

Date : 29-08-2022

Corporate Relationship Department
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building,
PhirozeJeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001

The Manager, Capital Market (Listing)
National Stock Exchange of India Limited
Exchange Plaza,
BandraKurla Complex,
Bandra East,
Mumbai -400051

Scrip Code / ID : 524019 / KINGFA

Symbol : KINGFA

**Sub : Annual Report for the Financial Year 2021 - 22 alongwith
Notice convening 38th Annual General Meeting**

Dear Sir / Madam,

As required under Regulation 34 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2021-22 along with the Notice convening the 38th Annual General Meeting scheduled to be held on Thursday, September 22, 2022 at 11.30 a.m. (IST) through Video Conferencing/Other Audio Visual Means in accordance with General Circular Nos. 2/2022 dated May 5, 2022 read with 14/ 2020 dated April 8, 2020, 17/ 2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021 and 21/2021 dated December 14, 2021 issued by Ministry of Corporate Affairs ("MCA Circulars) and Circular dated May 13, 2022 issued by the Securities and Exchange Board of India ("SEBI Circulars") and applicable provisions of the Companies Act, 2013.

The remote e-Voting period commences on Monday, September 19, 2022 (9:00 a.m. IST) and ends on Wednesday, September 21, 2022 (5:00 p.m. IST). The cut- off date i.e. Thursday, September 15, 2022.

The Annual Report for the Financial year 2021-22 along with the Notice convening the 38th Annual General Meeting is uploaded on the website of the Company at www.kingfaindia.com.

Please take the above information on record.

Thanking you,
Yours faithfully,
for Kingfa Science & Technology (India) Limited,


(NIRNOY SUR)
Company Secretary

Encl : as above





KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED
(formerly Hydro S & S Industries Limited)
CIN : L25209TN1983PLC010438
Regd. Office : Dhun Building, III Floor, 827, Anna Salai,
Chennai – 600 002. Tamilnadu, India.
Phone : +91 - 44 - 28521736 Fax : +91 - 44 - 28520420
Works : Puducherry, Pune & Manesar

KINGFA KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED

2021 - 2022 ANNUAL REPORT

Board of Directors**Mr. Bo Jingen**, *Managing Director***Mr. Wu Xiaohui**, *Non-Executive Non-Independent Director*
(Whole-time Director upto 12.08.2021)**Mr. N.Subramanian**, *Independent Director***Mr. Dilip Dinkar Kulkarni**, *Independent Director***Ms. Nilima Ramrao Shinde**, *Independent Director***Mr. D.Balaji**, *Executive Director***Chief Financial Officer****Mr. Xie Dongming****Company Secretary****Mr. Nirnoy Sur****Registered Office**

Dhun Building, III Floor,
827, Anna Salai, Chennai - 600 002
Telephone: + 91 - 44 - 28521736
Fax : + 91 - 44 - 28520420
E-Mail : cs@kingfaindia.com
Website : www.kingfaindia.com
CIN : L25209TN1983PLC010438

Works

Plot No : F 5/5, Chakan Industrial Area, Phase-2, MIDC,
Village - Vasuli – Shinde, Tal Khed, Pune – 410 501
RS No. 38/1, Sedarapet Industrial Area, Sedarapet, Puducherry - 605 111
Plot No - 406, Sector - 8, IMT Manesar, Gurgaon - 122 050, Haryana

Statutory Auditors

M/s. P G Bhagwat LLP
Chartered Accountants,
Suite 102, 'Orchard'
Dr. Pai Marg, Baner, Pune - 411 045
Phone : +91 - 020 - 27290771, 27291772 / 3
E-Mail : pgb@pgbhagwatca.com

Cost Auditor

Mr. K. Suryanarayanan
Cost Accountant
Flat A, Brindhavan Apartments,
No.1, Poes Road, 4th Street,
Teynampet, Chennai - 600 018.
Phone : +91 - 44 - 24328836
E-Mail : cwasuri@gmail.com

Secretarial Auditor

Ms. Shaswati Vaishnav
Practicing Company Secretary
Vaishnav Associates
B 308, Madhukunj Apartments,
8th Lane, Koregaon Park,
Opp. Mad House Grill, Pune - 411 001.
Phone : +91 - 8983453453
E-Mail : shaswati.vaishnav@gmail.com

Bankers

The Hongkong and Shanghai Banking Corporation Limited
State Bank of India
Industrial and Commercial Bank of China Limited
ICICI Bank Limited

Registrar & Share Transfer Agent

M/s. Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers,
No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai - 600 017.
Telephone : +91 - 44 - 28140801 - 03
Fax : +91 - 44 - 28142479
E-Mail : yuvraj@integratedindia.in

Contents**Page Nos**

Financial Highlights	- 2
Performance Metrics	- 3
Directors' Report	- 18
Corporate Governance Report	- 38
M D & A Report	- 56
Independent Auditor's Report	- 63
Balance Sheet	- 74
Statement of Profit and Loss	- 76
Statement of Cash Flow	- 77

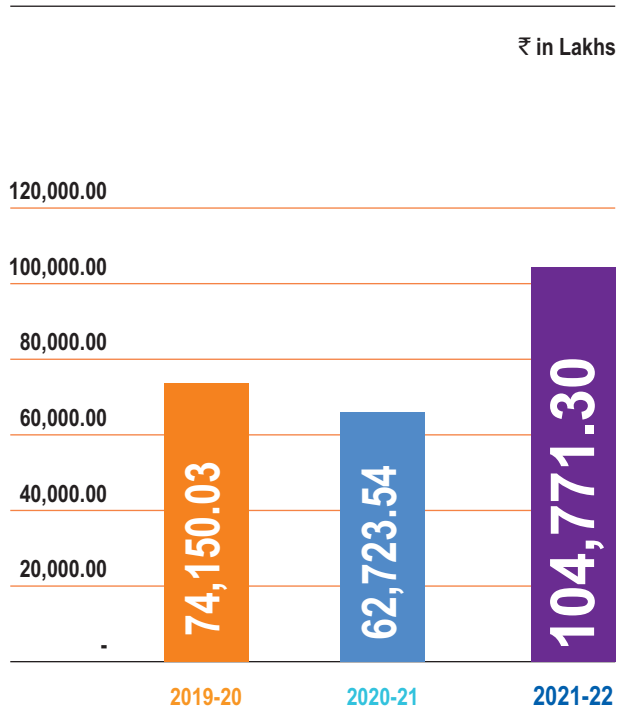
FIVE - YEAR FINANCIAL DATA

(₹ in Millions)

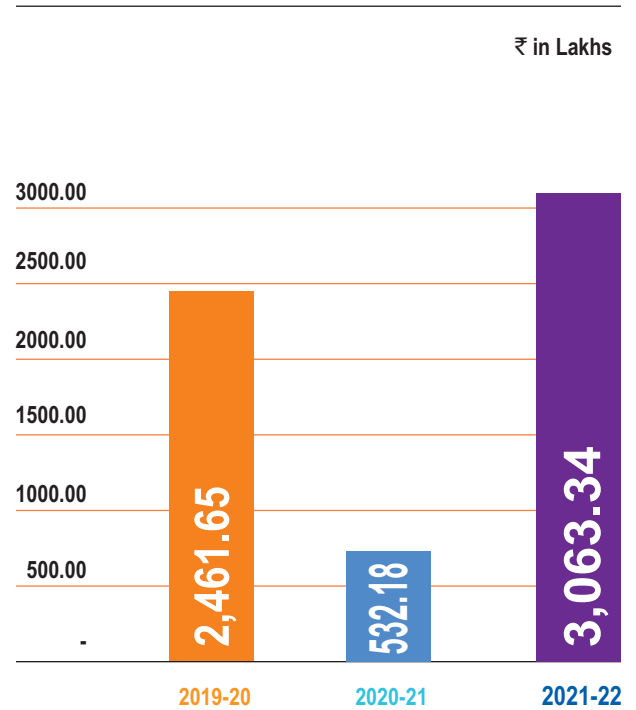
For the Year	2021-22	2020-21	2019-20	2018-19	2017-18
Sales: Domestic	10,191.021	6,011.610	7,361.740	6,980.709	6,175.342
Exports	286.109	260.744	53.263	34.536	2.996
Operating Profit (PBIDT)	591.627	258.048	456.695	393.039	468.505
Finance Cost	48.537	31.624	33.693	20.724	20.402
Depreciation & Amortisation Expenses	129.650	107.917	89.562	80.080	62.230
Tax expenses - Current	114.900	46.278	102.590	109.000	117.000
- Deferred	(7.794)	19.011	(15.315)	(7.315)	22.469
Profit/(Loss) After Tax	306.334	53.218	246.165	190.551	246.404
As at the end of the year					
Share Capital	121.105	121.105	121.105	121.105	121.105
Reserves & Surplus	3,724.772	3,418.651	3,364.790	3,123.820	2,931.827
Loan Funds	169.200	244.200	182.046	166.461	156.556
Gross Block	1,969.546	1,865.937	1,541.865	1,236.509	1,181.955
Net Current Assets	1,413.659	1,276.706	1,345.209	1,661.312	2,291.091
Measures of Investment					
Return on Capital Employed (%)	10.77%	3.97%	10.01%	9.06%	12.74%
Return on Equity (%)	8.30%	1.50%	7.06%	5.87%	8.07%
Earnings per Share (Rs.)	25.29	4.39	20.33	15.73	20.51
Dividend Cover (Times)	-	-	-	-	-
Dividend (%)	-	-	-	-	-
Book Value of an equity share	317.567	292.289	287.842	257.944	252.090
Of Performance					
- Profitability (%)					
Profit/(Loss) before Tax (%)	3.95%	1.89%	4.50%	4.17%	6.41%
Profit/(Loss) after Tax (%)	2.92%	0.85%	3.32%	2.72%	4.10%
- Capital Turnover (times)	2.61	1.66	2.02	2.03	1.90
- Stock Turnover (times)	4.27	4.39	6.67	5.46	5.41
- Working Capital Turnover (times)	7.41	4.91	5.51	4.22	2.70
Of Financial Status					
- Debt-Equity Ratio (times)	0.12	0.07	0.05	0.05	0.05
- Current Ratio	1.30	1.47	1.65	1.81	2.43
- Fixed Assets to Shareholders' Funds (times)	0.33	0.36	0.31	0.55	0.32

PERFORMANCE METRICS

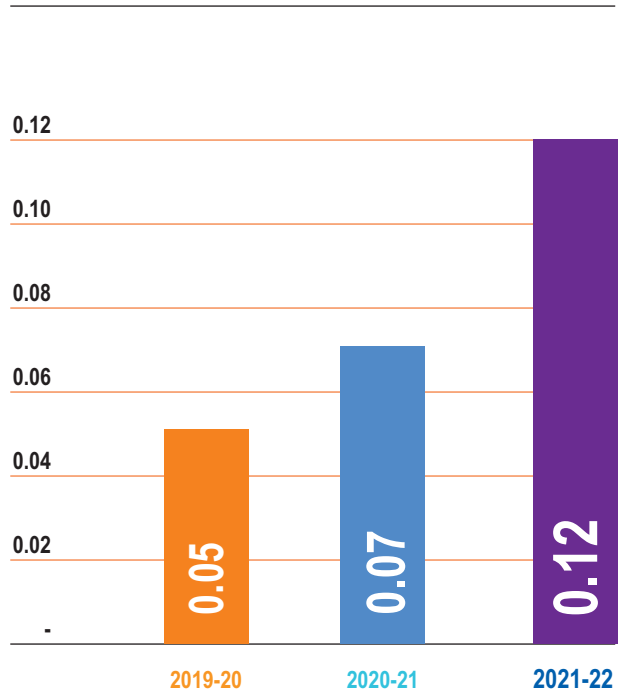
Revenue



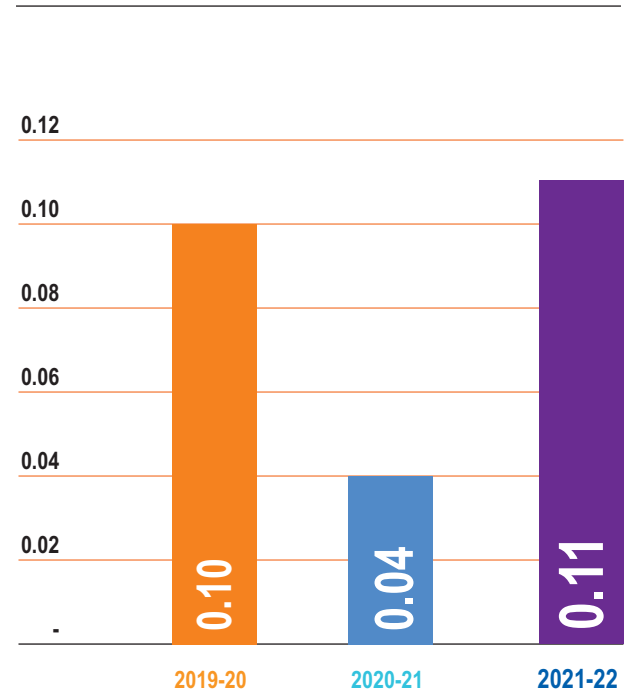
PAT



Debt-Equity Ratio (Times)



Return on Capital Employed (%)



How the R&D lab at Kingfa (India) is helping to fulfil customer needs

The capability of a compounder is not just limited to formulating a product to meet customer's needs. The compounder should have the ability to analyze various other products, input materials and myriad other chemicals that can make the difference to the formulated product. The success of the compounder is decided by how efficient you choose additives and how correctly you decide on the formulation/ingredient percentage. The compounder armed with multitude of analytical and test instruments will be able to do a good job in this. Kingfa, as you know, as the leading manufacturer of modified plastics is armed with the state of the art instruments to maximise the efficacy of the formulations. This article throws light on the analytical capability of Kingfa India.

Kingfa (India) has variety of instruments to check the properties of polymeric materials and its composition by using various analytical techniques that are available in it's R&D labs. A short description of these techniques has been mentioned here.

- **Analysis of Thermal properties of the polymeric materials**

1. **Thermogravimetric analysis (TGA)** is a method of thermal analysis in which the mass of a sample is measured over time as the temperature changes. This measurement provides information about physical phenomena, such as phase transitions, absorption, adsorption and desorption; as well as chemical phenomena including chemisorptions, thermal decomposition, and solid-gas reactions (e.g., oxidation or reduction).

A thermogravimetric analyser continuously measures mass while the temperature of a sample is changed over time. Mass, temperature, and time are considered base measurements in thermogravimetric analysis while many additional measures may be derived from these three base measurements.



FIG.1: Thermogravimetric analysis or thermal gravimetric analysis (TGA)

The thermogravimetric data collected from a thermal reaction is compiled into a plot of mass or percentage of initial mass on the Y axis versus either temperature or time on the X axis. This plot, which is often smoothed, is referred to as a TGA curve. The first derivative of the TGA curve (the DTG curve) may be plotted to determine inflection points useful for in-depth interpretations as well as differential thermal analysis.

A TGA can be used for materials characterisation through analysis of characteristic decomposition patterns. It is an especially useful technique for the study

of polymeric materials, including thermoplastics, thermosets, elastomers, composites, plastic films, fibres, coatings, paints, and fuels. TGA can be used to evaluate the thermal stability of a material. In a desired temperature range, if a species is thermally stable, there will be no observed mass change. Negligible mass loss corresponds to little or no slope in the TGA trace. TGA also gives the upper use temperature of a material. Beyond this temperature the material will begin to degrade.

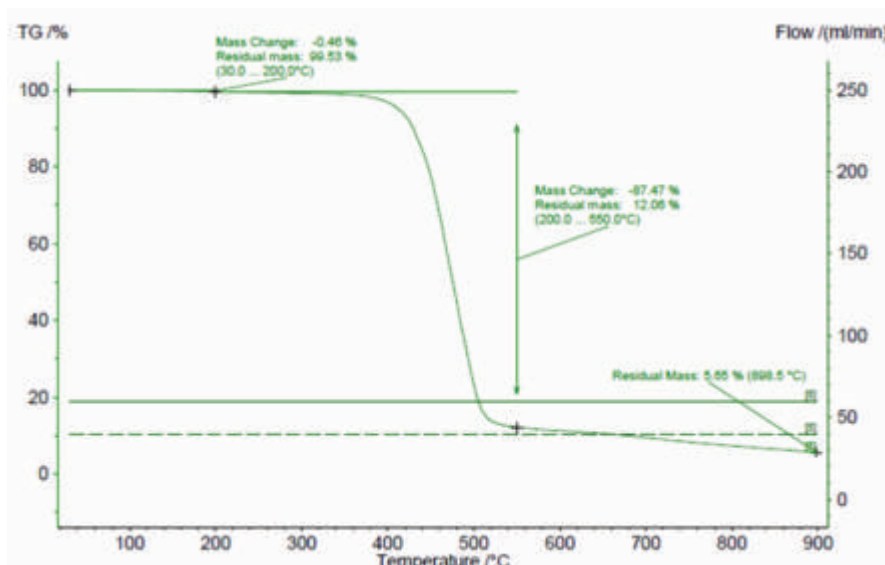


FIG 2: TGA curve of PC

TGA is used in the analysis of polymers. Polymers usually melt before they decompose, thus TGA is mainly used to investigate the thermal stability of polymers. Most polymers melt or degrade before 200 °C. However, there is a class of thermally stable polymers that are able to withstand temperatures of at least 300 °C in air and 500 °C in inert gases without structural changes or loss of strength, which can be analysed by TGA. Thermogravimetric Analysis (TGA) is also useful for decomposition behavior determination. Impurities in polymers can be determined by examining

thermograms for anomalous peaks, and plasticisers can be detected at their characteristic boiling points. A graph has been presented here in figure 2 to show the decomposition process of polycarbonate.

2. **Differential scanning calorimetry (DSC)** is a thermos-analytical technique in which the difference in the amount of heat required to increase the temperature of a sample and reference is measured as a function of temperature. Both the sample and reference are maintained at nearly the same temperature throughout the experiment.



FIG. 3: Differential scanning calorimetry (DSC)

DSC is used to observe more subtle physical changes, such as glass transitions in polymers. It is widely used in industrial settings as a quality control instrument due to its applicability in evaluating sample purity and for studying polymer curing. DSC is used widely for examining polymeric materials to determine their thermal transitions too. Important thermal transitions

include the glass transition temperature (T_g), crystallization temperature (T_c), and melting temperature (T_m). The observed thermal transitions can be utilized to compare materials, although the transitions alone do not uniquely identify composition. The composition of unknown materials may be completed using complementary techniques such as IR

spectroscopy. Melting points and glass transition temperatures for most polymers are available from standard compilations, and the method can show polymer degradation by the lowering of the expected melting temperature. T_m depends on the molecular weight of the polymer and thermal history. A graph has been presented here in Figure 4 & 5 to show the characterization of material in terms of their difference of crystalline structure. In Figure 4 DSC of PC/ABS has been shown which have amorphous structure while in figure 5 DSC curve of PP material shows the crystalline structure.

The percent crystalline content of a polymer can be estimated from the crystallization/melting peaks of the DSC graph using reference heats of fusion found in the literature. DSC can also be used to study thermal degradation of polymers using an approach such as Oxidative Onset Temperature/Time (OOT). In addition, examination of minor events in first heat thermal analysis data can be useful as these apparently "anomalous peaks" can in fact also be representative of process or storage thermal history of the material or polymer physical aging. Comparison of first and second heat data collected at consistent heating rates can allow the analyst to learn about both polymer processing history and material properties.

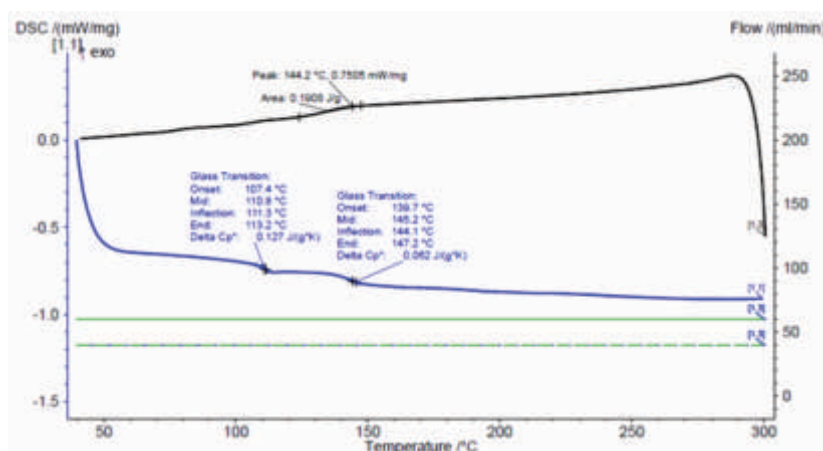


FIG 4: DSC curve of amorphous material (PC/ABS)

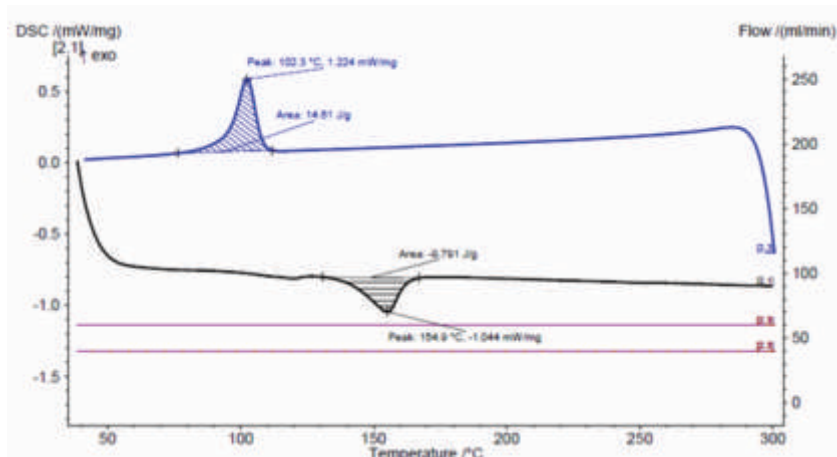


FIG 5: DSC curve of Crystalline material (PP)

- **Analysis of Structural properties of the polymeric materials**
1. Fourier Transform Infrared (FTIR) Spectroscopy is a technique used to obtain an infrared spectrum of absorption or emission of a solid, liquid, or gas. An FTIR

spectrometer simultaneously collects high-resolution spectral data over a wide spectral range. This confers a significant advantage over a dispersive spectrometer, which measures intensity over a narrow range of wavelengths at a time.



