)				
(B)	Non Promoter / Public Shareholding (B)				
(1)	Institutional Investors	144037	0.86	144037	0.82
(2)	Non Institutional Investor				
	Private corporate bodies	2045610	12.23	2045610	11.71

	Directors and relatives	-	-		
	Indian public/ Individual	3852715	23.03	3852715	22.06
	others (including NRIs)	3191078	19.06	3191078	18.27
	Sub Total of (B)	9233440	55.19	9233440	52.88
	Grand Total (A)+(B)	1,67,30,708	100.00	1,74,62,415	100.00

(e) Time within which the Preferential Issue shall be completed:

The Company will complete the issue & allotment of Equity Shares within a period of 15 days from the date of passing of the resolutions by the shareholders or when the allotment on preferential basis requires any approval by any regulatory authority like Reserve Bank of India (RBI), Stock Exchanges or Central Government or any statutory body, the allotment of shares will be completed within 15 days from the date of such approvals.

(f) Identity of the natural person who are ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately controls the proposed allottee, percentage of the post preferential issue to be held by them:

Sr. No.	Proposed Allottee	Present Holding	% to Pre-Issue Capital	Present Issue	% to Post Issue Capital
1	Mr. Ajinkya A. Firodia	1129055	6.75	7,31,707	10.66

There will not be any change in the management control of the Company on account of this proposed preferential allotments except minor change in the shareholding pattern as well as voting rights.

Proposed Allottee:

Proposed Allottee	Particulars
Mr. Ajinkya A. Firodia	An individual.

(g) Lock-In Requirements:

- a. The Equity Shares to be allotted on preferential basis to the Promoter of the Company shall be subject to lock-in for a period of three years from the date of trading approval for such equity shares under Regulation 78(1) of SEBI Regulation.

- b. The entire pre-preferential allotment shareholding of the allottees, shall be locked-in from the relevant date upto a period of six months from the date of trading approval.

(h) Transferability period:

The Equity Shares allotted on a preferential basis shall not be transferred by the Investor until trading approval is granted by the Stock Exchanges.

(i) Auditors' Certificate:

M/s. P. G. Bhagwat, Chartered Accountants, the Statutory Auditors of the Company have certified that the preferential issue is being made in accordance with the requirements contained in SEBI Regulations. A copy of the certificate shall kept for inspection at the Registered Office of the Company during the business hours.

(j) Relevant Date:

Relevant Date for the purpose of Preferential Issue is 14th April 2017 which is the date 30 days prior to the date of Postal Ballot when this resolution is being considered for approval.

(k) Pricing & Undertaking to re-compute the price:

The Equity Shares proposed to be issued pursuant to the Preferential Issue will be issued and allotted at a price not less than the higher of the following in terms of Regulation 76 of the SEBI Regulations:

- (a) the average of the weekly high and low of the closing price of the equity shares of the Company quoted on the recognized Stock Exchange during the 26 (twenty-six) weeks preceding the Relevant Date (as defined above); or
- (b) the average of the weekly high and low of the closing price of the Equity Shares of the Company quoted on the recognized Stock Exchanges during the 2 (two) weeks preceding the Relevant Date (as defined above).

Accordingly, the issue price of Rs. 82/- (Rupees Eighty Two Only) per Equity Share at which the Equity Shares are proposed to be issued and allotted is in compliance with the minimum issue price determined in accordance with Regulation 76 of the SEBI Regulations.

(l) Recomputation:

The Board of Directors of the the Company undertake that:

Since the Company's equity shares are frequently traded, therefore there is no need for the Company to re-compute the price of the Equity shares in terms provision of the SEBI Regulation.

None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

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

SD/-
Sourav Chowdhury
Company Secretary

Date : 8th April 2017,
Place : Pune