

The Board of Directors,
Kinetic Engineering Ltd.
D-1 Block, Plot No. 18/2,
MIDC, Chinchwad,
Pune- 411019.

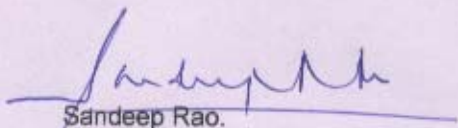
Review Report

We have reviewed the accompanying statement of unaudited financial results of **Kinetic Engineering Ltd.** for the period ended 31st December, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M/s.P.G.Bhagwat
Chartered Accountants
Firm Regn. No. 101118W



Sandeep Rao.
Partner
M.No. 47235

Pune: 13th February, 2012.

KINETIC ENGINEERING LIMITED

Regd. Office : D-1 Block, Plot No. 18 / 2, Chinchwad, Pune - 411 019

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 31ST DECEMBER, 2011

(Rs. In Lacs)

Sr. No.	Particulars	Quarter ended 31-Dec-2011 (3 months) Unaudited	Immediately preceding Quarter ended 30-Sep-2011 (3 months) Unaudited	Corresponding Quarter ended in the previous year 31-Dec-2010 (3 months) Unaudited	Year to date figures for current period ended 31-Dec-2011 (9 months) Unaudited	Year to date figures for the previous year ended 31-Dec-2010 (9 months) Unaudited	Previous accounting year ended 31-Mar-2011 (12 months) Audited
1	(a) Net Sales & Income from Operations	1734	2127	2106	6223	7012	9093
	(b) Other Operating Income	72	73	0	153	15	24
2	Total Expenditure						
	(a) (Increase) / Decrease in stock in trade and work in progress	(87)	(79)	(8)	(82)	(21)	(87)
	(b) Consumption of raw material	1190	1505	1480	4098	4635	6095
	(c) Employee cost	430	436	434	1311	1241	1705
	(d) Depreciation / Amortisation	217	221	196	636	594	799
	(e) Bad debts / Advance written off	319	0	0	319	0	19
	(f) Provision for doubtful debts written back	(295)	0	0	(295)	0	(83)
	(g) Other expenditure	429	471	417	1359	1188	1808
	(h) Total	2203	2554	2519	7347	7637	10254
3	Profit / (Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)	(397)	(354)	(413)	(971)	(610)	(1137)
4	Other Income						
	(a) Profit / (Loss) on sale of Investment (Net)	0	(29)	1	(29)	(346)	(349)
	(b) Profit / (Loss) on sale of Assets	0	0	0	0	5	292
	(c) Other	135	66	12	247	364	678
	(d) Sub Total (a+b+c)	135	38	13	218	23	621
5	Profit / (Loss) before Interest and Exceptional Items (3+4)	(262)	(316)	(400)	(753)	(587)	(515)
6	Interest and Financial charges	222	225	145	620	428	603
7	Profit / (Loss) after Interest but before Exceptional Items (5-6)	(484)	(540)	(545)	(1373)	(1015)	(1118)
8	Exceptional Items						
	Unrealised Exchange Fluctuation (Loss) / Gain (Note 2)	57	(160)	3	(107)	19	25
9	Profit / (Loss) from Ordinary Activities before tax (7+8)	(428)	(700)	(542)	(1480)	(996)	(1093)
10	Tax Expenses						
	Provision for Fringe Benefits Tax						
11	Net Profit / (Loss) from Ordinary Activities after tax (9-10)	(428)	(700)	(542)	(1480)	(996)	(1093)
12	Extraordinary Items (Net of tax expenses)						
13	Net Profit / (Loss) for the period (11-12)	(428)	(700)	(542)	(1480)	(996)	(1093)

Sr. No.	Particulars	Quarter ended	Immediately preceding	Corresponding	Year to date	Year to date	Previous
		31-Dec-2011 (3 months) Unaudited	Quarter ended 30-Sep-2011 (3 months) Unaudited	Quarter ended in the previous year 31-Dec-2010 (3 months) Unaudited	figures for current period ended 31-Dec-2011 (9 months) Unaudited	figures for the previous year ended 31-Dec-2010 (9 months) Unaudited	accounting year ended 31-Mar-2011 (12 months) Audited
14	Paid-up Equity share capital (Face value of Rs. 10/- per share)	1037	1037	1037	1037	1037	1037
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						6471
16	Earning Per Share (EPS)						
	(a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(6.65)	(9.15)	(7.22)	(16.80)	(11.59)	(12.66)
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(6.65)	(9.15)	(7.22)	(16.80)	(11.59)	(12.66)
17	Public Shareholding						
	- No. of shares	4408432	4413744	4667386	4408432	4667386	4516994
	- Percentage of shareholding	42.50%	42.55%	45.00%	42.50%	45.00%	43.55%
18	Promoters and promoter group shareholding						
	(a) Pledged / Encumbered						
	- Number of shares	612000	612000	612000	612000	612000	612000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	10.26%	10.27%	10.73%	10.26%	10.73%	10.45%
	- Percentage of shares (as a % of the total share capital of the company)	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
	(b) Non-encumbered						
	- Number of shares	5351536	5346224	5092582	5351536	5092582	5242974
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	89.74%	89.73%	89.27%	89.74%	89.27%	89.55%
	- Percentage of shares (as a % of the total share capital of the company)	51.60%	51.54%	49.10%	51.60%	49.10%	50.53%

Notes:

- The above results are reviewed and recommended by the Audit Committee and taken on record and approved by the Board of Directors in its meeting held on 13th February, 2012, which have also been reviewed by the Auditors of the Company.
- In view of the steep depreciation of Rupee vis-a-vis USD during the current quarter, unrealised exchange (loss) / gain arising out of the restatement of foreign currency loan, which is not due for repayment within next twelve months, has been shown / regrouped as 'Exceptional items'.
- Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs amending the Accounting Standard 11, the Company has exercised the option as per Para 46A inserted in the Standard for long term monetary liabilities. Consequently, on long term Monetary Liability, exchange difference loss of Rs. 3.31 crores is carried forward in the Foreign Exchange Monetary Item Translation Difference Account as on December 31, 2011 and will be amortized over the balance period of the monetary liability. As a result of above change, exchange difference loss amounting to Rs.1.66 crore for the quarter ended 31st December, 2011 (Rs.3.31crore for nine months ended 31st December,2011) has not been charged to Profit & Loss Account during respective periods resulting in reduction of loss by similar amounts. Due to this change, figures of previous periods are not comparable.
- Status of Investors complaints for the quarter ended on 31st December, 2011 : Opening Balance - NIL, Received - NIL, Resolved - NIL, Closing Balance - NIL

For KINETIC ENGINEERING LIMITED

Ajinkya A. Firodia

Ajinkya A. Firodia
Managing Director

Place : Pune
Date : 13th February, 2012