FIG 6: Fourier Transform Infrared (FTIR) Spectroscopy

FTIR spectroscopy may characterize many chemical substances provided that they have structures interacting with light in the infrared region i.e. wavelengths between 400-4000 cm^{-1} (or 2.5-25 micrometers). Most polymers have a specific spectrum, like a "fingerprint" for the material. By FTIR spectroscopy an unknown sample may be determined by comparing the sample spectrum with a reference spectrum from a database. Sometimes it is difficult to interpret spectra from plastics since they often contain additives affecting the spectra. Therefore, we often combine FTIR-analyses with DSC (Differential Scanning Calorimetry) to measure the melting point, since polymers have specific melting points.

The FTIR spectroscopy instrument became one of the most utilized machines in the laboratories because different chemical molecules and substances can produce various spectral fingerprints. It mainly converts the output from the detector into a spectrum that can be interpreted and formulates patterned spectra with

structural insights. A FTIR spectra of PC/ABS blend has been shown in Figure 7. When a certain product is found to have problems during the visual inspection, the origin of the problem is commonly determined using FTIR microanalysis. This is a common technique for the chemical composition analysis of smaller particles. Generally, FTIR spectroscopy instruments are cost-effective machines used for the following:

- Identifying and characterizing unknown materials, including films, powders, solids, and liquids.
- Identifying the presence of contamination on materials, including particles, powders, fibers, and liquids.
- Identifying additives after polymer matrix extraction.
- Determining decomposition, oxidation, and uncured monomers in most failure analysis investigations.
- Gain kinetic information on the decay or growth of infrared absorptions.

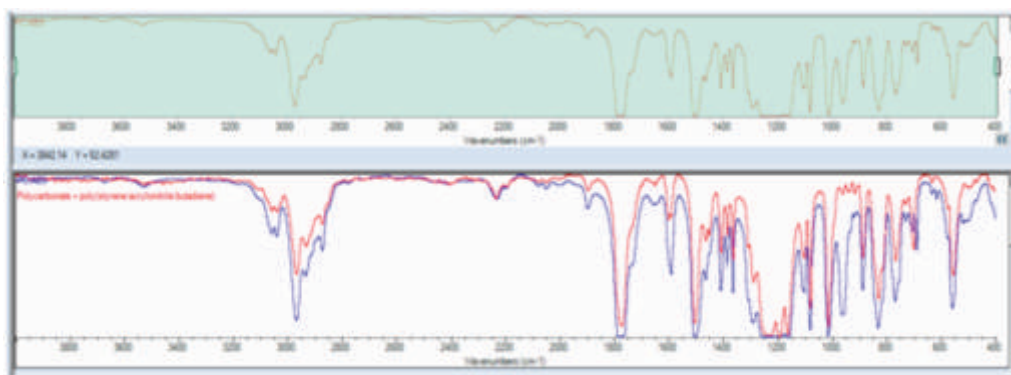


FIG 7: FTIR of PC/ABS material and their comparison with the in-built library.

These are just some examples of the analytical instruments that Kingfa India makes use of in its quest to offer the best performance of materials to customers in India. Any visitor to the Technology center labs at Kingfa

India's plants at Chakan and Puducherry will be able to see the full gamut of such facilities and understand why Kingfa India is successful.

Customer Recognition



Customer Recognition





CSR Snapshots

Construction of a Maternity Room and Staff Working Area Room at Primary Health Centre, Kasola, Rewari- ₹ 7.24 Lakhs



Construction of Tin Shed for Mid-day Meal, Water Tank and Interlocking of tiles in the Ground Assembly Area at Govt. High School, Bakhapur- ₹ 6.29 Lakhs



CSR Snapshots

Construction of Tin Shed for Mid-day meal at Govt. High School, Kathuwas, Rewari- ₹ 1.89 Lakhs



Distribution of School Uniform etc. at Govt. Primary School, Bagthala- ₹ 0.77 Lakhs



Distribution of Desktop Computers with UPS alongwith Printer to enhance digital learning at Ambattur Municipal HS School, Chennai- ₹ 1.21 Lakhs





CSR Snapshots

Distribution of Desktop Computers with UPS alongwith 4 seated steel class room bench and desk set at P.K. Govt. Girls HS School, Ambattur, Chennai- ₹ 2.81 Lakhs



Distribution of Desktop Computers with UPS alongwith Printer to enhance digital learning at P.J Gupta's Primary School, Ambattur, Chennai- ₹ 1.20 Lakhs



Distribution of Desktop Computers with UPS, Printer, Glass Door Notice Boards and Steel Cupboards for record keeping at Govt. Boys Higher Secondary School, Ayappakkam, Chennai- ₹ 1.70 Lakhs



CSR Snapshots



Fabrication, Painting and Fixing of 23 Nos Window Grills at Govt. High School, Katrampakkam, Puducherry- ₹ 5.67 Lakhs



CSR Snapshots

Distribution of Medical Equipment (ECG Machine, Patient Multipara Monitor, Delivery Couch, Examination Couch, Resuscitation Kit, Semi Auto Bio Chemistry Analyzer, etc.) to Govt. Primary Health Centre, Kunnam, Puducherry - ₹ 7.22 Lakhs



Installation of RO Water Purifier System with the capacity of 500 LPH at District Council Primary School, Bramhanwadi, Maval, Pune- ₹ 2.85 Lakhs



CSR Snapshots

Installation of RO Water Purifier System with the capacity of 2000 LPH, Construction and set-up of Tin shade etc. at Shri.Bhamchandra Medium & Higher Medium School, Bhamboli, Khed, Pune- ₹ 4.37 Lakhs



Installation of RO Water Purifier System with the capacity of 500 LPH, providing access to clean and safe drinking water to students, teachers and other members of ZP Primary School, Naigaon, Haveli, Pune- ₹ 2.85 Lakhs





CSR Snapshots

Installation of RO Water Purifier System with the capacity of 1000 LPH, providing access to clean and safe drinking water to students, teachers and others at Jhilha Parishad Prathamik Kendra Shala, Kunjirwardi, Pune- ₹ 2.95 Lakhs



Installation of RO Water Purifier System with the capacity of 2000 LPH at Kundeshwar Vidyalaya, Pait, Tal- Khed, Pune- ₹ 3.32 Lakhs



CSR Snapshots

Distribution of a Printer to Mahalunge Chakan Police Station, Pune- ₹ 0.19 Lakhs



Distribution Desktop Computers and UPS at Jhilha Parishad Primary School, Kharpudi, Khurd, Chakan. Pune- ₹ 0.99 Lakhs



करी, असा सल्ला पवार याना या जेव्हा दिली.



खरपुडी खुर्द येथील जिल्हा परिषद शाळेस संगणक देण्यात आले.

खरपुडी खुर्द शाळेला संगणक प्रदान

निमगाव दाखडी : खरपुडी खुर्द (ता. खेड) येथील जिल्हा परिषद शाळेला किंगफा सायन्स व टेक्नॉलॉजी इंडिया लिमिटेड या कंपनीने दोन संगणक दिले आहेत. कंपनीचे एक्झिक्युटिव्ह डायरेक्टर डी. खालाजी, सचिव नीरनोई सूर, मॅनेजर ओ. सी. भणिकंदन, एच. आर. मनेजर राहुल कुमारे, पोलिस जवान सान्दाजी गाडे यांच्या प्रयत्नातून जिल्हा परिषद प्राथमिक शाळेस संगणक भेट देण्यात आले. सरपंच प्रकाश गाडे, उपसरपंच पुनम गाडे, अध्यक्ष नयनाथ गाडे, उमेश गाडे, चंद्रप्रभा काळे, ग्रामपंचायत सदस्य दत्तात्रय गाडे, मोतीराम काळे, पुजारी राजेश गाडे, मुख्याध्यापक नंदा चायक, सुभाष मुळक व शिक्षकवंद या प्रसंगी उपस्थित होते.

DIRECTORS' REPORT

Your Directors hereby present their 38th Annual Report along with Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
Revenue from Operations				
Gross		104,771.30		62,723.54
Net of Excise Duty		104,771.30		62,723.54
Other Income		108.39		592.94
Profit before Finance Costs, Depreciation and Amortisation Expense & Tax Expenses		5,959.71		2,595.21
Finance Costs		528.81		330.97
Profit before Depreciation and Amortisation Expense & Tax Expenses		5,430.90		2,264.24
Depreciation and Amortisation Expense		1,296.50		1,079.17
Profit before Tax Expenses		4,134.40		1,185.07
Tax expenses - Current Tax				
- Deferred Tax	1,149.00	1,071.06	462.78	
	(77.94)		190.11	652.89
Profit after Tax Expenses		3,063.34		532.18
Balance brought forward		8,065.74		7,527.16
Other Comprehensive Income		(2.13)		6.40
Surplus carried forward		11,126.95		8,065.74

BUSINESS OPERATIONS

Your Company reported a top-line growth of 67.04% over the Previous year. The Net Revenue from operations stood at ₹ 104,771.30 Lakhs compared with ₹ 62,723.54 Lakhs in the Previous Year. The Operating Profit before tax stood at ₹ 4,134.40 Lakhs as against ₹ 1,185.07 Lakhs in the Previous Year. The Net Profit for the year stood at ₹ 3,063.34 Lakhs against ₹ 532.18 Lakhs reported in the Previous Year.

The company continues to retain and reinforce its market leadership in modified thermoplastics with a pan India network of operations having plants and warehouses situated in auto hubs and industrial belts.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

Detailed analysis of the State of the Company's affairs and performance during the year is provided in Annexure to this report under Management's Discussion and Analysis Report.

DIVIDEND

In order to conserve resources, your Directors have decided not to recommend any dividend for the financial year under review.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy duly approved by the Board is available on the website of the Company viz. www.kingfaIndia.com and can be accessed at <http://www.kingfaIndia.com/DDPolicy.pdf>.

RESERVES

As on March 31, 2022 the reserves and surplus stood at ₹ 37,247.68 Lakhs as compared to ₹ 34,186.48 Lakhs as on March 31, 2021. Your Directors do not propose to transfer any amount to the reserves.

SHARE CAPITAL

The paid up equity capital of the Company stood at ₹ 1,211.05 Lakhs. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

FINANCE

Cash and cash equivalents as at March 31, 2022 was ₹ 858.26 Lakhs. The company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees nor has made any Investments covered under the applicable provisions of the Companies Act, 2013.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has appointed independent professional audit firm to carry out internal audit at all its locations. The scope of its Internal Audit program is laid down by the Audit committee of the Board of Auditors. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee of the Board.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board of Directors.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

CORPORATE SOCIAL RESPONSIBILITY

As a part of its initiative under the “Corporate Social Responsibility” (CSR) drive, the Company has undertaken projects which are in accordance with the Companies Act, 2013 and the Company’s CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules is annexed as Annexure – I and forms an integral part of this Report.

ENVIRONMENT, HEALTH AND SAFETY

The facilities of the Company has ISO 9001:2015 and IATF 16949:2016 Certifications.

Your Company’s policy require the conduct of all operations in such a manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules made thereunder, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. The Company has not received any complaint under this policy during the year under review.

INDUSTRIAL RELATIONS

Industrial relations remained cordial during the year.

Various HR initiatives are continuously taken to align the HR policies to the growing requirements of the business. Reviews, training and tools are being provided for the personnel to improve overall efficiency.

DIRECTORS

Your Director, Mr. Wu Xiaohui (DIN : 06617977) retire by rotation and being eligible, offers himself for re-appointment. The Directors recommend Mr. Wu Xiaohui for re-appointment.

Brief details of the Directors, proposed to be appointed / re-appointed, as required under SEBI Listing Regulations, are provided in the Notice of Annual General Meeting.

Mr. Wu Xiaohui (DIN : 06617977) was appointed as Non-Executive Non-Independent Director, liable to retire by rotation, in the 37th Annual General Meeting of the Company held on September 29, 2021 consequent to his resignation as Whole-time Director w.e.f August 12, 2021 due to his other professional preoccupations.

Mr. D.Balaji (DIN : 08256342) was re-appointed as Whole-time Director designated as Executive Director of the Company for a further period of 3 (three) years with effect from 29th October, 2021 by Members vide Postal Ballot Notice dated February 10, 2022 through Remote E-Voting process.

Ms. Nilima Ramrao Shinde (DIN : 07646156) was re-appointed as an Independent Non-Executive Director of the Company for another term of five consecutive years with effect from November 01, 2021 by Members vide Postal Ballot Notice dated February 10, 2022 through Remote E-Voting process.

Mr. Bo Jingen (DIN : 06617986) was re-appointed as Managing Director of the Company for a further period of 3 (three) years with effect from February 27, 2022 by Members vide Postal Ballot Notice dated February 10, 2022 through Remote E-Voting process.

Declaration by an Independent Director(s)

The Independent Directors of your Company have given a declaration confirming that they meet the criteria of

independence as prescribed both under the Act and the Listing Regulations and the same is complied with Code of Conduct as per Schedule IV to the Act.

None of the Directors are disqualified from being appointed as or holding office as Director, as stipulated under Section 164 of the Act.

KEY MANAGERIAL PERSONNEL

As on 31st March, 2022, pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Bo Jingen, Managing Director, Mr. D. Balaji, Whole-time Director designated as Executive Director, Mr. Xie Dongming, Chief Financial Officer and Mr. Nirnoy Sur, Company Secretary were the Key Managerial Personnel of the Company.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors inducted into the Board are familiarized with the Organisation. The details of such program are provided in Corporate Governance Report.

NUMBER OF MEETINGS OF THE BOARD

During the year, four Board Meetings were convened and held on 17th June, 2021, 12th August, 2021, 29th October, 2021 and 10th February, 2022 and details of the same are given in the Corporate Governance Report which forms part of this Report.

COMMITTEES OF THE BOARD

The details of the various Committees of the Board i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee held during the Financial Year 2021 – 22 are provided in the Corporate Governance Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Board has carried out performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees as required. The performance evaluation of the Chairman of the Board and Managing Director / Board / Executive / Non Independent / Independent Directors was carried out. In the evaluation of the Directors, the Directors being evaluated had not participated and the Board evaluation process was completed. The Directors expressed their satisfaction with the evaluation process. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

NOMINATION AND REMUNERATION POLICY

The Board of Directors have framed a broad policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees of the Company.

This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for the year ended on that date;
- (iii) that the directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts had been prepared on a "going concern" basis.
- (v) that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The Policy has been uploaded on the website of the Company viz. www.kingfaindia.com. Form AOC-2 is annexed herewith as Annexure - II and forms an integral part of this report.

SUBSIDIARY COMPANIES

The Company does not have subsidiary.

CODE OF CONDUCT

Commitment to ethical professional conduct is a must for every employee, including Board Members and Senior Management personnel of the Company. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct has been uploaded on the website of the Company viz. www.kingfaindia.com. A Declaration regarding Compliance by Board Members and Senior Management Personnel is given at the end of this report.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

In pursuant to the provisions of the Companies Act and Listing Regulations, a Whistle Blower Policy and Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Policy has been uploaded on the website of the Company.

PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, the Company has formulated and adopted a Code for Prevention of Insider Trading and the same has been uploaded on the website of the Company.

STATUTORY AUDITORS

The Members at the 33rd Annual General Meeting of the Company held on September 25, 2017, had appointed M/s. P G BHAGWAT LLP, Chartered Accountants (Firm Registration No. 101118W/W100682) as the Statutory Auditors of the Company to hold office for a term of five years i.e., from the conclusion of the 33rd Annual General Meeting until the conclusion of this 38th Annual General Meeting of the Company.

The Board, based on the recommendations of the Audit Committee, have approved and has resolved to place the proposal of re-appointment of M/s. P G BHAGWAT LLP, Chartered Accountants (Firm Registration No. 101118W/W100682) as the Statutory Auditors for a second term of five years i.e., from the conclusion of this 38th Annual General Meeting until the conclusion of 43rd Annual General Meeting of the Company, before the Members, for their approval.

M/s. P G BHAGWAT LLP have signified their assent and confirmed their eligibility to be re-appointed as Statutory Auditors.

There is no audit qualification for the year under review.

As per the provisions of the Companies Act, 2013, the Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed Ms. Shaswati Vaishnav, Practicing Company Secretary, ACS 11392, PCS 8675 of M/s. Vaishnav Associates to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure – III and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

COST AUDIT

Mr.K.Suryanarayanan, Cost Accountant (Registration Number 102347) carried out the cost audit during the year under review.

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of Audit Committee, have appointed Mr.K.Suryanarayanan, Cost Accountant (Registration Number 102347) as Cost Auditor to audit the cost accounts of the Company for the financial year 2022-23. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

ANNUAL RETURN

The annual return for the year ended 31st March 2022 will be made available in the Company's website viz. www.kingfaindia.com after it is filed with the Registrar of Companies.

BUSINESS RISK MANAGEMENT

Business risk evaluation and management is an ongoing process within the Company. Pursuant to the provisions of section 134(3)(n) of the Act and regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee. The details of the Committee and its role / terms of reference are set out in the Corporate Governance Report, which forms a part of this Annual Report.

STATUTORY INFORMATION

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure – IV to this Report.

The particulars of employees are not applicable since there are no employees drawing remuneration more than ₹ 1,02,00,000/- per annum (full year) or ₹ 8,50,000/- p.m. (part of the year).

All the dividends of the earlier years, which have remained unclaimed, have since been transferred to the Investor Education and Protection Fund at the expiry of the specified period(s) as required under Companies Act.

Year	Date of declaration	No. of Shareholders	Total Unclaimed Dividend (₹)	Due date for transfer to IEPF Account
2014–2015 to 2020-2021	No Dividend declared		N.A.	

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards.

BUSINESS RESPONSIBILITY REPORTING

Pursuant to Regulation 34(2)(f) of SEBI Listing Regulations, Business Responsibility Report is annexed herewith as Annexure – V, which forms an integral part of this Report.

CORPORATE GOVERNANCE AND MANAGEMENT'S DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management's Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance and Certificate of Non Disqualification of Directors as stipulated under applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

ACKNOWLEDGEMENT

Your Directors wish to record their appreciation of the continued support and co-operation from your Company's customers, vendors, bankers and all other stakeholders. Your Company will continue to build and maintain strong links with its business partners.

The Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Directors also place on record their gratitude to the Members for their continued support and confidence.

For and on behalf of the Board of Directors

BO JINGEN
Managing Director

D. BALAJI
Executive Director

Place : Pune
Date : 25th May, 2022

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**1. A brief outline of CSR Policy of the Company.**

The focus areas of the CSR Policy are

- i) Projects primarily on Hunger, Poverty, Malnutrition, Health Care, Skill Development, Sports Training, Education, Rural Development, Infrastructure Development, Environmental Sustainability, Animal Welfare,
- ii) Projects directly benefitting the Weaker Sections of the Society & Elderly Citizens and other areas or activities or subjects or as defined in Schedule VII of the Companies Act, 2013, as amended, from time to time and CSR Rules, as amended from time to time, for the Financial Year 2021-22.

