

Annual Report 2013-2014

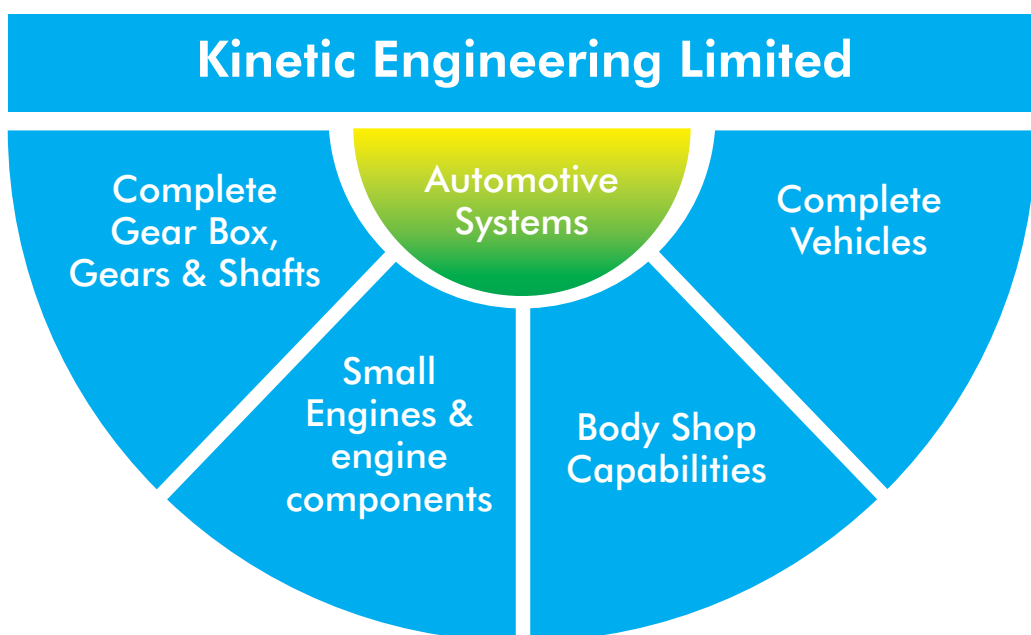


KINETIC
in every
automobile



Kinetic Engineering Limited

New Business Received



BOARD OF DIRECTORS

MR. ARUN H. FIRODIA	CHAIRMAN
MRS. SULAJJA FIRODIA MOTWANI	VICE-CHAIRPERSON
MR. AJINKYA A. FIRODIA	MANAGING DIRECTOR
MR. JINENDRA H. MUNOT	
DR. K. H. SANCHETI	
MR. S. R. SANGHI	
MR. S. R. KOTTECHA	
MR. R. J. KABRA	
MR. HARJIT SINGH BHATIA (UPTO 09.07.2014)	
MR. ASHISH KUMAR	

COMPANY SECRETARY

MR. ROHIT PURANDARE

AUDITORS

M/S. P. G. BHAGWAT
CHARTERED ACCOUNTANTS, PUNE

REGISTERED OFFICE

D1 BLOCK, PLOT NO. 18/2, MIDC, CHINCHWAD, PUNE - 411019.

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

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KINETIC ENGINEERING LIMITED

N O T I C E

NOTICE is hereby given that the 43rd Annual General Meeting of the shareholders of KINETIC ENGINEERING LIMITED will be held on Monday, 29th day of September, 2014 at 11: 00 a.m., at the Registered Office of the Company at D-1 Block, Plot No. 18/ 2, MIDC, Chinchwad, Pune - 411 019, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the financial year ended on that date, together with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Ms. Sulajja Firodia Motwani (DIN: 00052851), who retires by rotation and is eligible for re-appointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

4. Appointment Mr. Ajinkya A. Firodia (DIN: 00332204) as Managing Director

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

"RESOLVED THAT pursuant to provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval of Shareholders and the approval from the Central Government, Mr. Ajinkya A. Firodia (DIN: 00332204), be and is hereby appointed as a Managing Director of the Company with effect from 22.04.2014, for a period of five years, on the terms and conditions recommended by the Nomination and remuneration Committee as set out below.

Remuneration (per annum)	
Salary	Rs. 26,35,380 (with 10% increase every year)
HRA	Rs. 8,78,460 (with 10% increase every year)
LTA	Rs. 1,00,000
Medical Exp. Reimb.	Rs. 15,000
Variable Pay	2% of Operating Profit (EBITDA)
Benefits:	
Provident Fund	As per the Rules of the Company
Superannuation	
Gratuity	
Personal Accident & Mediciam Benefits	
Other privileges, facilities, perquisites, benefits and amenities	
Club membership	One Club
Provision of cars	2 Cars - One car with driver for office use and one car with driver for private use
Telephone facility	Telephone at residence, and a mobile phone
Watchman at residence	One round-the-clock watchman at residence
Minimum remuneration	In the event of loss or inadequacy of profits, the aforesaid remuneration shall be payable as the minimum remuneration

Other terms	
Tenure	5 years w.e.f. 22.04.2014
Duties and responsibilities	Subject to the superintendence, control and direction of the Board of Directors, Mr. Ajinkya A. Firodia is entrusted with the substantial powers of management and shall be responsible for the general conduct and management of the business and affairs of the Company as entrusted, and shall exercise the powers conferred on him by the Board from time to time, subject to such restrictions and limitations as the Board may impose.