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Nature of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1	Mr. Dilip Dinkar Kulkarni	Chairman, Independent Director	3	3
2	Mr. D. Balaji	Member, Executive Director	3	3
3	Mr. Wu Xiaohui #	Member, Non-Executive Non-Independent Director	3	3

Whole-time Director upto August 12, 2021.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects are disclosed on the website of the Company. http://www.kingfaindia.com/kyc/CSR_2019.pdf
<http://www.kingfaindia.com/CSRPRJFY2122020822.pdf>
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required or set off for the financial year, if any: ₹ 0.25 Lakhs
6. Average net profit of the company as per section 135(5): ₹ 2,591.47 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 51.83 Lakhs
- (b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. NIL
- (c) Amount required to be set off for the financial year, if any: ₹ 0.25 Lakhs
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 51.58 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 53.52 Lakhs	Not Applicable		Nil		

- (b) Details of CSR amount spent against ongoing projects for the financial year Nil
- (c) Details of CSR amount spent against other than ongoing projects for the financial year Refer Annexure- IA ₹ 53.52 Lakhs
- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable Not applicable
- (f) Total amount spent for the Financial Year(8b+8c+8d+8e) ₹ 53.52 Lakhs
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135 (5)	51.83
(i-a)	Excess amount of previous year (FY 2020 -21)	0.25
(i-b)	Total amount to be spent for the financial year	51.58
(ii)	Total amount spent for the financial year	53.52
(iii)	Excess amount spent for the financial year [(ii) - (i-b)]	1.94
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	1.94

9. (a) Details of unspent CSR amount for the preceding three financial years Nil
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) Nil
10. In case of creation acquisition of capital asset, furnish the details relating to the assets so created or acquired through CSR spent in the financial year Nil
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) Not Applicable

D. BALAJI
Executive Director

DILIP DINKAR KULKARNI
Chairman of CSR Committee

Place : Pune

Date : 25th May, 2022

Annexure - IA

S. No.	Name of the Projects	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No)	Locations of the Project (Districts and State)	Amount Spent for the Project (₹ in Lakhs)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
							Name	CSR Registration Number
1.	Construction of a Maternity Room and Staff Working Area Room at Primary Health Centre.	Health, Infrastructure	Yes	Rewari, Haryana	7.24	Direct	NA	NA
2.	Construction of Tin Shed for Mid-day Meal, Water Tank and Interlocking of tiles in the Ground assembly area at Govt. High School.	Education Infrastructure	Yes	Rewari, Haryana	6.29	Direct		
3.	Construction of Tin Shed for Mid-day Meal at Govt. High School.	Education Infrastructure	Yes	Rewari, Haryana	1.89	Direct		
4.	Distribution of Student Uniform, etc. at Govt. Primary School.	Education	Yes	Bagthala, Haryana	0.77	Direct		
5.	Distribution of Desktop Computers with UPS along with Printer to enhance digital learning at Ambattur Municipal HS School.	Education	Yes	Chennai, Tamil Nadu	1.21	Direct		
6.	Distribution of Desktop Computers with UPS and 4 seated steel class room bench and desk set at P.K. Govt. Girls HS School.	Education	Yes	Chennai, Tamil Nadu	2.81	Direct		
7.	Distribution of Desktop Computers with UPS along with Printer to enhance digital learning at P.J Gupta's Primary School	Education	Yes	Chennai, Tamil Nadu	1.20	Direct		

S. No.	Name of the Projects	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No)	Locations of the Project (Districts and State)	Amount Spent for the Project (₹ in Lakhs)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
							Name	CSR Registration Number
8.	Distribution of Desktop Computers with UPS, Printer, Glass Door Notice Boards and Steel Cup boards for record keeping at Govt. Boys Higher Secondary School.	Education Infrastructure	Yes	Chennai, Tamil Nadu	1.70	Direct	NA	NA
9.	Fabrication, Painting, and Fixing of 23 Nos Safety Window Grills at Govt. High School.	Education, Infrastructure	Yes	Katrampakkam, Puducherry	5.67	Direct		
10.	Distribution of Medical Equipment (ECG Machine, Patient Multipara Monitor, Delivery Couch, Examination Couch, Resuscitation Kit, Semi Auto Bio Chemistry Analyzer, etc.) to Govt. Primary Health Centre	Health, Infrastructure	Yes	Kunnam, Puducherry	7.22	Direct		
11.	Installation of RO Water Purifier System with the capacity of 500 LPH at District Council Primary School	Education, Sustainability	Yes	Pune, Maharashtra	2.85	Direct		
12.	Installation of RO Water Purifier System with the capacity of 2000 LPH, construction and set-up of Tin shade etc. at Shri. Bhamchandra Medium & Higher Medium School.	Education Sustainability	Yes	Pune, Maharashtra	4.37	Direct		

Annexure - IA

S. No.	Name of the Projects	Item from the list of Activities in Schedule VII to the Act	Local area (Yes / No)	Locations of the Project (Districts and State)	Amount Spent for the Project (₹ in Lakhs)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
							Name	CSR Registration Number
13.	Installation of RO Water Purifier System with the capacity of 500 LPH at ZP Primary School.	Education, Sustainability	Yes	Pune, Maharashtra	2.85	Direct	NA	NA
14.	Installation of RO Water Purifier System with the capacity of 1000 LPH at Jhilha Parishad Prathamik Kendra Shala.	Education, Sustainability	Yes	Pune, Maharashtra	2.95	Direct		
15.	Installation of RO Water Purifier System with the capacity of 2000 LPH at Kundeshwar Vidyalaya.	Education, Sustainability	Yes	Pune, Maharashtra	3.32	Direct		
16.	Distribution of a Printer to Mahalunge Chakan Police Station	Infrastructure	Yes	Pune, Maharashtra	0.19	Direct		
17.	Distribution of Desktop Computers with UPS to Jhilha Parishad Primary School	Education, Infrastructure	Yes	Pune, Maharashtra	0.99	Direct		
Total					53.52			

Form No. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

- (a) Name(s) of the related party and nature of relationship : NA
 (b) Nature of contracts/arrangements/transactions : NA
 (c) Duration of the contracts/arrangements/transactions : NA
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any : NA
 (e) Justification for entering into such contracts or arrangements or transactions : NA
 (f) Date(s) of approval by the Board : NA
 (g) Amount paid as advances, if any: : NA
 (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 : NA

2. Details of material contracts or arrangement or transactions at arm's length basis: (₹ in Lakhs)

(a) Name(s) of the related party	Kingfa Sci. & Tech. Co., Ltd.	Shanghai Kingfa Sci & Tech. Dipt. Co., Ltd.	Jiangsu Kingfa Sci. & Tech. Advanced Material Co., Ltd	KINGFA SCI. & TECH. (MALAYSIA) SDN	Kingfa Supply Chain Management Co. Ltd.	KINGFA Sci. & Tech. (Europe) GmbH	KINGFA Sci. & Tech. (USA)	KINGFA Thailand	GUANGDONG KINGFA SCI. & TECH	Zhuhai Wantong Special Engineering Plastics Co., Ltd.
Nature of relationship	Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company
(b) Nature of contracts/arrangements/transactions	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell
(c) Duration of the contracts / arrangements / transactions	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase / Sale of Materials 7,483.88 / 122.27	Purchase / Sale of Materials 834.22 / 52.28	Purchase / Sale of Materials 3,361.98 / Nil	Purchase / Sale of Materials 378.67 / Nil	Purchase / Sale of Materials 634.12 / Nil	Purchase / Sale of Materials Nil / 64.74	Purchase / Sale of Materials Nil / 112.02	Purchase / Sale of Materials Nil / 898.36	Purchase / Sale of Materials 6,166.10 / Nil	Purchase / Sale of Materials 51.92 / Nil
(e) Date(s) of approval by the Board, if any:	Since these RPTs are in the ordinary course of business and are at arms length basis, omnibus approval obtained from the Audit Committee at its Meeting held on 17/06/2021 and approval obtained from the Board at its Meeting held on 17/06/2021. Also, Shareholder's approval obtained at the 37th AGM held on 29/09/2021 for material related party transaction with Guangdong Kingfa Sci. & Tech which are in the ordinary course of business and are at arms length basis.									
(f) Amount paid as advances, if any:	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place : Pune
Date : 25th May, 2022

BO JINGEN
Managing Director
D. Balaji
Executive Director

ANNEXURE - III

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2022

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

To,

The Members,

KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED,

Dhun Building, III Floor,

827, Anna Salai,

Chennai - 600 002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kingfa Science & Technology (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Kingfa Science & Technology (India) Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Kingfa Science & Technology (India) Limited ("the Company") for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the Stock Exchanges;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Secretarial Standards on the Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.
- (vii) Section 110 of Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 – Postal Ballot conducted during the year under review;
- (viii) Other applicable acts :
 - Factories Act, 1948
 - Payment of Wages Act, 1936 and rules made thereunder;
 - The Minimum Wages Act, 1948;
 - Employees State Insurance Act, 1948
 - The Employees Provident Fund Act and Miscellaneous Provisions Act, 1952
 - The Payment of Bonus Act, 1956
 - Payment of Gratuity Act, 1972
 - Protection of Women Against Sexual Harassment at Workplace Act and Rules;
 - The Insolvency and Bankruptcy Code, 2016;
 - The Water (Prevention & Control of Pollution) Act, 1974;

- The Air (Prevention & Control of Pollution) Act, 1981;
- The Environment (Protection) Act, 1986 (Read with the Environment (Protection) Rules) 1986
- The Hazardous Wastes (Management, Handling And Transboundary Movement) Rules, 2008
- E waste (Management) Rules 2016

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors.

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

All decisions were taken unanimously by the Board and recorded accordingly in minutes of the meetings.

It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.

There exist adequate systems and processes in the Company that are commensurate with the size of operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

VAISHNAV ASSOCIATES

Practicing Company Secretary

S.Vaishnav

ACS/FCS No.8675

C P No.: 11392

UDIN A011392D000810401

Place : Pune

Date : May 25, 2022

Annexure "A"

(To the Secretarial Audit Report of M/s.Kingfa Science & Technology (India) Limited for the financial year ended 31-03-2022)

To

The Members

Kingfa Science & Technology (India) Limited

The Secretarial Audit Report for the Financial Year ended 31 March 2022 is to be read along with this Annexure A

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance and law, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the effectiveness with which the management has conducted the affairs of the company.

VAISHNAV ASSOCIATES

Practicing Company Secretary

S.Vaishnav

ACS/FCS No.8675

C P No.: 11392

UDIN A011392D000810401

Place : Pune

Date : May 25, 2022

ANNEXURE - IV**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022 is given here below and forms part of the Directors' Report.

(A) CONSERVATION OF ENERGY**(a) Steps taken or impact on conservation of energy and Steps taken by the company for utilising alternate sources of energy:**

1. In order to reduce the working time of the Air compressor, we have implemented Janatics solenoid valves Air regulator system at the Pneumatic valve air vents, which results controlled air usage with 4 to 5 bar pressure and efficiency improvement of Air compressors and power consumption is also reduced in Puducherry Plant.
2. In the extruder heating system with PID controllers, the temperature tolerance limits ranges from 5deg to 10 deg which results in reduced operating time & power consumption of the barrel heaters in Puducherry Plant.
3. Variable frequency drives were introduced to the inlet pumps and outlet pumps which runs with 380volts AC input, 40Hz frequency, which results only 80% operating cost in Puducherry Plant.
4. Plant indoor/ outdoor Lighting systems were modified with Sodium vapour to LED for Power saving, improving illumination level and harmonics reduction in Puducherry Plant.
5. Homogeneous mixing of FG silo mixing cycle reduced, 20min to 10 min. It saves energy 633Kwh per day in Chakan Plant.
6. APFC panel capacity increased to achieve power factor 0.999. Monthly saving INR 1.46 lakh in Chakan Plant.
7. Motion sensor fixed in Mask RM godown area and Office passage area (total 36 No). Energy saving 6kwh per hour. 144kwh per day, saving INR 40000 / month in Chakan Plant.
8. Fixed operated air compressor replaced with VFD operated air compressor. Monthly energy saving 22000 kwh i.e. INR 2 lakh saving per month in Chakan Plant.

(b) The Capital investment on energy conservation equipment - ₹ 9.06 Lakhs**(B) TECHNOLOGY ABSORPTION****(i) Technology Absorption and Benefits derived:**

Our key area of focus, being a material solution provider is to deliver the evolving requirements of the customers/end users of our material by developing formulations at optimal cost, provide technical solutions on design / cae analysis / mold flow analysis that help customers design and manufacture products that are successful in the market place. The requirement from customers are material with greater strength, gloss, scratch resistance, avoidance of post molding operations like painting, ease of assembly, environment friendly (energy consumption / paint free), processing flexibility among other requirements. VAVE is one of key factor to get more success along with customer to grow faster and we developed well modernised infrastructures. Manufacturing methods like multiple controls and feeding options, blending and mixing techniques have enable us to develop various alloys of different kind of material and modify the material properties and performance of our material solutions. Our R&D focus continues to develop grades which deliver these performance needs effectively and optimal cost. Based on real satisfaction of our Customers, we are getting much more opportunities to provide newer solutions and resolve the technical challenges.

(ii) Imported Technology : Not applicable**(iii) Expenditure on R & D (₹ in Lakhs)**

Particulars	2021-22	2020-21
(a) Capital	73.34	126.87
(b) Recurring	442.14	175.92
Total	515.48	302.79
Total R & D expenditure as a % of Total Turnover	0.49	0.48

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ in Lakhs)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	1,535.47	882.79
Foreign Exchange Outgo	27,600.05	18,893.98

The Company is taking continuous steps to develop export markets as appropriate to the nature of its products.

Disclosures required with respect to Section 197(12) of the Companies Act, 2013 :

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Mr. Bo Jingen (Managing Director)	4.20:1
Mr. Wu Xiaohui (Whole-time Director upto 12.08.2021)	3.50:1
Mr. D. Balaji (WTD / Executive Director)	7.51:1

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

The percentage of increase in remuneration of each Whole-time Director, Chief Financial Officer and Company Secretary ranges from 0% to 20%.

(iii) The percentage increase in the median remuneration of employees in the financial year :

The percentage increase in the median remuneration of employees in the financial year is from 0% to 20%.

(iv) The number of permanent employees on the rolls of company

The total number of permanent employees in the Company is 221 as of 31.03.2022.

(v) The Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average increase in remuneration is 0-20% for Employees other than Managerial Personnel and 0-20% for Managerial Personnel.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company:

YES

For and on behalf of the Board of Directors

BO JINGEN

D. Balaji

Managing Director

Executive Director

Place : Pune

Date : 25th May, 2022

ANNEXURE - V**BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For the Financial Year Ended March 31, 2022

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company : L25209TN1983PLC010438
- Name of the Company : Kingfa Science & Technology (India) Limited
(formerly Hydro S & S Industries Limited) ("the Company/we/our")
- Registered Address : Dhun Building, III Floor, 827, Anna Salai, Chennai – 600 002.
- Website : www.kingfaindia.com
- E-mail id : cs@kingfaindia.com
- Financial Year reported : April 01, 2021 - March 31, 2022

- Sector(s) that the Company is engaged in (industrial activity code-wise) :

Sl.No.	Name and Description of main products / services	NIC Code of the Products/ services
1.	Modified Thermoplastics	22209

- List three key products/services that the Company manufactures/provides (as in balance sheet):
(a) Modified Polypropylene Compound (b) Engineering Plastic Compound (c) Personal Protective Equipment (PPE) like Mask and Gloves.
- Total number of locations where business activity is undertaken by the Company:
(a) Number of International Locations (Provide details of major 5) : Nil
(b) Number of National Locations : The Company carries out business activities across India and has manufacturing facilities situated at Chakan

in Pune, Puducherry, Manesar, Marketing Offices and Warehouses situated in auto hubs and industrial belts.

10. Markets served by the Company – Local / State / National / International : In addition to serving the Indian market, the Company exports to USA, South Africa, Thailand and China.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : ₹ 1,211.05 Lakhs
2. Total Turnover : ₹1,04,879.69 Lakhs
3. Total profit after taxes : ₹ 3,061.21 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :2% of average net profit of the Company for last three financial years.
5. List of activities in which expenditure in 4 above has been incurred :Please refer to the Annual Report on CSR Activities attached as Annexure – I to the Director’s Report, forming part of the Annual Report.

SECTION C : OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? : NO
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : NA
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: NO

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR
(a) Details of the Director / Director responsible for implementation of the BR policy / policies

(a) Details of compliance [Reply in Yes (Y) / No (N)] :

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	The Company has formulated the policies and adopted best practices in its own volition, while being sensitive to the interest of all stakeholders.								

1. DIN Number : 08256342
2. Name : D.Balaji
3. Designation : Executive Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	08256342
2.	Name	D.Balaji
3.	Designation	Executive Director
4.	Telephone number	+91 – 44 - 28521736
5.	E-mail id	cs@kingfaindia.com

2. Principle wise (as per NVGs) BR Policy / policies :

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3: Businesses should promote the well being of all employees
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5: Businesses should respect and promote human rights
- P6: Business should respect, protect, and make efforts to restore the environment
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8: Businesses should support inclusive growth and equitable development.
- P9: Business should engage with and provide value to their customers and consumers in a responsible manner.

3	Does the policy conform to any national / international standards? If yes please specify in brief	The policies are based on the respective Principles of NVG Guidelines and the relevant provisions of applicable law.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ Appropriate Board Director	Since all the policies are not required to be approved by the Board of Directors, the approval of the Board has been obtained wherever it is mandatory. Yes, however not all policies as it is not a mandatory requirement.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The policies formulated and adopted by the Company are available on the website of the Company www.kingfaindia.com .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent applicable.								
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of all the policies is internally monitored. Audit / evaluation by external agencies is carried out wherever mandatory.								

(b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):**

Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NOT APPLICABLE								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. **Governance related to BR**
- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :**
- The BR performance of the Company is periodically assessed by the BR Head during the year.
- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
- Yes, the Business Responsibility Report forms part of the Annual Report.
- The same can be viewed on the website of the Company www.kingfaindia.com

SECTION E : PRINCIPLE - WISE PERFORMANCE

Principle 1

Business should conduct and govern themselves with ethics, transparency and accountability:

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**
- Yes it covers only the Company. However, the Company shall impress upon other entities in the value chain to follow such policy.
2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about Principle**
- During the year under review, the Company did not receive any such complaint.

Principle 2 :

Business should provide goods and services that are safe and contribute to the sustainability throughout their life cycle:

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
- The products are (a) Use of Recycle Input (b) In house waste generated is recycled within the Company. We make all efforts to ensure that we produce, in a safe and environmental friendly responsible manner.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) :**

(a) Reduction during sourcing/production / distribution achieved since the previous year throughout the value chain? :

The Company is committed to environment sustainability. For this, the Company constantly works to adapt new techniques & ideas towards efficient and optimal utilization of resources, energy, water, raw material etc.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several measures to reduce the consumption of energy and water.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company constantly emphasizes on cost effectiveness while procuring any raw material or inputs. The key raw material(s) are procured from approved vendors to ensure consistency in quality and delivery timelines. The Company has long standing business relations with regular vendors. Adequate steps are followed by the Company to ensure safety & optimization during transportation which, in a way, contributes towards minimizing the impact on environment. The Company continues to receive sustained support from its vendors.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors.

The Company procures goods and avail services from local and small vendors, particularly those located around its manufacturing locations. As a result of procurement of goods from local vendors, the Company saves on transportation as also on inventory carrying costs.

5. Does the company have a mechanism to recycle products and waste?

If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

We Kingfa have a practise to consume in house generated lumps and recycles in selected grade with optimal dosage. The recycle consumed grades are tested as per ROHS compliance and ensure it passes the requirement and no hazardous elements are present more than the level agreed as per compliance. The Testing is carried out in both in house and Government accredited lab at Guangzhou for verification. We, at Kingfa ensure that no material is discarded to environment as waste and causing pollution to surrounding.

Principle 3

Business should promote the well being of all employees:

The Company has amicable employee relations at all locations and would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees.

1. Please indicate the Total number of employees : 221
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis : 120
3. Please indicate the Number of permanent women employees : 9
4. Please indicate the Number of permanent employees with disabilities : NA
5. Do you have an employee association that is recognized by management : Kingfa Science & Technology (India) Ltd., Employees Union, Reg. No 1562/RTU/2008,1/115, Mylam Road, V.Parangini Post, Vanur.
6. What percentage of your permanent employees is members of this recognized employee association? : 100% total strength is 19 worker, all of them Member of The Association.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year? : Nearly 50%

Principle 4

Business should respect the interest of and be responsible towards all stakeholders especially those who are disadvantaged, vulnerable and marginalised.

1. **Has the company mapped its internal and external stakeholders? Yes/No : Yes**
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Identification of the disadvantaged, vulnerable and marginalised stakeholders is an on-going process. The Company's Corporate Social Responsibility (CSR) policy intends to focus on certain initiatives, inter alia, in the fields of education, skill development, health care, sanitation, environment sustainability, women empowerment and rural development.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company has contributed through its CSR activities. Please refer to the Annual Report on CSR Activities attached as Annexure – I to the Director's Report, forming part of the Annual Report.

Principle 5**Business should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs/Others?

Yes, the policy extends only to the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received for human rights violation during the last financial year.

Principle 6**Business should respect, protect and make effort to restore the environment.**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.

Yes, the policy extends only to the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes we have environment policy in place. We have taken green initiative through paperless office etc.

3. Does the company identify and assess potential environmental risks? Y/N : Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? :

As on 31st March, 2022, the Company don't have such Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has taken initiatives on conservation of energy and technology absorption as mentioned in Annexure - IV to the Director's Report, forming part of the Annual Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7**Business when engaged in influencing public and regulatory policy should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

(a) All India Plastic Manufacturing Association

(b) We are regular sponsor of Indian Plastics Institute

(c) The Plastics Export Promotion Council

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

Not Applicable

Principle 8**Business should support inclusive growth and equitable development**

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has a Corporate Social Responsibility (CSR) policy in line with the requirement of the Companies Act, 2013 and rules made thereunder. The details of the CSR initiatives of the Company are provided in the Annexure – I to the Director's Report, forming part of the Annual Report.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO / government structures/any other organization?

The Company, through in-house team, undertakes various CSR initiatives in a project/ program mode.

3. Have you done any impact assessment of your initiative?

The initiatives undertaken are reviewed by the CSR Committee, constituted by the Board.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Please refer to the "Annual Report on CSR Activities" attached as Annexure - I to the Director's Report, forming part of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the Community? Brief reply

The Company undertakes its CSR activities after assessing the needs of the location and the community.

Principle 9

Business should engaged with and provide value to their customers and consumers in a responsible manner:

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

The Company obtains the feedback from its various customer(s), from time to time. In case any complaint is received from the customer, the same is appropriately attended, addressed & resolved by the Company. The customers of the Company have various options to

connect with the Company's representatives i.e. through email and telephone. As on March 31, 2022, there was negligible percentage of unresolved customer complaints and Nil consumer cases.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

The Company adheres to the applicable laws & regulations regarding the display of the product label and the information related thereto.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No such case is pending against the Company as on end of the financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2022, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements, 2015 ("The Listing Regulations").

1) Brief statement on Company's Philosophy on Code of Governance.

The Company believes in usage of appropriate Corporate Governance policy to achieve the corporate goal of enhancing stakeholder value. The cornerstones of this policy include transparency, empowerment with accountability, respect for people and environment, compliance with law and to follow fair business practices with all its stakeholders. These principles being followed since inception, have helped the Company to build credibility with all its stakeholders.

The Company has adopted a code of conduct for Members of the Board and Senior Management Personnel. All Directors have affirmed in writing their adherence to the above code.

2) Board of Directors

Composition

The Board of Directors currently has a mix of Executive and Non-Executive Directors including a Woman Director. As on March 31, 2022, the Board comprises a Managing Director, a Whole-time Director (the Executive Directors) and four Non-Executive Directors. Three of the four Non-Executive Directors are Independent Directors.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Expertise in Specific functional area
Mr. Bo Jingen	Business Strategy, Planning, Marketing and Sales
Mr. Wu Xiaohui	Product Development and Technical Support
Mr. N.Subramanian	Accounts, Finance, Audit, Taxation and Corporate Law matters
Mr. Dilip Dinkar Kulkarni	Internal, Operational & Management Audit and Management Consultancy
Ms. Nilima Ramrao Shinde	Legal
Mr. D.Balaji	Marketing, Operations and TQM

The Board is satisfied that the current composition meets the requirements of skills, expertise and competencies as identified above in the context of the Company's business and sector(s) for it to function effectively.

Meetings

During the year 2021 - 22, the Board met 4 times on 17th June, 2021, 12th August, 2021, 29th October, 2021 and 10th

February, 2022. The last AGM was held on 29th September, 2021.

The following table gives the details of category of Board of Directors and their attendance at Board Meetings and last AGM and details of Memberships in other Boards and Board Committees as on 31st March, 2022.

Name of the Director	Category	No. of Board Meetings Attended	Attendance at the Last AGM	Directorships in other Boards		Committee(s) @ Membership (Inclusive of Kingfa India)	
				Directorships	Chairmanships	Memberships	Chairmanships
Mr. Bo Jingen (DIN 06617986)	NI-EX	4	Yes	-	-	1	-
Mr. Wu Xiaohui (DIN 06617977)	NI-NE #	4	Yes	-	-	-	-
Mr. N.Subramanian (DIN 03602858)	IN-NE	4	Yes	2	1	4	2
Mr. Dilip Dinkar Kulkarni (DIN 07272118)	IN-NE	4	Yes	-	-	1	-
Ms. Nilima Ramrao Shinde (DIN 07646156)	IN-NE	4	Yes	-	-	2	-
Mr. D.Balaji (DIN 08256342)	NI-EX	4	Yes	-	-	-	-

NI – Non Independent NE – Non-Executive EX – Executive IN – Independent

Whole-time Director upto August 12, 2021.

@ Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee have been included.

Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship are as under:

Mr. N.Subramanian : Cella Space Limited (formerly known as Sree Sakthi Paper Mills Limited (Non-Executive - Independent Director – Chairperson).

None of the Directors are related to each other.

The number of Directorships, Committee Membership(s) / Chairmanship(s) of all Directors are within respective limits prescribed under the Companies Act, 2013 and Listing Regulations.

Independent Directors

The Non-Executive Independent Directors fulfil the conditions of independence specified both under the Companies Act and the Listing Regulations.

Board Procedure

The Board is presented with information on matters pertaining to working of the Company for their consideration and approval, wherever required. Among others, this includes

- operating plans, capital budgets.
- quarterly results of the company.
- risks faced and steps taken to mitigate / minimize the risks, if any.
- minutes of meeting of audit committee and other committees.
- information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- significant developments in the industrial and human relations front.
- materially important show cause, demand and penalty notices and prosecutions, if any.
- fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- materially relevant defaults in financial obligations to and by the company or substantial non payment for goods sold by the company.
- foreign exchange exposure and steps taken by management to limit the risks of adverse exchange rate movement.
- any issue, which involves possible public or product liability claims of substantial nature, including any judgement order.
- details of any joint venture or collaboration agreement.
- transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- proposals for diversification, investment, dis-investments and restructuring; and
- non-compliance with any regulatory or statutory provision or listing requirements as well as shareholder services.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to

the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

Number of Independent Directorships

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Directors in more than seven listed entities. Further, the Managing Director / Whole-time Directors of the Company do not serve as an Independent Director in not more than three listed entities.

Familiarisation Programmes for Board Members

At the time of appointing a Director, a formal letter of appointment is given to him / her. The Director is also explained in detail the compliance required from him / her under the Companies Act, 2013, the Listing Regulations and other various statutes. The Managing Director also has a one to one discussion with the newly appointed Director to familiarize him / her with the Company's operations.

The Board Members are provided with necessary information to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made to the Board on business and performance of the Company.

The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company viz. www.kingfaindia.com.

3) Audit Committee

Terms of reference

The Audit Committee of the Company functions under the mandate stipulated under the SEBI (Listing obligations and disclosure requirements) Regulation, 2015 and the Companies Act, 2013 which includes reviewing and taking corrective actions as and when required, in consultation with the Internal Auditors.

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of the Audit Committee and Review of Information by Audit Committee

The role of the Audit Committee and review of information by Audit Committee shall include the following:

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and Monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Statement of deviations.

Presently, it comprises three Non-Executive Directors - all of whom are independent. The Members of the Committee have exposure to Finance, Accounts, Company Law and General Business Practices.

The Composition of the Audit Committee are as under:

- A) Mr. N.Subramanian – Chairman
- B) Mr. Dilip Dinkar Kulkarni – Member
- C) Ms. Nilima Ramrao Shinde - Member

Meetings

During the financial year 2021 - 22, four Audit Committee Meetings were held on 17th June, 2021, 12th August, 2021, 29th October, 2021 and 10th February, 2022.

Attendance

Name of Director	No. of Meetings Attended
Mr. N.Subramanian	4
Mr. Dilip Dinkar Kulkarni	4
Ms. Nilima Ramrao Shinde	4

Besides the above, Managing Director, Whole-time Directors, Chief Financial Officer, the representatives of the Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings. The representatives of the Cost Auditor attend such Meetings of the Audit Committee where matters relating to the Cost Audit Report are discussed. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

4) Nomination and Remuneration Committee

Terms of reference

The Nomination and Remuneration (N&R) Committee

has adopted a broad principles which, inter alia, deals with the manner of selection of Board of Directors and covers the areas as contemplated under Act and Listing Regulations.

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, commission, reimbursement of expenses for participation in the Board and Committee Meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board and Committee Meetings attended by him / her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013. Criteria of making payments to Non-Executive Directors / Independent Directors is displayed on the Company's website viz. www.kingfaindia.com

A Nomination and Remuneration Committee has been constituted to determine the quantum and components of the remuneration to be paid to the Managing Director / Whole-time Directors.

The Nomination and Remuneration Committee consists of four Directors, three of whom are Independent.

The Composition of the Nomination and Remuneration Committee are as under :

- A) Mr. N.Subramanian – Chairman
- B) Mr. Bo Jingen – Member
- C) Mr. Dilip Dinkar Kulkarni – Member
- D) Ms. Nilima Ramrao Shinde – Member

Meeting and Attendance

During the financial year 2021 - 22, three meetings of the Nomination and Remuneration Committee were held on 12th August, 2021, 29th October, 2021 and 10th February, 2022 and it was attended by all the four Members.

Remuneration policy

There are different roles that require different levels of responsibilities, tasks and skills. Therefore, the remuneration policy is there to determine the appropriate pay rate for each particular set of responsibilities and tasks. It controls how the pay will increase as employees take on more responsibilities and tasks or move up in higher roles. The details of remuneration policy is posted on company website.

Remuneration of Directors

The compensation of the Managing Director / Whole-time Directors comprises of Salary, Perquisites, Allowances etc plus Commission / Incentive. The Managing Director / Whole-time Directors are not paid Sitting fees for any Board / Committee Meetings attended by them. The Agreements with the Managing Director / Whole-time Directors are contractual in nature.

The term of office of Mr.Bo Jingen as Managing Director expires on February 26, 2025.

The term of office of Mr.D.Balaji as Whole-time Director, designated as Executive Director expires on October 28, 2024.

There are no stock options available / issued to any Director of the Company.

Details of Sitting fees paid per Meeting to Non-Executive Directors are as follows:

Board Meetings	₹ 50,000/-
Audit Committee Meetings	₹ 30,000/-
Nomination and Remuneration Committee Meetings	₹ 20,000/-
Stakeholder Relationship Committee Meetings	₹ 10,000/-
Corporate Social Responsibility Committee Meetings	₹ 20,000/-
Risk Management Committee Meetings	₹ 30,000/-

Sitting Fees for the Meeting of the Independent Directors and any other Committee of Board, not mentioned above will be as per Board Meeting Sitting Fees.

The details of the remuneration paid / payable to the Directors for the year 2021 - 22 together with sitting fees paid and the shareholding held by the Non Executive Directors as on 31st March, 2022 are as under :

Managing Director / Whole-time Directors

(₹ in Lakhs)

Name of Director	Salary	Perquisites	Commission	Performance Incentive	Total
Mr. Bo Jingen	20.16	6.75	-	3.50	30.41
Mr. Wu Xiaohui #	6.99	3.30	-	-	10.29
Mr. D.Balaji	37.77	3.84	-	24.24	65.85

Whole-time Director upto August 12, 2021.

Non - Executive Directors

Name of Director	Sitting fees paid for Board and Committee Meetings (₹ in Lakhs)	Commission (₹)	Shares held in the Company (Nos.)
Mr. N.Subramanian	4.50	1.50	Nil
Mr. Dilip Dinkar Kulkarni	4.90	1.50	Nil
Ms. Nilima Ramrao Shinde	5.10	1.50	Nil
Mr. Wu Xiaohui	0.70	-	Nil

No other remuneration is being paid by the Company to any of the Non - Executive Directors other than the sitting fees and commission. No convertible instruments are held by the Non - Executive Directors.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the performance evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation was then discussed and noted.

The performance evaluation of the Chairman of the Board and Managing Director / Board / Executive / Non Independent Directors / Independent Directors was carried out. In the evaluation of the Directors, the Directors being evaluated had not participated and the Board evaluation process was completed. The Directors expressed their satisfaction with the evaluation process.

5) Stakeholder Relationship Committee

Terms of Reference

The Board of Directors has constituted a Stakeholder Relationship Committee to approve the share transfers and other investor related matters and also to attend to the investor grievances.

The Composition of the Stakeholder Relationship Committee are as under:

- A) Mr. N.Subramanian – Chairman
- B) Mr. Bo Jingen – Member
- C) Ms. Nilima Ramrao Shinde - Member

The Compliance Officer is Mr. Nirnoy Sur, Company Secretary.

To expedite the process of Share Transfer, the Board has delegated the power to approve Share Transfers to Compliance Officer and those transfers which are so approved are ratified at the immediately following Stakeholder Relationship Committee Meeting.

Meetings

During the year 2021 - 22, the Stakeholder Relationship Committee met two times on 17th June, 2021 and 29th October, 2021.

Attendance

Name of Director	No. of Meetings Attended
Mr. N.Subramanian	2
Mr. Bo Jingen	2
Ms. Nilima Ramrao Shinde	2

The Company confirms that there were no share transfers pending for approval as on 31st March, 2022 and all requests for de-materialization and re-materialization as on that date were confirmed / rejected through NSDL / CDSL system.

No complaints received during the year 2021 – 22 and there are no complaints pending to be resolved as on 31st March, 2022.

6) Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of the Act.

Terms of Reference

Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 or any amendment thereto read with Rules made thereunder and Government Directives from time to time.

Recommend the amount to be spent on CSR activities.

Monitor implementation and adherence to the CSR Policy of the Company from time to time.

Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy or as may be stipulated under any law, rule or regulation including the Listing Regulations and the Act.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company, www.kingfaIndia.com. The Annual Report on CSR activities for the Financial Year 2021-22 forms part of the Board's Report.

The Composition of the CSR Committee are as under:

- A) Mr. Dilip Dinkar Kulkarni – Chairman
- B) Mr. Wu Xiaohui - Member
- C) Mr. D.Balaji - Member

Meetings

The Committee met three times during the financial year 2021 – 22 on 17th June, 2021, 29th October, 2021 and 10th February, 2022.

Attendance

Name of Director	No. of Meetings Attended
Mr. Dilip Dinkar Kulkarni	3
Mr. Wu Xiaohui	3
Mr. D.Balaji	3

7) Risk Management Committee

The Risk Management Committee of the Company is constituted in line with the provisions of the Listing Regulations. The composition of the Committee is in conformity with the Listing Regulations, with majority of members being Directors of the Company. The Risk Management Committee comprises of Ms. Nilima Ramrao Shinde, Independent Director - Chairperson of the Committee, Mr. D.Balaji, Whole-time Director designated as Executive Director and Mr. Sun Yajie, Chief Technology Officer as Members of the Committee.

Role/ Terms of Reference

- (1) To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy considering the changing industry dynamics and evolving complexity;

- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The Composition of the Risk Management Committee are as under:

1. Ms. Nilima Ramrao Shinde, Chairperson of the Committee
2. Mr. D.Balaji, Member
3. Mr. Sun Yajie, Member

Meetings

The Committee met two times during the financial year 2021 – 22 on 12th August, 2021 and 25th January, 2022.

Attendance

Name of Director	No. of Meetings Attended
Ms. Nilima Ramrao Shinde	2
Mr. D.Balaji	2
Mr. Sun Yajie	2

8) Independent Directors' Meeting

During the year under review, the Independent Directors met on 10th February, 2022 inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this Meeting.

9) General Body Meetings

(A) The details of location and time of holding the last three Annual General Meetings are as under:

Financial Year Ended	Date	Time	Venue
31.03.2021	29.09.2021	11.30 a.m.	Meeting held through Video Conferencing / Other Audio Visual Means
31.03.2020	29.09.2020	11.30 a.m.	Meeting held through Video Conferencing / Other Audio Visual Means
31.03.2019	27.09.2019	10.30 a.m.	Raj Park Chennai, 'Opal Hall', 180, T.T.K.Road, Alwarpet, Chennai – 600 018.

(B) Details of Special Resolutions passed at the last three Annual General Meetings:

I. At the 37th Annual General Meeting held on 29th September, 2021.

a) Approval for Payment of Commission to Independent Directors and Non-Executive Directors of the Company.

II. At the 36th Annual General Meeting held on 29th September, 2020.

a) Re-Appointment of Mr. Wu Xiaohui as Whole-time Director

b) Re-Appointment of Mr. Dilip Dinkar Kulkarni as an Independent Non-Executive Director.

III. At the 35th Annual General Meeting held on 27th September, 2019.

a) Appointment of Mr. D. Balaji as Whole-time Director designated as Executive Director of the Company.

b) Re-appointment of Mr. N. Subramanian as an Independent Non-Executive Director.

c) Re-Appointment of Mr. Bo Jingen as Managing Director.

(C) Postal Ballot

During the year under review, the Company had passed the following Special Resolutions through electronic voting (remote e-voting) as per provisions of the Act, Rules and the MCA Circulars. The Company had engaged the services of NSDL to provide e-voting facility to its Members. The notice of postal ballot dated February 10, 2022 was accompanied with detailed instructions to enable the members to understand the procedure and manner in which remote e-voting to be carried out. The following Resolutions are deemed to have been passed on the last date of remote e-voting i.e. March 29, 2022.

Details of Voting Pattern :

S No.	Description of Resolutions	Total number of valid votes (E-Voting)	Number of valid votes cast in favour of the Resolution (E-Voting) and Percentage	Number of votes cast against the Resolution (E-Voting) and percentage
1.	Re-appointment of Mr. D. Balaji (DIN : 08256342) as Whole-time Director designated as Executive Director of the Company	9855670	9855669 100.0000%	1 0.0000%
2.	Re-appointment of Ms. Nilima Ramrao Shinde (DIN : 07646156) as an Independent Non-Executive Director	9854210	9854149 99.9994%	61 0.0006%
3.	Re-appointment of Mr. Bo Jingen (DIN : 06617986) as Managing Director	9854185	9854174 99.9999%	11 0.0001%

Ms. Shaswati Vaishnav, Practising Company Secretary (ACS 11392, PCS 8675) M/s. Vaishnav Associates was appointed as Scrutinizer for conducting the aforesaid process of remote e-voting in accordance with the provisions of the Act, Rules and the MCA Circulars in a fair and transparent manner.

None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a resolution through Postal Ballot.

Prescribed procedure for Postal Ballot as per the provisions contained in this behalf in the Companies Act, 2013, read with rules made there under as amended from time to time shall be complied with whenever necessary.

(D) A brief resume and name of the companies in which Directors, who are being appointed / re-appointed, hold Directorships / Committee Memberships and Shareholding in the Company.

Details of Director(s) retiring or being appointed or re-appointed are given in the notice of the Annual General Meeting which is forming part of the Annual Report of the Company.

10) Disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their Subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large :

All transactions entered into with the Related Parties during the financial year were in the ordinary course of business and on arm's length basis. Transactions with Related Parties have been disclosed in the Notes to and forming part of Financial Statements.

Prior omnibus approval obtained and a statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval. Shareholder's approval also obtained in the 37th AGM held on September 29, 2021 for material Related Party Transactions with Guangdong Kingfa Sci. & Tech. Co., Ltd., China and a statement in summary form of transactions with them in the ordinary course of business and arm's length basis placed before the Audit Committee and the Board.

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis or fair value.

The Company has formulated a policy on related party transactions. The policy is placed on the website of the Company at www.kingfaindia.com.

Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets, during the last three years:

No penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.

Code of conduct for prevention of Insider Trading :

The company has framed a code of conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading), Regulations.

This code is applicable to Promoter, all Directors, Designated Employees, Connected and Specified persons having access to unpublished price sensitive information.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' in compliance with SEBI (Prohibition of Insider Trading), Regulations. This Code is displayed on the Company's website viz. www.kingfaindia.com

Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee:

The Company confirms that it has not denied access to any personnel to approach the Management or the Audit Committee on any issue.

Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with the mandatory requirements entered into with the Stock Exchanges and under Listing Regulations. Adoption of non-mandatory requirements is being reviewed by the Board from time-to-time.

Disclosure of commodity price risks and commodity hedging activities

The details have been disclosed in the Notes to and forming part of Financial Statements.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

Certificate from Company Secretary in Practice

As required under SEBI Listing Regulations, the Company has received a Certificate from Ms. Shaswati Vaishnav, Practicing company Secretary, M/s. Vaishnav Associates, certifying that none of our directors on the Board of the company have been debarred or disqualified from being appointed or to continue as directors of Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority. This document is annexed to the report.

Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.

Not Applicable

Fees to the Statutory Auditors of the Company

The total fees for all services paid to the Statutory Auditors of the Company are as follows. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

(₹ in Lakhs)

Particulars	2021-22
a. As Auditors	
Audit & Assurance Fees	6.50
GST Audit Fees	9.00
b. Limited Review	1.50
c. Reimbursement of expenses	1.41
d. Certification & others	1.30
Total	19.71

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules made thereunder, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. The Company has not received any complaint under this policy during the year under review.

Discretionary Requirements

The Company has also complied with discretionary requirements as specified in the Listing Regulations regarding unmodified Financial Statements and Reporting of Internal Auditors.