RESOLVED FURTHER THAT, Mr. Rohit Purandare, Company Secretary, be and is hereby authorized to submit necessary application and do all such things as are necessary, for seeking the approval of Central Government, to the terms of appointment.

5. Appointment of Mr. Ramesh J. Kabra (DIN: 00306688) as an Independent Director

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

"RESOLVED THAT, pursuant to provision of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Ramesh J. Kabra (DIN: 00306688), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 28th June, 2014 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ramesh J. Kabra as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company up to March 31, 2019, not liable to retire by rotation."

6. Appointment of Mr. Jinendra H. Munot (DIN: 00049838) as an Independent Director

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

"RESOLVED THAT pursuant to the provision of section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Jinendra H. Munot (DIN: 00049838), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1st April, 2014 upto 31st March 2019, not liable to retire by rotation."

7. Appointment of Dr. K. H. Sancheti (DIN: 00872400) as an Independent Director

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

"RESOLVED THAT pursuant to the provision of section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approval be and is hereby accorded to the appointment of Dr. K. H. Sancheti (DIN: 00872400), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1st April, 2014 upto 31st March 2019, not liable to retire by rotation."

8. Appointment of Mr. Sudhir R. Sanghi (DIN: 00033352) as an Independent Director

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

"RESOLVED THAT pursuant to the provision of section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Sudhir R. Sanghi (DIN: 00033352), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1st April, 2014 upto 31st March 2019, not liable to retire by rotation."

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9. Appointment of Mr. Shirish R. Kotecha (DIN: 00170659) as an Independent Director

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

"RESOLVED THAT pursuant to the provision of section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Shirish R. Kotecha (DIN: 00170659), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1st April, 2014 upto 31st March 2019, not liable to retire by rotation."

10. To approve Borrowing limits of the Company

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

"RESOLVED THAT, in supersession of the Resolutions passed by the shareholders previously in this regard and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 300 Crore (Rupees Three Hundred Crore only) over and above the aggregate of the paid-up capital and free reserves (i.e. reserves not set apart for any specific purpose) of the Company and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

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, proper or desirable and to settle any question, difficulty or doubt that may be necessary, proper, desirable or expedient to give effect to this resolution."

11. Creation of Charges on the assets of the Company

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

"RESOLVED THAT, in supersession of the Resolutions passed by the shareholders previously in this regard and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to mortgage/ charge/hypothecate/encumber any of its movable and/or immovable properties wherever situated both present and future or to lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create mortgage/charge/hypothecate/encumber, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any Bank(s) or Financial Institution(s) or Body(ies) Corporate or Person(s), whether the Members of the Company or not, together with interest, cost, charges and expenses thereon for an amount not exceeding Rs. 300 Crore (Rupees Three Hundred Crore only) over and above the aggregate of the paid-up capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company.

RESOLVED FURTHER THAT mortgage/charge/hypothecate/encumber to be created by the Company aforesaid may rank prior/pari-passu/subservient with/to the mortgage/ charge/hypothecation/encumbrance already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/deeds/writings /papers/agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt relating thereto that may arise in regard to creating mortgage /charge as aforesaid."

By Order of the Board of Directors
For **KINETIC ENGINEERING LIMITED**

Rohit Purandare
Company Secretary

Date: 14.08.2014

Place: Pune

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- 2 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
- 3 An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
- 4 Brief details of the directors, who are seeking re-appointment, are annexed hereto as per requirements of clause 49 of the listing agreement.
- 5 Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from 27. 09. 2014 to 29. 09. 2014, both days inclusive.
- 6 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime.
- 7 In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
- 8 To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective depository participant, where shares

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are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Link Intime India Pvt. Ltd. on pune@linkintime.co.in.

- 9 Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.
- 10 Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
- 11 Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the annual general meeting.
- 12 Members/Proxies are requested to bring the copies of annual reports to the meeting.
- 13 Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
- 14 Voting through electronic means

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 22 August, 2014 (End of Day) being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- A. In case of Members receiving Notices of Annual General Meeting (AGM) through E-mail:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "KINETIC ENGINEERING LIMITED" from the drop down menu and click on "SUBMIT"
 - (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 (Shareholders) holding shares in Demat Form and Physical Form	
Permanent Account Number (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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB) #	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company / Depository Participant please enter the Client id / folio number in the Dividend Bank details field.

- (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 Electronic Voting Sequence Number (EVSN) of "KINETIC ENGINEERING LIMITED"
- (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) (a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- (b) Institutional shareholders should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

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- (c) After receiving the login details Institutional shareholders have to create a user who would be able to link the account(s) which institutional shareholders wish to vote on.
 - (d) 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.
 - (e) Institutional shareholders should upload 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.
- B. In case of Members receiving physical copy of Notice of AGM:
 - (i) Please follow all steps from Sr. No. (i) to Sr. No. (xviii) above, to cast vote.
 - (ii) The voting period begins on Tuesday, 23rd September, 2014 at 9.00 a.m. IST and ends on Thursday, 25th September, 2014 at 6.00 p.m. IST. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22 August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- D. General Instruction:
 - (i) You are advised to cast your vote only through one mode (E-voting or through Poll at the AGM). In case you cast your votes through both the modes, votes cast through E-voting shall only be considered and votes cast at meeting through Poll would be rejected.
 - (ii) The Company has appointed Mr. Devendra V. Deshpande, Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in fair and transparent manner.