Compliance with corporate governance requirements

The Company has complied with the requirements of corporate governance specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

11) Means of Communication

1.	Quarterly Results	: Communicated through advertisement in newspapers.
2.	Newspapers wherein results normally published	: Financial Express (English) and Makkal Kural (Tamil).
3.	Any Website where displayed	: www.kingfaindia.com, www.bseindia.com, www.nseindia.com
4.	Any official news release published	: No
5.	Details of presentation needs to Institutional Investors/Analysts	: Nil

The Management's Discussion and Analysis highlighting specific details of the operations has been included in the Directors' Report.

12) General Shareholder Information

- a) **Registered Office** : Dhun Building, III Floor,
827, Anna Salai, Chennai - 600 002.
- b) **Annual General Meeting** :
Day
Date
Time
Venue } Details are given in the notice of the Annual
General Meeting which is forming part of the
Annual Report of the Company.
- c) **Financial Year** : 1st April to 31st March
- d) **Financial Calendar for 2022 – 2023:**

(*tentative schedule excluding Extraordinary General Meeting(s) if any)

First Quarter Results (30th June, 2022)	on or before August 14, 2022
Second Quarter Results (30th September, 2022)	on or before November 14, 2022
Third Quarter Results (31st December, 2022)	on or before February 14, 2023
Fourth Quarter Results (31st March, 2023)	before end of May, 2023
Annual General Meeting (2022-2023)	In accordance with Companies Act, 2013

* or such other date as may be allowed by SEBI / MCA

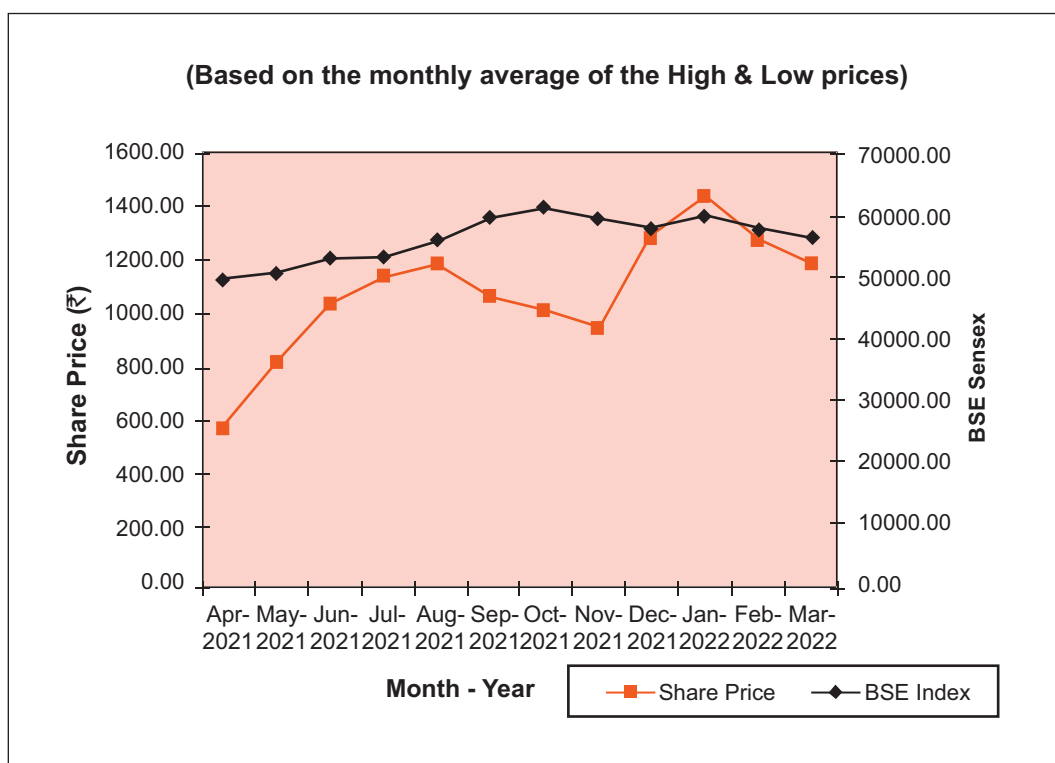
- e) **Date of Book Closure** : Details are given in the notice of the Annual
General Meeting which is forming part of the
Annual Report of the Company.
- f) **Dividend Payment Date** : Equity Shares – Not Applicable
- g) **Listing on Stock Exchanges** **Stock Code**
- (1) **BSE Limited (BSE)** 524019
(Scrip ID – KINGFA)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
- (2) **National Stock Exchange of India Limited (NSE)** KINGFA
Exchange Plaza,
Bandra Kurla Complex,
Bandra East, Mumbai - 400051
Demat ISIN No. for CDSL and NSDL is INE473D01015.
The Listing fees to BSE and NSE have been paid.

h) Market Price Data – High & Low of Equity Shares of the Company

(in ₹)

Month	Year	BSE		NSE	
		High	Low	High	Low
April	2021	627.25	535.20	626.00	555.25
May	2021	1,073.35	571.00	1,079.80	570.30
June	2021	1,190.10	873.70	1,157.55	877.50
July	2021	1,321.00	944.40	1,321.90	932.65
August	2021	1,315.00	1,041.90	1,302.00	1,042.65
September	2021	1,157.75	960.00	1,147.90	957.00
October	2021	1,084.30	934.05	1,094.00	932.60
November	2021	1,002.70	887.80	1,039.75	907.15
December	2021	1,622.75	914.00	1,625.00	912.25
January	2022	1,609.90	1,236.60	1,609.95	1,242.35
February	2022	1,474.85	1,051.10	1,480.00	1,052.90
March	2022	1,320.00	1,034.90	1,318.00	1,030.55

i) Performance of Share Price of the Company in comparison to BSE Sensex



- j) **Registrar & Share Transfer Agent :** M/s. Integrated Registry Management Services Private Limited,
 Unit : Kingfa Science & Technology (India) Limited
 2nd Floor, “Kences Towers”,
 No. 1, Ramakrishna Street,
 North Usman Road, T. Nagar,
 Chennai - 600 017.
 Phone Nos : +91-44-28140801 - 803
 Fax No. : + 91-44-28142479
 E-Mail : yuvraj@integratedindia.in
 Contact Person : K. Suresh Babu, Director
- k) **Share Transfer System :**
1. Transfer of the shares held in electronic form are done through the depositories.
 2. Transfer of shares in the physical form are done by Registrar & Share transfer agent within statutory time limit.
 3. The power to approve the transfer, transmission and other Share Certificate related matters has been delegated by the Board to Compliance Officer and his action is ratified at the next Stakeholder Relationship Committee Meeting.
 4. Certificate is obtained from a Practising Company Secretary confirming the transfer, transmission etc. of equity shares within stipulated time from the date of their lodgement and sent to Stock Exchanges where the Company's shares are listed.
 5. Reconciliation of Share capital Audit as stipulated by SEBI is conducted on quarterly basis reconciling the admitted equity share capital with the shares in electronic and physical form and Certificate issued in this regard by Practising Company Secretary is forwarded to Stock Exchanges where the Company's shares are listed.

l) **Distribution of Shareholding and Shareholding Pattern as on 31.03.2022.**

i) **Distribution of Shareholding**

CATEGORY	SHAREHOLDERS		SHARES	
	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
Upto 2500	9105	98.83	1062873	8.78
2501 - 5000	66	0.72	238661	1.97
5001 - 10000	25	0.27	175491	1.45
10001 – 20000	7	0.08	94150	0.78
20001 – 30000	3	0.03	77307	0.64
30001 – 40000	0	0.00	0	0.00
40001 – 50000	1	0.01	43169	0.36
50001 – 100000	2	0.02	150373	1.24
100000 & above	4	0.04	10268437	84.79
TOTAL	9213	100.00	12110461	100.00

ii) Shareholding Pattern

CATEGORY	HOLDERS	SHARES	VOTING STRENGTH (PERCENTAGE)
Promoter	1	9082214	74.99
Non-Resident Individuals / OCBs	204	115666	0.96
Foreign Port Folio Investor – Corporate / Foreign National	4	768828	6.35
Bodies Corporate	58	41460	0.34
FIs/Mutual Funds/Banks	0	0	0.00
Resident Individuals	8883	2011737	16.61
Others	63	90556	0.75
Total	9213	12110461	100.00

m) Dematerialisation of Shares & liquidity

The shares of the Company can be held and traded in electronic form. As on March 31, 2022, 99.44% of the Company's total equity shares representing 1,20,42,156 shares were held in dematerialised form and the balance 0.56% representing 68,305 shares in the physical form.

n) Outstanding GDRs / ADRs / Warrants

or any Convertible instruments, - Nil
conversion date and likely impact on equity

o) Commodity price risk or foreign exchange risk and hedging activities

The details have been disclosed in the Notes to and forming part of Financial Statements.

p) Plant Locations

Plot No : F 5/5, Chakan Industrial Area, - Modified Thermoplastics
Phase-2, MIDC, Village - Vasuli – Shinde,
Tal Khed, Pune – 410501.

RS No.38/1, Sedarapet Industrial Area, - Modified Thermoplastics
Sedarpet, Puducherry - 605 111.

Plot No-406, Sector-8, IMT Manesar, - Modified Thermoplastics
Gurgaon – 122050, Haryana.

Plot No.15C, SIPCOT Industrial Complex, - (Ceased operation from May 2014 onwards)
Pudukkottai - 622 002.

G 34, Addl. Jejuri Industrial Area - (Ceased operation from 30th June, 2021 onwards)
Jejuri, Tal. Purandar, Pune – 412303.

q) Address for Correspondence

(i) Share related matters :

M/s.Integrated Registry Management Services
Private Limited
Unit : Kingfa Science & Technology (India) Limited
2nd Floor, "Kences Towers",
No. 1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017.
Phone Nos : +91-44-28140801 - 803
Fax No. : +91-44-28142479
E-Mail : yuvraj@integratedindia.in
Contact Person : K. Suresh Babu, Director

(ii) Other matters :

Company Secretary and Compliance Officer
Kingfa Science & Technology (India) Limited
Regd. Office : Dhun Building, III Floor,
827, Anna Salai,
Chennai – 600 002.
Phone Nos : +91-44-28521736
Fax No : +91-44-28520420
E-Mail : cs@kingfaindia.com

For and on behalf of the Board of Directors

BO JINGEN **D. BALAJI**
Managing Director **Executive Director**

Place : Pune

Date : 25th May, 2022

CERTIFICATE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS
(As per clause C Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulation)

To

**The Members of
Kingfa Science & Technology (India) Limited,
Dhun Building, III Floor,
827, Anna Salai,
Chennai - 600 002.**

I have examined compliance of conditions of Corporate Governance by Kingfa Science & Technology (India) Limited ("the Company") for the year ended on March 31, 2022, as referred to in regulation 15(2) read with clause C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter, collectively referred to as the "Listing Regulations") read with Regulation 34(3) of the said Listing Regulations for the year ended on March 31, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

In my opinion, and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

For VAISHNAV ASSOCIATES

Practicing Company Secretary

Shaswati Vaishnav

ACS: 11392 CP No : 8675

UDIN A011392D000810124

Place : Pune

Date : May 25, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,
Kingfa Science & Technology (India) Limited,
Dhun Building III Floor,
827, Anna Salai,
Chennai - 600 002.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kingfa Science & Technology (India) Limited CIN L25209TN1983PLC010438 and having registered office at Dhun Building, III floor, 827 Anna Salai, Chennai 600 002 hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers.

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	NARAYANASWAMY SUBRAMANIAN	03602858	16/05/2014
2.	XIAOHUI WU	06617977	27/02/2014
3.	JINGEN BO	06617986	27/02/2014
4.	DILIP DINKAR KULKARNI	07272118	28/08/2015
5.	NILIMARAMRAO SHINDE	07646156	01/11/2016
6.	BALAJI DORAISWAMI	08256342	29/10/2018

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

For VAISHNAV ASSOCIATES

Practicing Company Secretary

Shaswati Vaishnav

ACS: 11392 CP No : 8675

UDIN A011392D000810190

Place : Pune

Date : May 25, 2022

CEO / CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Kingfa Science & Technology (India) Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed Financial Statements and the Cash Flow Statement for year ended 31st March, 2022 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

for **Kingfa Science & Technology (India) Limited,**

Place : Pune

Date : 25th May, 2022

BO JINGEN
Managing Director

XIE DONGMING
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

A) INTRODUCTION

This report addresses the Management views and perceptions of the business considering the current scenario based on the market environment and possible growth opportunities with the visible and imminent headwinds and challenges while analyzing the performance for the year under review. The report also presents the summary of control and counter measures being initiated and also the Development of Human resources. The report should be read in conjunction with the Director's report to the shareholders, the Financial reports and other notes provided as a part of the annual report.

B) ECONOMIC SCENARIO

The year 2021-22 started with hopes for the entire World after being ravaged by the effects of Covid-19 and it's aftermath. The World witnessed widespread lockdown in almost all the countries in the previous year. Although the incidence of Covid-19 was being felt all across the nations through the year 2021-22, it is also a year in which the resilience of our society to battle out the Pandemic was much more evident. The experience and the knowledge gained from suffering in the previous year helped all the Nations to device strategies to combat the infection and at the same time keep moving

with all the economic activities. The successful roll out of the Vaccine for Co-vid19 brought cheers to one and all and rejuvenated the entire Globe. The second wave of Co-vid 19 in the form of 'Delta' variant posed further challenges to the health sector that resulted in vigorous vaccination drive across all the countries.

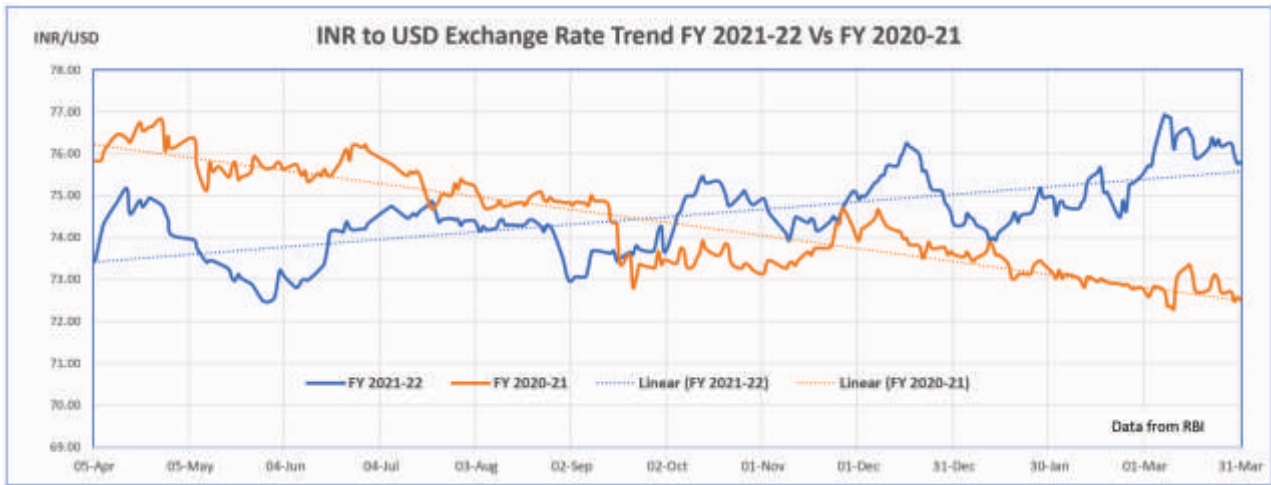
The industrial revival was evident right from the beginning of the year with the exception of May'21 when the effects of 'Delta' variant forced another series of lock down albeit on a medium scale. The recovery was non-stop since Jun'21.

The economic activities revived with vigor and at the same time the after-effects of opening up, the gap in demand-supply situation, the volatile situation in key raw materials and host of attendant issues presented further challenges to the industry. Towards the year end, the war between Russia and Ukraine brought in volatility in the global scenario.

The exchange rate which dropped to Rs.72.89 (average) in Q4 of FY 2020-21 went up in FY 2021-22 every quarter. This was a stress to the importers with increasing cost of imports that too in a year where all the prices of raw material, be it metals or Plastics, went up non-stop.

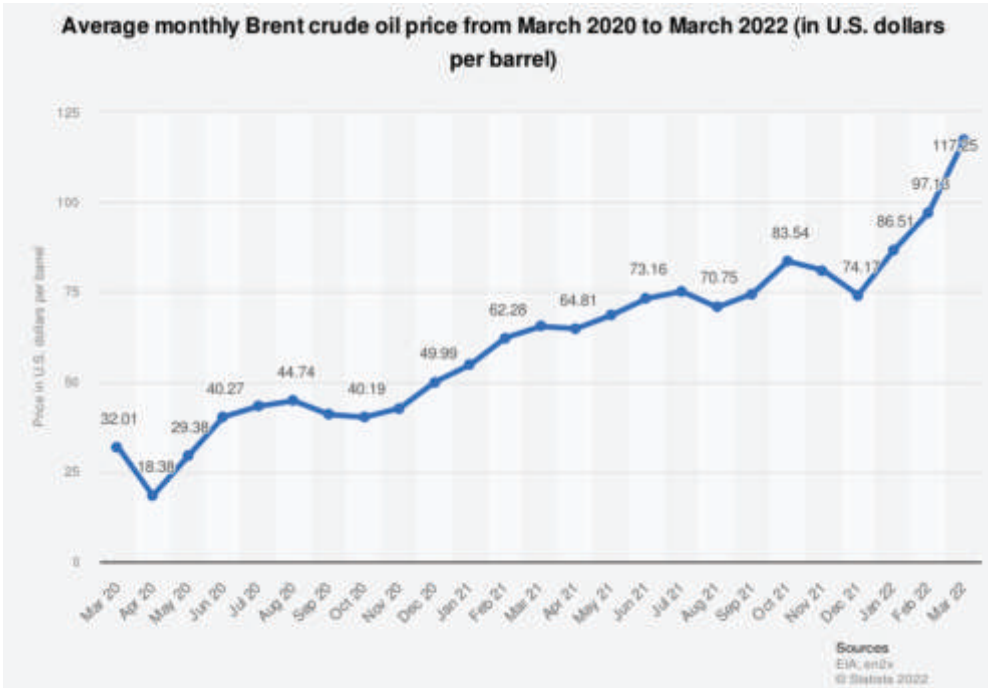


The exchange rate, during FY 2021-22 was on the increasing trend, Quarter-on-Quarter, as against the reducing trend witnessed in the previous year. You can see the comparison of exchange rate trend as per data from RBI in the chart below for the year in discussion and the previous year.



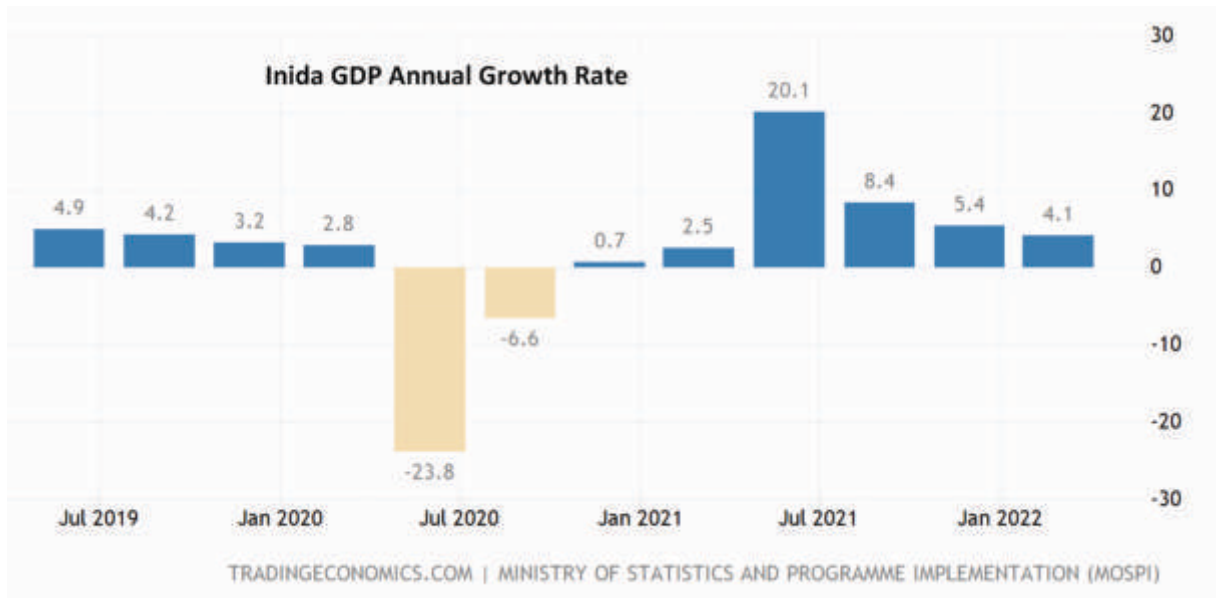
The crude prices were on the increasing trend through 2021-22 except for a brief period in Dec'21. The conflict between Russia and Ukraine resulted in steep increase of Oil prices in Q4 of 2021-22 touching a high of US\$130/barrel before averaging to US\$117 in Mar'22.

As a result of this prices of petrochemical based output, especially the polymers, both commodity as well as specialty polymers, had to face hardening input prices and as a result erosion in their margins.



Indian Economy revived from the impact of Co-vid-19 and posted impressive gains from the lows of the previous year.

The Indian economy had a massive jump in the first quarter of 2021-22 compared on a weak previous year's quarter which was hit by Covid. The government has projected 8.9% growth in 2021-'22, which is lower than the January estimates. India's Gross Domestic Product grew by 5.4% in the October-December quarter and expansion at 8.9% in 2021-'22 financial year is expected to be the final figure.



In the Union Budget 2021-22, presented on 1st February 2021, the Finance Minister announced an outlay of INR 1.97 Lakh Crores for the Production-Linked Incentive (PLI) Schemes for 13 key sectors, to create national manufacturing champions and generate employment opportunities for the country's youth. This was a booster for the industries to get into specific sectors and the benefits of the same will be seen in the coming years. Government's focus on EV segment and alternate fuel / energy was also evident in the budget announcements.

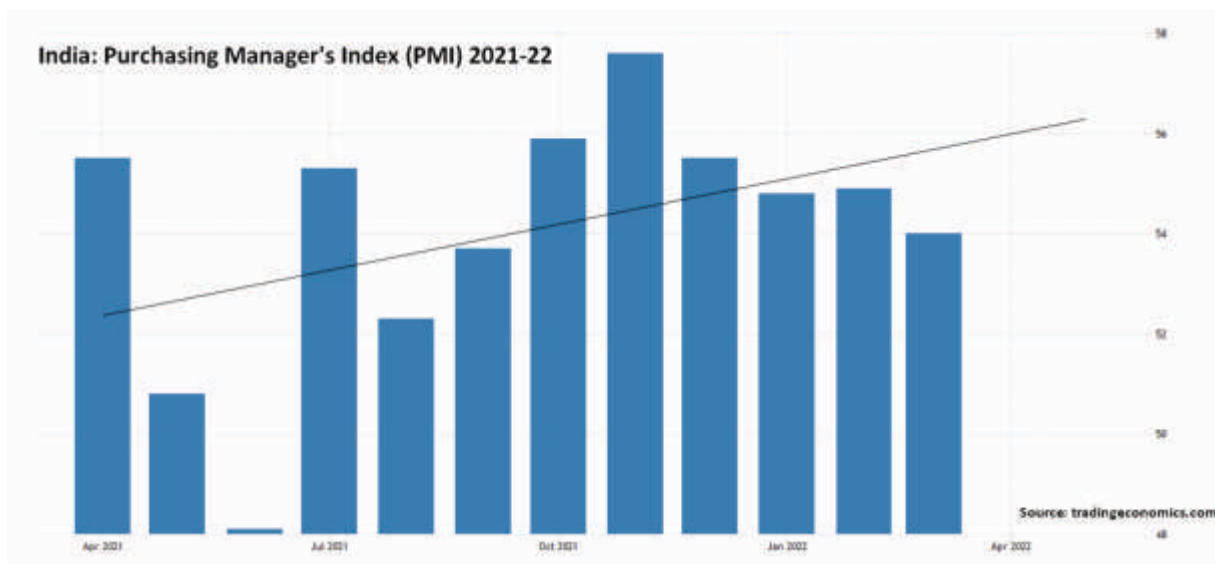
In July 2021, the Indian government announced inclusion of retail and wholesale trades as MSMEs to strengthen the sector and boost economic growth. Budget allocation for MSMEs in FY22 more than doubled to Rs. 15,700 crore (US\$ 2.14 billion) vis-à-vis Rs. 7,572 crore (US\$ 1.03 billion) in FY21. The Indian government launched the Special Credit Linked Capital

Subsidy Scheme (SCLCSS) for the services sector. This scheme will help enterprises in the services sector meet various technology requirements.

C) INDUSTRY STRUCTURE AND DEVELOPMENTS

During the year under review, the industries were seen recouping themselves after a year of Covid induced intermittent lockdowns. The manufacturing sector was affected in the first quarter with the second wave of Covid. Fortunately, the third wave in Q4 did not affect the manufacturing by and large.

The manufacturing PMI came down to 48.1 in Jun'21 when the Delta variant of covid-19 swept through India as second wave. The manufacturing activities revived in subsequent months and the PMI hit a peak of 57.6 in Nov'21 riding on festive demand. The PMI in Q4 of 2021-22 was steady in spite of global turmoil after the Russian-Ukraine conflict.



The automobile as well as appliances segments continued to feel the shortage of Chips and had to face cut down in production.

After two consecutive years of reduced growth in excess of 14%, the India overall automobile production went up by 1.2%

in the year 2021-22. The shortfall in the availability of chips was the major reason for the low level of change year-on-year. However, the passenger vehicle segments could register a 19.2% growth and commercial vehicles segment 28.9% growth basically due to the lower volumes in the previous two years.

AUTOMOTIVE INDUSTRY IN INDIA PRODUCTION TREND

Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Passenger Vehicles	3,801,670	4,020,267	4,028,471	3,424,564	3,062,221	3,650,698
Commercial Vehicles	810,253	895,448	1,112,405	756,725	624,939	805,527
Three Wheelers	783,721	1,022,181	1,268,833	1,132,982	611,171	758,088
Two Wheelers	19,933,739	23,154,838	24,499,777	21,032,927	18,349,941	17,714,856
Quadricycle	1,584	1,713	5,388	6,095	3,836	4061
Grand Total	25,330,967	29,094,447	30,914,874	26,353,293	22,652,108	22,933,230

Source: Siam.in

fig in numbers

The auto sector is cyclical. The cyclicity varies from segment to segment. The commercial vehicle sales are linked to overall economic growth while that of tractors are linked the monsoon. Compared to these segments the passenger vehicles and two wheelers are less cyclical. A mix of factors such as rise in the cost of vehicles due to changes in emission and regulatory norms, higher lending rates and available disposable incomes decide the sale growth of PV and 2W. Covid hurt the economy and made people conservative on spending over replacement vehicles. Hopefully, the reviving economy will result in a robust growth in the coming year for Indian auto industry.

D) COMPANY PERFORMANCE

As mentioned above with the second and third wave of Covid affecting the manufacturing and services, industry had a mixed performance during the year.

Your company is no exception to the trend witnessed in the manufacturing sector.

1) Operations

Our company has always been ahead of the growth curve that keeps us at the frontline. Our new green field manufacturing facility at Chakan near Pune which was commissioned in the previous year, continued to be strengthened with addition of capacity with new compounding lines added. More and more Engineering plastics compounds were localized reducing the lead time for the customers.

The PPE division added new lines for 3 Ply, foldable masks and facilities for different variants. The product portfolio was enhanced with new products for industries,

mining and other specialty requirements. The PPE division continued to get relevant product certifications as per the needs of the end users.

Raw material prices continued to rise during the year and the volatility witnessed during the year was unprecedented. The Poly Propylene prices hit historical highs during Mar'22 after the Ukraine-Russia conflict intensified into a full-scale war.

No new capacity additions were seen during the year in polymer resins. The demand supply gap and the tightness in the logistics, especially the availability of containers and the unpredictable voyage of vessels made the imports of raw material unpredictable.

We continue to take support of our principals in creating multiple and alternate options to have a greater control on key RM prices and availability. Inventory management both at RM and FG level continue to remain a big challenge in view of the unpredictability seen in the imports. This was managed well with specific in-house projects for improving the efficiency in inventory control.

2) Marketing Initiatives

As you are aware, your company has a sales and marketing team which is ever mobile and ready to grab any opportunities that come up.

During the year separate sales teams were formed to handle Polymer and PPE businesses.

Your company organized webinars through industry associations like Indian Plastics Institute to keep in

touch with existing and potential customers as in the past to keep the engagements alive.

New customers in newer segments were added for Engineering plastics compounds. Today we can confidently say that your company is also one of the leading manufacturers of engineering plastics in India having gained significant foot hold in PA, PBT, ABS, HIPS, SAN and blends & alloys.

One significant foray is that of Electric Vehicles. Your company successfully commercialized Flame retardant compound for 2W segments in EV. Work is going on with OEMs for the PV as well.

3) **Human Resources & Industrial Relations**

Your company is proud to state that the morale of all the employees were kept high during the year under review. The technical and marketing teams were strengthened with the addition of a mix of new and experienced hands. The addition of PhDs to the technical team is bound to result in higher confidence level of our customers as a total solution provider. The laboratory facilities saw commissioning of new test Equipments and the technical team members are getting the necessary training to handle the same effectively.

Lat year we have successfully relocated our front-end team at overseas locations to give them exposure to overseas markets. During the year, the teams at overseas locations continued their development work in spite of the adverse changing scenarios due to the pandemic.

To reiterate, the experience that the team gains in getting new business abroad is immense for the future of the company. This helps us in seamlessly engaging with transnationals who are setting up manufacturing in India. Your company will benefit from this greatly when they commence operations in India in the near future.

The permanent employees on the rolls of the company stood at 221 as of 31st March 2022.

4) **Business Opportunity**

The Company's key focus and objective continues to be growth much above the market trend by aggressively pursuing all opportunities while continuously investing in people, technology and capacity ahead of the demand curve. We are supremely confident that this objective would put us in the right place to fully capitalize and upswing in manufacturing growth in India.

Relocation of our marketing personnel at South Africa and Thailand has started yielding results with exports commencing during the year. The teams abroad are now busy closing new deals for the future.

During the year, your company continued to successfully deploy the approvals that Kingfa has in China for Engineering Plastics to India OEMs that helped in utilizing the new capacity created at our Chakan plant. With the curbs on Covid relaxing, many of the MNCs with business in India started auditing your company's new plant at Chakan, Pune for formal product and facility approvals.

E) **RISKS AND CONCERNS AND THREATS**

The exposure of the Company to various types of risks is detailed below along with the strategy employed to manage / mitigate the same.

Business risks

Business Risks are permanent and cyclical with lot of factors contributing to the same and also the ability of the customers to expand and spend. We are sensitive to the same and are focussing our efforts across Industry segments and also expanding our product basket. By continuously engaging with wide spectrum of Industry we feel that we will be able to significantly mitigate if any one segment runs into rough patch.

Financial Risks

Financial risks are real and permanent and usual part of business and the company always views the same seriously and continuously. Inventory and receivables are continuously reviewed and working capital is managed tightly and ensure optimal cash flow. We apply the lean principle in both while being adaptive to the market swings to get the best benefit out of the customers demand swing. With the implementation of SAP we are able to review these real time and make effective business decisions.

As our key inputs are derivatives of Petroleum price variations and volatility are normal and secondly not in our control. Multiple options and sources and robust planning and analysis helps us mitigate the over all risk.

We have effectively used resources from our HQ to mitigate interest cost risk. However we continue our focus on receivables and creditors management to reduce risk.

Commodity Price Risks

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going manufacture of and therefore require a continuous supply of polypropylene and other engineering plastics resins. However, the company being indirect user of these commodities and based on past trend to pass on these volatility to customers, does not have direct impact on profitability over a period of time.

Foreign Exchange Risks

Adverse movement of Foreign exchange does present a risk and the same arises as we do import critical raw material components. We use the services of professional advisory with an structured approach to manage and reduce the impact of any adverse movement.

- i) To reduce the probability and potential cause of financial risks by making the Company as neutral as possible to currency and interest rate fluctuations.
- ii) We have made significant progress in looking for export markets and have started exports to Thailand and South Africa. We should soon be exporting to Europe & other continents as well. This would help us hedge our US \$ variation risk significantly.
- iii) To create a stable planning environment by taking steps to reduce the impact of currency and interest rate fluctuations both in respect of short term and long term commitments.

Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Asset protection

The Company has ensured that all of its assets are properly safeguarded against all insurable risks using appropriate and current valuation methods and the adequacy of the same is reviewed periodically with the assistance of professional independent agencies.

Our exposure to automotive Industry passenger car segment is still very significant and any risk of depression would adversely impact car production. This risk is factored adequately in our growth plans and we

have increased our engagement with non Automotive markets to reduce our growth risks. We are confident that we would be able to ride through effectively any downside in the Auto Industry.

F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The objective of the internal control systems is to ensure optimal use of resources, safeguard the Company's assets, exercise control, and minimise system deficiencies and weaknesses. Internal Audit is carried out by an independent professional audit firm to review all aspects of the internal control system and adherence to policies and procedures. The Audit Committee of the Board of Directors reviews the internal audit reports and the implementation of corrective actions and also addresses all aspects of the Company's functioning from this perspective as required under SEBI and Company Law guidelines.

G) FINANCIAL PERFORMANCE OF THE COMPANY

Revenues

Sales revenue of the company grew by 67.04% over the previous year. As the key prices of RM like PP trended lower during the year some of the selling prices had to be reduced in line with the pricing agreements in place.

Engineering Plastic compounds continue to get customer approval for Auto and non Auto sectors.

Input costs

There was an overall decrease in the input costs during the year. A combination of sourcing action, Formulation rationalization and Optimization coupled with price softness helped us achieve this. Production process improvement and planning was utilized to reduce our manufacturing costs significantly.

Financial costs

Reduction in interest rates negotiated with the Bankers helped in savings in the interest cost.

Higher level of Working capital necessitated was managed through longer negotiated credit period from group companies.

H) OUTLOOK -

- a) Only if the trend in increasing offtake of vehicles is sustained will the volume of tonnage increase materialise. Such increased volumes and management of supply chain and logistics should help in bettering margins during the current year

subject of course to the price behaviour of Polypropylene/other resins and other crude oil based inputs.

- b) New commercial vehicles call for increased usage of PP compounds with enhanced performance and lesser weight to Volume ratio on interior parts and your Company is already working with major companies in this segment to benefit from this approach.
- c) Control of receivables and inventory and improved process efficiency, should also contribute to the reduction of working capital requirement leading to a reduction in interest costs.
- d) Dependence on one segment of the industry is always a risk and your company understands the same. Your company's strategy is to broadbase its product offerings into other segments of manufacturing, viz, Electrical, Powertools, Appliances, Batteries and other Non-auto segments through aggressive marketing and also offer products higher in the value chain like Engineering Plastics.

The overall outlook looks promising with the country coming out of the Covid blues and withering the storm in the global economic turmoil.

I) DETAILS OF SIGNITIFICANT CHANGES

As per Listing Regulations, details (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with explanations therefor, are given below:

Particulars	2021-22	2020-21
(i) Debtors Turnover :	4.24	3.07
(ii) Inventory Turnover :	4.27	4.12
(iii) Interest Coverage Ratio :	9.52	4.75
(iv) Current Ratio:	1.30	1.47
(v) Debt Equity Ratio (%) :	11.98%	7%
(vi) Operating Profit Margin (%) :	4.45%	2.39%
(vii) Net Profit Margin (%) :	2.92%	0.85%

Cautionary Statement

Statements in the Management's Discussion and Analysis Report describing the Company's projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in Government regulations, tax regimes, economic developments within the country and other factors such as litigation and labour negotiations.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a code of conduct for the members of its Board and Senior Management Personnel. We confirm that the Company has, in respect of the Financial year ended 31st March, 2022, received from the members of the Board and Senior Management Team of the Company, a declaration of compliance with the code of conduct as applicable to them.

BO JINGEN
Managing Director

D.BALAJI
Executive Director

Place : Pune

Date : 25th May 2022

INDEPENDENT AUDITOR'S REPORT**To the Members of Kingfa Science & Technology (India) Limited****Report on the Audit of the Financial Statements
Opinion**

We have audited the Financial Statements of Kingfa Science & Technology (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in

the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw your attention to Note 32 to the financial statements regarding delay in settlement or realisation of certain trade payable and trade receivable balances, as the case may be, denominated in foreign currency which are due to/from group companies. As informed by management, the Company is in the process of regularising these delays for making necessary compliances in respect of aforesaid dues and it believes that impact, if any, is not expected to be material to the financial results. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matters
<p>Valuation of Trade Receivable</p> <p>As disclosed in Note no 6 of the financial statements, Trade Receivables (net of allowance for bad and doubtful debts) represent significant portion of the Total Assets as at 31 March 2022. Assessment of the recoverability of trade receivables is inherently subjective and requires significant management judgment. Timing of collection of dues from the customers may differ from the actual credit period. Significant judgment is required by the management to estimate the amounts unlikely to be ultimately collected.</p> <p>The recoverability of the Companies trade receivables and the valuation of the allowance for bad and doubtful debts is a key audit matter due to the judgement involved.</p>	<p>Our audit procedures included, but not limited to, following –</p> <ul style="list-style-type: none"> - We have evaluated and tested design and operating effectiveness internal controls related to trade receivables implemented by the management. - We performed audit procedures on existence of trade receivables, which included reading and comparing balance confirmations with books, testing subsequent receipts and sales transactions for the samples selected. - Where there were indicators that the trade receivables were unlikely to be collected within contracted payment terms, we assessed the adequacy of the allowance for bad and doubtful debts. To do this: <ol style="list-style-type: none"> a. We assessed the aging of trade receivables quantum of claims with and from the customers. b. We have evaluated the independent confirmations from customers and performed alternate audit procedures on sample basis. c. We also considered historical reasonability of forecasting the allowance for allowance for bad and doubtful debts.

<p>Valuation of Inventory</p> <p>At the 31 March 2022, the value of inventories amounted to ₹ 26,099.78 lakhs representing 30% of total assets. Inventories have been considered key audit matter due to the size of the balance, nature of the product, price volatility of raw material and finished product etc. and management judgements involved. Refer note 31.4.11 to the Ind AS Financial Statements for significant accounting policy for valuation of inventories.</p>	<p>Our audit procedures included, but not limited to, following –</p> <ul style="list-style-type: none"> - We have evaluated and tested the design and operating effectiveness of internal controls relating to inventory recording and valuation. - We have conducted physical verification of inventory on a sample basis at the year-end in order to test the existence assertion. - We have evaluated inventory costing methodology and valuation policy established by management and tested on a sample basis its compliance with the applicable accounting standards. - We have conducted analysis of net realisable value (NRV) and cost of inventory on a sample basis in order to ascertain that inventory is carried at lower of NRV and Cost. - We have evaluated on a test check basis the process followed by the management to identify non-moving, slow moving, obsolete inventory and we have evaluated on a test check basis the appropriateness of the estimates for impairment (if any) accounted for on such inventory.
<p>Completeness and Valuation of Property, plant and equipment and Capital Work in progress</p> <p>As disclosed in Note no 1 of the financial statements, total value of Property Plant and Equipment and Capital Work in Progress As at 31 March 2022 is ₹ 25,281.42 Lakh, which is 29% of the total assets.</p> <p>We have considered this a Key Audit Matter considering the size of these balances in the financial statements, judgment involved in the valuation (including impairment assessment if any) and corresponding new disclosure requirement of revised schedule III of the Companies Act 2013.</p> <p>Refer note 31.4.3 to the Ind AS Financial Statements for accounting policy for valuation of inventories.</p>	<p>Our audit procedures included, but not limited to, following –</p> <ul style="list-style-type: none"> - We have evaluated and tested the design and operating effectiveness of internal controls relating to property, plant equipment (PPE) and capital work in progress (CWIP). - We have tested on sample basis accuracy of additions to the PPE and CWIP recorded by the Company during the year for the purpose of valuation. - We examined the useful life for individual assets to determine whether it is consistent with the Company's accounting policy. - We have verified report on periodic verification of PPE performed by the management and tested the reconciliation between physical verification reports and fixed assets registers on a sample basis to determine any adjustments that may be required thereon. - We have also tested the ageing of items in CWIP as at year end for valuation and presentation and disclosure perspective. - We have evaluated impairment assessment performed by the management to confirm impairment provision, if any, that may be required in the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures included in the Annual Report, but does not include the Financial Statements and our auditors' report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid/provided to directors is not in excess of the limit laid down under this section.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 31.5.1 to the Financial Statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2022.

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) the management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the Financial Statements, if any, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.
- (v) The Company has not declared or paid dividend during the year.
- (vi) The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number:101118W/W100682

Abhijit Shetye

Partner

Membership Number: 151638

UDIN:22151638AJPRIM1690

Pune

May 25, 2022

Annexure A to Independent Auditors' Report**Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:**

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) The Property, Plant & Equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the Property, Plant & Equipment has been physically verified by the Management during the year and material discrepancies have been noticed on such verification, which have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 1 on Property, Plant & Equipment to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made there under. Hence reporting under clause 3(i) (e) of the order is not applicable.
- ii. (a) The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) According to the information and explanations provided to us, the company has not been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the order is not applicable.
- iii. The company during the year has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence reporting under Clause (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f), of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of provident fund and professional tax, the Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2022, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due date	Date of Payment
Profession Tax	Employee Profession tax	0.43	FY 2018-19	March 31, 2019	NA

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of Goods and Service Tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other material statutory dues, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. Lakh)	Amount paid under protest	Period to which the amount relates (Rs. Lakh)	Forum where the dispute is pending
Haryana Value Added Tax Act, 2003	Value Added tax	29.83		FY 2014-15	Joint Excise and Taxation Commissioner Appeal
Maharashtra Value Added Tax Act, 2002	Value Added tax	132.52	3.69	FY 2014-15 to FY 2016-17	Joint commissioner (Appeal) of State Tax
Central Sales Tax Act, 1956	Sales Tax (CST)	1922.45	2.26	FY 2014-15 to FY 2016-17	Deputy Commissioner of State Tax
Tamilnadu Value Added Tax Act, 2006	Value Added tax (Transit Pass Issue)	14.57	-	FY 2005-06 to FY 2014-15	First Appellate Authority
Central Excise Act, 1944	Duty of excise	4.17	-	FY 2012-13	Assistant Commissioner of Central Excise
Central Excise Act,	Duty of excise	9.10	0.62	November 2009 to December 2015 1944	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Chennai
Finance Act, 1994	Service Tax	42.27	2.88	October 2014 to June 2017	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Chennai

viii. In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.

ix.(a) According to the records of the Company examined by us and the information and explanations given to us, except for interest on external commercial borrowings as described below, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender as at the balance sheet date.

Nature of borrowing including debt securities	Name of lender*	Amount not paid on due date (Rs. In Lakh)	Whether principal or interest	Number of days delay or unpaid	Remarks, if any
External Commercial Borrowing	Holding Company	45.20	Interest	821	
External Commercial Borrowing	Holding Company	31.04	Interest	455	
External Commercial Borrowing	Holding Company	36.51	Interest	639	
External Commercial Borrowing	Holding Company	29.90	Interest	274	

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not availed any term loan during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
(b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore reporting under clause 3(xvi)(b) of the order is not applicable.
(c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.
(d) Based on information and explanation given to us and as represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group.
- xvii. The Company has not incurred cash losses during current financial year and immediately preceding financial year.
- xviii. There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682

Abhijit Shetye

Partner

Membership Number: 151638

UDIN:22151638AJPRIM1690

Pune

May 25, 2022

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**Management's Responsibility for Internal Financial Controls**

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Financial Statements.

Meaning of Internal Financial controls with reference to the Financial Statements

A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Financial Statements, including the possibility of collusion or improper management override of

controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number:101118W/W100682

Abhijit Shetye

Partner

Membership Number: 151638

UDIN:22151638AJPRIM1690

Pune

May 25, 2022

Balance Sheet as at 31 March 2022

₹ in Lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
I. Non-current assets		26,774.04	26,408.67
(a) Property, plant and equipment	1	12,552.68	12,853.78
(b) Capital work-in-progress	1	12,728.74	12,320.17
(c) Intangible assets	1	0.94	2.02
(d) Financial assets			
(i) Other financial assets	2	568.00	568.50
(e) Income Tax Assets (Net)	3	547.51	296.28
(f) Other non-current assets	4	376.17	367.92
II. Current assets		60,894.07	40,694.96
(a) Inventories	5	26,099.78	14,295.72
(b) Financial assets			
(i) Trade receivables	6	28,285.58	21,190.45
(ii) Cash and cash equivalents	7.a	858.26	373.66
(iii) Bank balance other than (ii) above	7.b	2,083.40	2,021.63
(iv) Other financial assets	8	436.05	324.09
(c) Other current assets	9	3,131.00	2,489.41
Total Assets		87,668.11	67,103.63

Balance Sheet as at 31 March 2022

₹ in Lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
EQUITY AND LIABILITIES			
Equity		38,458.74	35,397.53
(a) Equity share capital	10	1,211.05	1,211.05
(b) Other equity			
(i) Capital reserve	11	67.18	67.18
(ii) Capital redemption reserve	11	87.09	87.09
(iii) Securities premium reserve	11	24,878.38	24,878.38
(iv) General reserve	11	1,122.76	1,122.76
(v) Retained earnings	11	11,092.28	8,031.07
Liabilities			
I. Non-current liabilities		2,451.87	3,257.19
(a) Financial liabilities			
(i) Borrowings	12	1,687.50	2,437.50
(ii) Lease liabilities	13.a	415.09	390.50
(iii) Other financial liabilities	13.b	4.50	4.50
(b) Deferred tax liabilities (net)	14	231.69	310.34
(c) Government grants	15	113.09	114.35
II. Current liabilities		46,757.50	28,448.91
(a) Financial liabilities			
(i) Borrowings	16	2,408.08	4,242.46
(ii) Lease liabilities	18.b	95.16	70.62
(iii) Trade and other payables			
-- total outstanding dues of			
micro enterprises and small enterprises	17	702.84	-
-- total outstanding dues of creditors			
other than micro enterprises and			
small enterprises	17	41,993.32	21,760.28
(iv) Other financial liabilities	18.a	1,394.69	2,230.07
(b) Other current liabilities	19	81.46	87.28
(c) Short-term provisions	20	81.95	58.20
Total Equity and Liabilities		87,668.11	67,103.63

Significant accounting policies 31

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For and on behalf of the board of directors

For **M/S. P. G. BHAGWAT****BO JINGEN****D. BALAJI**

Chartered Accountants

Managing Director

Executive Director

Firm Registration

DIN : 0006617986

DIN : 08256342

Number : 101118W / W100682

ABHIJIT SHETYE**XIE DONGMING****NIRNOY SUR**

Partner

Chief Financial Officer

Company Secretary

Membership Number : 151638

Pune : 25 May 2022

Statement of profit and loss for the year ended 31 March 2022

			₹ in Lakhs
Particulars	Note No.	2021-22	2020-21
Income			
Revenue from operations	21	104,771.30	62,723.54
Other income	22	108.39	592.94
Total Income		104,879.69	63,316.48
Expenses			
Cost of raw materials and components consumed	23	90,216.92	51,235.94
Purchase of traded goods	24	3,043.63	2,096.74
Changes in inventories of finished goods, work-in-progress and traded goods	25	(6,992.11)	(990.84)
Employee benefits expense	26	1,985.22	1,662.40
Finance costs	27	528.81	330.97
Depreciation and amortisation expense	28	1,296.50	1,079.17
Other Expenses	29	8,341.37	6,717.03
Total expenses		98,420.34	62,131.41
Profit before exceptional items and tax		6,459.35	1,185.07
Exceptional items		2,324.95	-
Profit before tax		4,134.40	1,185.07
Tax expense		1,071.06	652.89
Current tax	30	1,149.00	462.78
Deferred tax	30	(77.94)	190.11
Profit for the year		3,063.34	532.18
Other comprehensive income			
A. Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods:		(2.13)	6.40
Re-measurement gains/(losses) on defined benefit plans		(2.84)	8.56
Income tax effect on above		0.71	(2.16)
Total other comprehensive income for the year, net of tax [A]		(2.13)	6.40
Total comprehensive income for the year, net of tax		3,061.21	538.58
Earnings per equity share [nominal value per share Rs.10/- (31 March 2021: Rs.10/-)]			
Basic (in Rs.)		25.29	4.39
Diluted (in Rs.)		25.29	4.39
Significant accounting policies	31		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For **M/S. P. G. BHAGWAT**
Chartered Accountants
Firm Registration
Number : 101118W/W100682

ABHIJIT SHETYE
Partner
Membership Number : 151638
Pune : 25 May 2022

For and on behalf of the board of directors

BO JINGEN
Managing Director
DIN : 0006617986

XIE DONGMING
Chief Financial Officer

D. BALAJI
Executive Director
DIN : 08256342

NIRNOY SUR
Company Secretary

Statement of Cash Flow for the year ended 31 March 2022

Particulars	₹ in Lakhs	
	2021-22	2020-21
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	4,134.40	1,185.08
Adjustments to reconcile profit before tax to net cash flows:		
Add :		
Depreciation and Amortisation	1,296.50	1,079.17
Provision for doubtful debts and advances (net)	142.55	253.06
Loss on sale of Property, Plant & Equipment	-	0.38
Net gain / (Loss) on ECB Scheme	26.68	(58.45)
Unrealized Loss / (Profit) on foreign currency trade payable	496.57	182.77
Unrealized Loss / (Profit) on foreign currency trade receivable	(19.76)	7.12
Finance cost	485.36	316.25
Interest on lease liability	43.44	14.73
	2,471.34	1,795.03
Less :		
Government grant income	1.26	1.26
Interest income	81.39	109.23
	82.65	110.49
Operating Profit before working capital changes	6,523.09	2,869.61
Working Capital Adjustments		
(Increase) / Decrease in Trade and Other Receivables	(7,982.49)	(2,034.56)
(Increase) / Decrease in Inventories	(11,804.06)	(3,186.95)
Increase / (Decrease) in Trade and other Payables	18,466.95	2,432.78
Increase / (Decrease) in Provisions	20.91	23.79
	(1,298.69)	(2,764.94)
Net Cash generated from operations	5,224.40	104.67
Direct taxes paid (Net of refunds received if any)	(1,400.23)	(294.19)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	3,824.17	(189.52)

Statement of Cash Flow for the year ended 31 March 2022

Particulars	₹ in Lakhs	
	2021-22	2020-21
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Property, Plant and Equipment	0.93	0.85
Interest received	77.07	114.75
Purchase of Property, Plant and Equipment	(1,891.11)	(1,507.16)
NET CASH USED IN INVESTING ACTIVITIES	(1,813.11)	(1,391.56)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowing (net)	(923.88)	2,082.03
Interest paid (finance cost)	(473.58)	(220.66)
Principle element of lease payment	(129.00)	(135.54)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITY	(1,526.46)	1,725.83
Net increase / (decrease) in cash and cash equivalents	484.60	144.75
Opening Cash and Cash equivalents	373.66	228.91
Closing Cash and Cash equivalents (Refer Note 6a)	858.26	373.66

As per our attached report of even date For and on behalf of the board of directors

For **M/S. P. G. BHAGWAT**

Chartered Accountants

Firm Registration

Number : 101118W/W100682

BO JINGEN

Managing Director

DIN : 0006617986

D. BALAJI

Executive Director

DIN : 08256342

ABHIJIT SHETYE

Partner

Membership Number : 151638

Pune : 25 May 2022

XIE DONGMING

Chief Financial Officer

NIRNOY SUR

Company Secretary

Statement of changes in Equity for the year ended 31 March 2022

A. Equity Share Capital (Refer Note 10)

₹ in Lakhs		
Equity Shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount
As at 1 April 2020	12,110,461	1,211.05
Issue/Reduction, if any during the year	-	-
As at 31 March 2021	12,110,461	1,211.05
Issue/Reduction, if any during the year	-	-
As at 31 March 2022	12,110,461	1,211.05

B. Other Equity (Refer Note 11)

Particulars	Reserves and Surplus					Total equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
At at 01 April 2020	67.18	87.09	24,878.38	1,122.76	7,492.49	33,647.90
Profit/(Loss) for the year	-	-	-	-	532.18	532.18
Other comprehensive income for the year	-	-	-	-	6.40	6.40
Total Comprehensive income for the year	-	-	-	-	538.58	538.58
As at 31 March 2021	67.18	87.09	24,878.38	1,122.76	8,031.07	34,186.48
At at 01 April 2021	67.18	87.09	24,878.38	1,122.76	8,031.07	34,186.48
Profit/(Loss) for the year	-	-	-	-	3,063.34	3,063.33
Other comprehensive income for the year	-	-	-	-	(2.13)	(2.13)
Total Comprehensive income for the year	-	-	-	-	3,061.21	3,061.20
As at 31 March 2022	67.18	87.09	24,878.38	1,122.76	11,092.28	37,247.68

₹ in Lakhs

As per our attached report of even date For and on behalf of the board of directors

For **M/S. P. G. BHAGWAT**

Chartered Accountants

Firm Registration

Number : 101118/W/W100682

ABHIJIT SHETYE

Partner

Membership Number : 151638

Pune : 25 May 2022

BO JINGEN

Managing Director

DIN : 0006617986

XIE DONGMING

Chief Financial Officer

NIRNOY SUR

Company Secretary

Notes to the Financial Statements
Note 1: Property, plant and equipment, intangible assets and Capital work in progress

Fixed Assets	₹ in Lakhs												
	Land Freehold	Right to use Land	Buildings	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Computers	Right to use Building	Total	Intangible Assets Software	Grand Total	Capital work in progress
Gross Block													
As At 01 April 2020	31.62	4,299.91	3,655.02	6,832.17	89.82	107.99	85.93	139.97	142.94	15,385.36	33.26	15,418.62	11,454.06
Additions	-	-	-	2,717.64	28.62	20.90	7.85	16.19	469.32	3,260.52	-	3,260.52	3,597.40
Deductions/Transfer	-	-	-	-	-	(19.77)	-	-	-	(19.77)	-	(19.77)	(2,731.29)
As At 31 March 2021	31.62	4,299.91	3,655.02	9,549.81	118.44	109.12	93.78	156.16	612.26	18,626.11	33.26	18,659.37	12,320.17
As At 01 April 2021	31.62	4,299.91	3,655.02	9,549.81	118.44	109.12	93.78	156.16	612.26	18,626.11	33.26	18,659.37	12,320.17
Additions	-	-	-	888.34	0.24	4.43	5.56	3.83	134.70	1,037.10	-	1,037.10	1,123.42
Deductions/Transfer	-	-	-	(1.01)	-	-	-	-	-	(1.01)	-	(1.01)	(714.86)
As At 31 March 2022	31.62	4,299.91	3,655.02	10,437.14	118.68	113.55	99.34	159.99	746.96	19,662.20	33.26	19,695.46	12,728.73
Accumulated Depreciation													
Upto 01 April 2020	-	155.81	659.15	3,370.45	85.95	94.52	79.02	126.42	76.01	4,647.33	28.66	4,675.99	-
For The Year	-	45.13	107.23	809.31	3.82	9.46	4.74	11.45	85.44	1,076.58	2.58	1,079.16	-
Deductions	-	-	-	-	-	(18.54)	-	-	-	(18.54)	-	(18.54)	-
As At 31 March 2021	-	200.94	766.38	4,179.76	89.77	85.44	83.76	137.87	161.45	5,705.37	31.24	5,736.61	-
Upto 01 April 2021	-	200.94	766.38	4,179.76	89.77	85.44	83.76	137.87	161.45	5,705.37	31.24	5,736.61	-
For The Year	-	45.13	108.14	989.28	7.44	9.74	4.82	11.84	119.03	1,295.42	1.08	1,296.50	-
Deductions	-	-	-	(0.08)	-	-	-	-	-	(0.08)	-	(0.08)	-
As At 31 March 2022	-	246.07	874.52	5,168.96	97.21	95.18	88.58	149.71	280.48	7,000.71	32.32	7,033.03	-
Provision for Impairment Loss													
Upto 01 April 2020	-	3.82	59.04	4.13	-	-	-	-	-	66.99	-	66.99	-
For The Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-
As At 31 March 2021	-	3.82	59.04	4.13	-	-	-	-	-	66.99	-	66.99	-
Upto 01 April 2021	-	3.82	59.04	4.13	-	-	-	-	-	66.99	-	66.99	-
For The Year	-	-	-	41.85	-	-	-	-	-	41.85	-	41.85	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-
As At 31 March 2022	-	3.82	59.04	45.98	-	-	-	-	-	108.84	-	108.84	-
Net Block													
As At 31 March 2022	31.62	4,050.01	2,721.46	5,222.20	21.47	18.38	10.76	10.29	466.49	12,552.68	0.94	12,553.62	12,728.74
As At 31 March 2021	31.62	4,095.15	2,829.60	5,365.93	28.66	23.68	10.02	18.29	450.80	12,853.78	2.02	12,855.80	12,320.17

Notes :

- For Depreciation and amortisation refer accounting policy (Note 31.4.3).
- Capital work in progress : Capital work-in-progress comprises cost of assets that are not yet installed and ready for their intended use at the balance sheet date. Capital work in progress as on 31 March 2022 mainly comprises of Chakan Project.
- The company has made a provision for impairment loss of Rs. 41.85 Lakhs during the year against plant and machinery pertaining to the Jejuri plant (31 March 2021: Rs. 66.99 Lakhs against land, building, plant and machinery at Pudukkottai) since operations at both plants have been discontinued.
- The information relating to Gross block, accumulated Depreciation, and Impairment has been disclosed as an additional information since the company has adopted deemed cost exemption under Ind AS 101, on first time adoption.
- Disclosures for borrowing cost capitalized as per Ind AS 23
 - The amount of borrowing costs capitalised during the financial year is Rs. 159.84 lakhs (31 March 2021: Rs. 161.33 lakhs)
 - The initial interest rate is 8.5% (six months MCLR + 40 bps) subject to half yearly MCLR reset.
- Refer Note 31.5.11 for additional information relating to right-of-use assets and lease liabilities.

7. The capital work-in-progress ageing schedule :

(i) For year ended 31 March 2022

₹ in Lakhs

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Grand Total
Projects in progress					
Chakan project	187.12	928.75	6,488.58	4,640.54	12,244.99
Others	483.75	0.00	0.00	0.00	483.75
Total	670.87	928.75	6,488.58	4,640.54	12,728.74

(ii) For year ended 31 March 2021

₹ in Lakhs

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Grand Total
Chakan project	929.63	6,499.61	4,435.17	207.89	12,072.29
Others	247.88	0.00	0.00	0.00	247.88
Total	1,177.50	6,499.61	4,435.17	207.89	12,320.17

8. For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2022 and March 31, 2021:

(i) For year ended 31 March 2022

₹ in Lakhs

Particulars	To be completed in				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Grand Total
Chakan project	12,244.99	0.00	0.00	0.00	12,244.99
Total	12,244.99	0.00	0.00	0.00	12,244.99

(ii) For year ended March 31st, 2021

₹ in Lakhs

Particulars	To be completed in				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Grand Total
Chakan project	0.00	12,072.29	0.00	0.00	12,072.29
Total	0.00	12,072.29	0.00	0.00	12,072.29

Notes to the Financial Statements

Note 2 : Other financial assets (non current)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Security deposits	553.00	553.00
Deposits with bank with original maturity of more than twelve months	15.00	15.50
Total	568.00	568.50

Note 3 : Income Tax Assets (Net)

Tax paid in advance(net of provision)	547.51	296.28
Total	547.51	296.28

Note 4 : Other non-current assets

Capital advances		
Unsecured considered good	309.21	308.97
Unsecured considered doubtful	4.84	4.84
Less: Provision for doubtful advances	(4.84)	(4.84)
	309.21	308.97
Balance with Government authorities	66.96	58.95
Total	376.17	367.92

Provision for doubtful advances

Opening Balance	4.84	23.68
Provided During the year	-	4.84
(Less) Provision Reversed	-	23.68
Closing Balance	4.84	4.84

Note 5 : Inventories

Raw materials	12,722.05	7,871.81
Raw materials and components	8,796.19	7,513.26
Raw materials in transit	3,925.86	358.55
Work-in-progress	20.59	113.55
Finished goods	11,214.49	5,294.93
Traded goods	2,035.96	870.45
Stores and spares	106.69	144.98
Total	26,099.78	14,295.72

- Inventories written down to net realisable value during the year ended 31 March 2022 ₹ 2,324.95 Lakhs (31 March 2021: ₹ 318.78 Lakhs) is recognised in the statement of profit and loss. Refer note 2 below.
- The Company has recorded a write down of ₹ 2,324.95 lakhs during the year from the cost of inventories, to reflect the net realizable value thereof. This write down is mainly due to sharp reduction in the market prices of masks and gloves. The aforesaid reduction in these prices in a short period of time is disclosed as an exceptional item considering its nature and size.

Note 6 : Inventories

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Note 6 : Trade receivables		
Trade Receivables		
Unsecured		
Trade Receivable from contracts with customers	27,152.86	20,872.66
Trade Receivable from contracts with customers-related party (Refer Note 31.5.6)	1,422.06	534.32
Less: Loss allowance	(289.34)	(216.53)
Total	28,285.58	21,190.45
1. Break-up for security details		
Secured, considered good	-	-
Unsecured, considered good	28,574.92	21,406.98
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	28,574.92	21,406.98
Loss allowance	(289.34)	(216.53)
Total Trade Receivables	28,285.58	21,190.45
2. Movement of loss allowance		
Opening Balance	216.53	670.64
Provided During the year	141.66	253.06
Amounts written off	(68.85)	(707.17)
Closing Balance	289.34	216.53

3. Refer Note 31.5.9.b on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

4. There are no disputed trade receivables as on March 31, 2022 and March 31, 2021.

Trade receivables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for following period from due date of payment						Total (Mar'22)
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	21,147.54	6,414.53	382.98	454.91	100.17	74.80	28,574.92
Less: Loss allowance							(289.34)
Total Trade Receivables							28,285.58

Trade receivables ageing schedule for the year ended as on March 31, 2021

Particulars	Outstanding for following period from due date of payment						Total (Mar'22)
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	15,650.28	4,781.12	520.22	317.73	127.49	10.14	21,406.98
Less: Loss allowance							(216.53)
Total Trade Receivables							21,190.45

Note 7.a : Cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Balance with Bank	857.22	372.54
Current accounts and debit balance in cash credit accounts	857.22	372.54
Cash on hand	1.04	1.12
Total	858.26	373.66

Note 7.b : Other bank balances

Unpaid dividend accounts	-	-
Deposits with banks original maturity of more than three months but less than 12 months	2,083.40	2,021.63
Total	2,083.40	2,021.63

1. Refer Note 31.4.12 for further details on cash and cash equivalent
2. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 8 : Other financial assets (Current)

Security deposits	32.10	40.74
Discount Receivable	336.58	198.73
Others	67.38	84.62
Total	436.05	324.09

1. Others includes interest receivable on fixed deposit and employee advances

Note 9 : Other current assets

Advance to suppliers	697.78	1,239.84
Balance with Government authorities	2,268.23	988.72
Prepaid expenses	35.19	25.47
Others	129.81	235.39
Total	3,131.00	2,489.41

Note 10 : Share capital

Particulars	No. of shares	₹ in Lakhs
Authorised equity share capital (Shares of Rs.10 each)		
As at 01 April 2020	18,000,000	1,800.00
Increase/(decrease) during the year	-	-
As at 31 March 2021	18,000,000	1,800.00
Increase/(decrease) during the year	-	-
As at 31 March 2022	18,000,000	1,800.00
Authorised 16% Cumulative Redeemable Preference Shares (Shares of Rs.100 each)		
At 1 April 2020	300,000	300.00
Increase/(decrease) during the year	-	-
At 31 March 2021	300,000	300.00
Increase/(decrease) during the year	-	-
At 31 March 2022	300,000	300.00

Issued, subscribed and fully paid up equity share capital (Shares of Rs.10 each)		
As at 01 April 2020	12,110,461	1,211.05
Increase/(decrease) during the year	-	-
As at 31 March 2021	12,110,461	1,211.05
Increase/(decrease) during the year	-	-
As at 31 March 2022	12,110,461	1,211.05
Total	12,110,461	1,211.05

Terms / Rights attached to the equity shares

1. The company is authorised to issue Equity and 16% Cumulative Redeemable Preference shares. However the Company has only one class of equity shares having a par value of ₹ 10/- each. Each equity shareholder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.
2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
3. 9,082,214 (31 March 2022: 9,082,214) equity shares are held by the holding company, Kingfa Sci. & Tech. Co. Ltd., China in the paid-up share capital of the company.
4. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Particulars	Kingfa Sci. & Tech. Co. Ltd. China	Hongkong Victory Investment Co., Ltd, Hongkong
As at 01 April 2021		
No. of Shares	9,082,214	765,100
% of Shareholding	74.99%	6.32%
As at 31 March 2022		
No. of Shares	9,082,214	765,100
% of Shareholding	74.99%	6.32%

5. Details of share holding of promoters

Name of the promoter	No. of shares	Percentage of total no. of shares	Percentage change during the year
Kingfa Sci. & Tech. Co. Ltd. China			
As at 31 March 2022	9,082,214	74.99%	0.00%
As at 31 March 2021	9,082,214	74.99%	0.00%

Note 11 : Other Equity

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
CAPITAL RESERVE		
Opening Balance	67.18	67.18
Add : Transferred during the year	-	-
Closing Balance	67.18	67.18
CAPITAL REDEMPTION RESERVE		
Opening Balance	87.09	87.09
Add : Transferred during the year	-	-
Closing Balance	87.09	87.09
SECURITIES PREMIUM RESERVE		
Opening Balance	24,878.38	24,878.38
Add : Premium received on Rights Issue	-	-
Less : Rights Issue Expenses	-	-
Closing Balance	24,878.38	24,878.38
GENERAL RESERVE		
Opening Balance	1,122.76	1,122.76
Add : Transferred from Retained earnings	-	-
Closing Balance	1,122.76	1,122.76
RETAINED EARNINGS		
Opening Balance	8,031.07	7,492.49
Retained Earning (IND-AS)	(0.00)	0.00
Add : Profit/(loss) for the year	3,063.34	532.18
Add : Other Comprehensive income / (Loss)	(2.13)	6.40
Closing Balance	11,092.28	8,031.07
Total	37,247.68	34,186.47

1. The Capital Reserve includes subsidies received from Maharashtra and Tamil Nadu Government.
2. The Capital Redemption Reserve was created for the purpose of redemption of preference shares and can be utilised to issue fully paid bonus share to the members of the Company.
3. Securities premium was received against right issue of equity shares in prior years.
4. Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

Note 12 : Borrowings (Non Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured loans	1,687.50	2,437.50
From bank	1,687.50	2,437.50
Total	1,687.50	2,437.50

- The company has taken Long Term Borrowings of Rs.3000 Lakhs on 3rd April 2020 at interest rate of 8.5% (6 months MCLR + 40 bps) with half yearly MCLR reset. The tenure of the loans is 60 months. The loan will be repaid in 16 quarterly instalments starting from 03rd July 2021. Out of the above, ₹ 2,437.50 is outstanding at the end of period. ₹ 750.00L disclosed as Current borrowings due in FY-2022-23 and ₹ 1,687.50L as non-current borrowings. "
- For explanations on the company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 31.5.9

Note 13.a : Other financial liabilities (Non current)

Earnest Money Deposits	4.50	4.50
Total	4.50	4.50

- For explanations on the company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 31.5.9

Note 13.b : Lease Liabilities

Lease liability	415.09	390.50
Total	415.09	390.50

Note 14: Deferred tax liability (Net)

Deferred Tax Assets	110.77	78.47
Others : Employee benefits expenses, provision for doubtful debts, etc.	110.77	78.47
Deferred Tax Liability	342.46	388.81
Depreciation	342.46	388.81
Total	231.69	310.34

1. Reconciliation of deferred tax (assets) / liabilities, net

Opening balance as of 1 April	310.36	118.09
Tax income/(expense) during the year recognised in profit or loss	77.94	(190.11)
Tax income/(expense) during the year recognised in OCI	0.71	(2.16)
Closing balance as at 31 March	231.71	310.36

- The Company does not have any unused Tax Losses on which the deferred tax asset is required to be calculated.
- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- Deferred tax is measured on temporary differences at the rate of 25.17%.

Note 15 : Government Grant		₹ in Lakhs	
Particulars	As at 31 March 2022	As at 31 March 2021	
Government grant	113.09	114.35	
Total	113.09	114.35	

1. In accordance with the "Package Scheme of Incentive-2013" (PSI-2013), the Company has planned / initiated the setup of plant at Chakan, Pune (Maharashtra) as a eligible industrial unit. In accordance with the said Scheme, the Company is required to fulfill certain conditions including investment over a period of time. Under the said scheme, the Company has availed the exemption of Stamp duty on purchase of Lease Hold land at Chakan.

2. Government grant

As at 1 April	114.35	115.61
Availed during the year	-	-
Released to statement of profit and loss	1.26	1.26
As at 31 March	113.09	114.35

Note 16 : Borrowings (Current)

Secured loans from bank	-	776.26
Cash Credit	-	776.26
Unsecured loans	2,408.08	3,466.20
From Bank	1,500.00	1,000.00
Current maturities of long term debt		
- Related Party under ECB Scheme	142.65	1,903.70
- Bank	765.43	562.50
Total	2,408.08	4,242.46

1. The company has fund and non fund based working capital facilities of ₹ 11,200 Lakhs from HSBC Bank Limited and ₹1,500 Lakhs working capital facilities from ICICI Bank Limited. The facilities from HSBC Bank Limited are secured by corporate guarantee by Kingfa Sci. & Tech. Company Limited (the holding company).

2. Short term loan of ₹ 1,500 Lakhs taken from HSBC bank for 90 Days tenor starts from 23th March 2022, at 7.25% (3 months MCLR + 0.3%).

3. Interest accrued on long term debts of ₹ 158.07 Lakhs as on March 31, 2022 (₹ 142.65 Lakh as on March 31, 2021) is included in Current maturities of long term debt above.

4. For explanations on the company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 31.5.9

Note 17 : Trade and other payables

Current

Trade payables: micro and small enterprises	702.84	-
Trade payables: others	15,014.54	10,104.05
Trade payables to related parties	26,978.78	11,656.23
Total	42,696.16	21,760.28

1. There are no disputed trade payables as on 31 March 2022 and 31 March 2021.

2. For explanations on Company's Foreign currency risk and liquidity risk management processes, refer to Note 31.5.9

3. For related parties, refer to Note 31.5.6

Disclosure Under Section 22 Of The Micro, Small And Medium Enterprises Development Act 2006:

As at 31 March 2022

Particulars	Amount
A. Amounts payable to supplier under MSME Development Act, 2006 (Suppliers) as at year end	
- Principal	686.99
- Interest due thereon	1.00
b. Payments made to supplier beyond the appointed day during the year	-
- Principal	3,928.80
- Interest paid thereon	-
c. Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	14.85
d. Amount of interest accrued and remaining unpaid as at year end	15.85
4. In the absence of information from the suppliers with regard to their registration with the specified authority, despite the company calling for such information through a circular letter, the additional disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not furnished for the year ended 31 March 2021.	

Aging of trade payables:

31 March 2022

	Outstanding for following periods from the due date						
	Unbilled	Not due	Less than 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed trade payables							
- Micro enterprises and small enterprises	-	445.66	252.52	4.66	-	-	702.84
- others	873.41	12,183.47	20,090.81	3,873.92	3,486.27	1,485.44	41,993.32
Total	873.40	12,629.12	20,343.33	3,878.58	3,486.27	1,485.44	42,696.16

Aging of trade payables:

31 March 2021

	Outstanding for following periods from the due date						
	Unbilled	Not due	Less than 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed trade payables							
- Micro enterprises and small enterprises		-	-	-	-	-	-
- others	802.56	6,165.86	8,026.20	3,923.45	1,407.40	1,434.81	21,760.28
Total	802.56	6,165.85	8,026.19	3,923.45	1,407.40	1,434.81	21,760.28

Note 18.1 : Other financial liabilities (Current)		₹ in Lakhs	
Particulars	As at 31 March 2022	As at 31 March 2021	
Employee benefits payable	62.66	49.77	
Capital Payables	1,119.42	1,699.31	
Retention Money	212.61	480.99	
Total	1,394.69	2,230.07	

1. For explanations on Company's Foreign currency risk and liquidity risk management processes, refer to Note 31.5.9

Note 18.2 : Lease liabilities		
Lease liability	95.16	70.62
Total	95.16	70.62

The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 is as follows:

Balance at the beginning	461.12	97.88
Additions	134.70	469.32
Finance cost during the period	43.44	14.73
Payment of lease liabilities	(129.01)	(120.81)
Balance at the end	510.25	461.12
Current	95.16	70.62
Non Current	415.09	390.50
	510.25	461.12

Note 19 : Other Current liabilities		
Other payables	81.46	87.28
Statutory dues including provident fund and tax deducted at source	64.85	60.83
Advance from Customer	16.61	26.45
Total	81.46	87.28

Note 20 : Short-term provisions		
Provision for employee benefits		
Provision for gratuity	20.46	9.66
Provision for leave encashment	61.49	48.54
Total	81.95	58.20

1. Employee benefits obligations

a. Gratuity

The Company provides gratuity for employees as per the Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity is payable on retirement or termination whichever is earlier. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is a funded plan. Refer Note 31.5.5

b. Compensated absences

The leave obligation cover the Company's liability for earned leaves which is expected to be paid-off in next 12 months. Refer Note 31.5.5

Note 21 : Revenue from operations		₹ in Lakhs
Particulars	2021-22	2020-21
Revenue from contracts with customers		
Sale of products	104,771.30	62,723.54
Total	104,771.30	62,723.54
Note 22 : Other Income		
Interest	81.39	109.23
On Bank Deposits	65.93	75.80
On others	15.46	33.43
Gain on disposal of property, plant and equipment		0.08 -
Gain on Exchange difference	-	341.35
Provision no longer required written back	-	97.15
Miscellaneous income	26.92	45.21
Total	108.39	592.94
Note 23 : Cost of raw materials and components consumed		
Raw materials and components consumed	90,216.92	51,235.94
Total	90,216.92	51,235.94
Raw material at the beginning of the year	7,513.26	5,665.05
Add: Purchases	95,425.71	53,442.70
Less: Raw material at the end of the year	12,722.05	7,871.81
Total	90,216.92	51,235.94
Note 24 : Purchases of Traded goods		
Polymers	3,043.63	2,096.74
Total	3,043.63	2,096.74
Note 25 : Changes in inventories of finished goods, work-in-progress and traded goods		
Opening inventory	6,278.93	5,288.09
Work-in-process	113.55	137.80
Finished goods	5,294.93	4,669.58
Traded goods	870.45	480.71
Closing Inventory	13,271.04	6,278.93
Work-in-process	20.59	113.55
Finished goods	11,214.49	5,294.93
Traded goods	2,035.96	870.45
(Increase)/decrease in inventory	(6,992.11)	(990.84)
Total	(6,992.11)	(990.84)

Note 26 : Employee benefits expense		₹ in Lakhs
Particulars	2021-22	2020-21
Salaries, wages, bonus, etc.	1,783.38	1,433.19
Contribution to provident and other funds	126.63	104.67
Welfare and training expenses	75.21	124.54
Total	1,985.22	1,662.40
Note 27 : Finance costs		
Interest on ECB Loan	16.48	67.81
Interest on Working Capital and Cash credit	191.20	98.28
Interest on Term Loan	43.11	-
Interest on Lease Liability	43.44	14.73
Interest expense - others	101.03	75.24
Other bank charges	133.56	74.91
Total	528.82	330.97
Note 28 : Depreciation and amortization expense		
Depreciation and amortization expense	1,296.50	1,079.17
Depreciation on Tangible assets	1,131.26	946.02
Amortization on Intangible assets	1.08	2.58
Amortization of right to use land	45.13	45.13
Amortization of right to use building	119.03	85.44
Total	1,296.50	1,079.17
Note 29 : Other expenses		
Manufacturing expenses	3,061.29	2,478.87
Stores and spares material consumed	93.27	154.17
Power and fuel	1,939.12	1,588.98
Repairs to machinery	141.00	64.99
Wages	887.90	670.73
Selling expenses	2,450.41	2,196.48
Freight and forwarding	2,179.26	1,870.54
Advertisement and publicity	128.59	72.88
Provision for doubtful debts (net)	73.71	(454.11)
Bad debts written off	68.85	707.17
Administration expenses	2,829.67	2,041.68
Rent	84.01	101.88
Rates and taxes	303.70	369.40
Insurance	69.02	45.37
Repairs to building	1.71	17.20
Other repairs and maintenance	88.98	116.40
Travelling and conveyance	544.56	355.99
Communication expenses	120.23	126.29

Printing and stationery	71.79	34.42
Professional charges	128.85	172.27
Auditor's remuneration	19.71	21.10
Donations	-	5.00
Spend on CSR activities	53.52	70.96
Directors' Sitting Fees	19.70	15.00
Loss on Exchange difference	765.53	-
Loss on assets sold, demolished, discarded and scrapped	-	0.38
Provision for Impairment Loss (Refer note 1)	41.85	-
Provision for Bad and Doubtful advances	-	4.84
Miscellaneous expenses	516.51	585.18
Total	8,341.37	6,717.03
For auditor's remuneration refer note 31.5.4		
For CSR activity expenditure refer note 31.5.12		
Note 30 : Income Tax		
Current tax	1,149.00	462.78
Current income tax	1,149.00	462.78
Deferred tax	(77.94)	190.11
Relating to origination and reversal or temporary difference	(77.94)	190.11
Income tax expense reported in the statement of profit and loss	1,071.06	652.89
Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the year	0.71	(2.16)
Re-measurement gains/(losses) on defined benefit plans	0.71	(2.16)
Deferred tax charged to OCI	0.71	(2.16)
Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate as notified under Income Tax Act, 1961 enacted in India for the years ended 31 March 2022 and 31 March 2021.		
Current tax		
Accounting profit before income tax expense	4,134.40	1,185.07
Tax @ 25.17% (31 March 2021 : 25.17%)	1,040.63	298.28
Tax effect of adjustments in calculating taxable income:	30.43	112.50
Corporate Social Responsibility expenses/Donations (net)	13.47	19.12
Other Disallowances / (allowances)	16.96	93.38
Subtotal	1,071.06	410.78
Income tax for the previous year	-	242.11
Income Tax for the period	1,071.06	652.89

NOTE 31: NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022**1. Corporate Information**

The Company is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act 1956. The registered office of the Company is located at Dhun Building, III Floor, 827, Anna Salai, Chennai – 600002.

The equity shares of the Company are listed on two recognized stock exchanges in India i.e. Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Company is a subsidiary company of M/s Kingfa Science & Technology Co. Ltd China.

The Company is engaged in the business of manufacturing and supply of high-quality reinforced polypropylene compounds, thermoplastics elastomers, fiber re-enforced composites and personal protective equipment (PPE) like mask and gloves.

The financial statements were approved by the Board of Directors and authorized for issue on 25May 2022.

2. Basis of preparation of Financial Statements**(i) Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as issued under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the said Act.

The financial statements have been prepared on a historical cost basis, except for defined benefits plans- plan assets measured at fair value.

(ii) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

(iii) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to above, the company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the “Current borrowings” line item. Previously, current maturities of long-term borrowings and interest accrued were included in ‘other financial liabilities’ line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in ‘other financial assets’ line item. The company has already recorded this change in the previous financial year.

The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	31 March 2021 (as previously reported)	Increase/ (Decrease)	Others (Refer note 34)	31 March 2021 (restated)
Other financial liabilities (current)	4,684.53	(2,466.20)	11.75	2,230.08
Current borrowings	1,776.26	2,466.20	-	4,242.46

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. This note provides an overview of the areas that involve a higher degree of judgments or complexities and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these judgments, estimates and assumptions is mentioned below.

Judgments, estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

(a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

1. Legal Contingencies

The Company has received various orders and notices from tax authorities in respect of direct and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

2. Segment Reporting

IND-AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD), based on its internal reporting structure and functions of the BoD. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

3. Leases

The company has applied provisions of IND AS 116 effective from 1st April 2019. The said standard provides for certain recognition exemptions for short term leases as well as provides for certain criteria when the lease contracts are non-enforceable. The determination of lease term for the purpose of availing such exemptions and evaluation of such criteria for non-enforceability of a contract involve significant judgment.

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and benefit increases are based on expected future inflation rates. Further details about employee benefit obligations are given in Note 31.4.16.

2. Impairment of Financial Assets

The impairment provisions for financial assets disclosed under note 31.4.8.a(v) are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Deferred Tax

Recognition of deferred tax assets and liabilities Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

4. Significant Accounting Policies

4.1. Current Vs Non-Current Classification

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

An asset is current when it is :

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

A liability is current when it is:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

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

4.2. Fair value measurement

The Company measures financial instruments such as Investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuation experts are involved for valuation of significant assets and liabilities. Involvement of external valuation experts is decided upon annually by the management.

4.3. Property, Plant and Equipment

- a. The Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the Indian GAAP as at 31 March 2016 and use those values as deemed cost as at the date of transition to IndAS i.e. 1 April 2016.

Property, plant and equipment; and construction in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is

performed, its cost is recognized in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

- b. Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.
- c. Own manufactured assets are capitalized at cost including an appropriate share of allocable expenses.

Depreciation and Amortization

Depreciation is charged on the basis of useful life of assets on Straight Line method for Lease hold land, Buildings, Plant & Equipment and Right to use asset and written down value method for other assets.

Depreciation is charged on the basis of useful life as per following:

Asset Category	Life in Years	Basis for useful life
Leasehold Land		Amortized over lease period
Plant & Equipment	15	Useful life based on Number of Shifts as prescribed under Schedule-II of Companies Act, 2013
Buildings	30	Life as prescribed under Schedule-II of Companies Act, 2013
Computers		Life as prescribed under Schedule-II of Companies Act, 2013
Network	6	
End user devices, such as, desktops, laptops, etc.	3 to 6	
Servers	6	
Electrical Installations	10	Life as prescribed under Schedule-II of Companies Act, 2013
Furniture & Fixture Furniture, Fixtures and Electrical Fittings	10	Life as prescribed under Schedule-II of Companies Act, 2013
Office Equipment	5	Life as prescribed under Schedule-II of Companies Act, 2013
Vehicles	6	Life as prescribed under Schedule-II of Companies Act, 2013

- Depreciation on additions is provided from the date when asset is put to use.
- Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata basis up to the date on which such assets are sold, discarded or demolished.
- Foreign exchange fluctuation gain/ loss on imported plant and equipment were charged to Profit & Loss statement up to transition date of Ind AS.

The Company, based on technical assessments made by technical experts and management estimates, depreciates certain items of asset over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.4. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

An investment property is derecognized on disposal or on permanent withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories are at carrying amount of the property transferred.

4.5. Intangible Assets

The Company has elected to continue with carrying value for all of the intangible assets and use those values as deemed cost as at the date of transition to Ind-AS i.e. 1 April, 2016

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized developments costs, are not capitalized and the related expenditure is reflected in the statement of profit and loss for the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortization period and amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite useful lives are amortized by using Written down value over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization of Intangible assets is included in the depreciation and amortization in the statement of Profit and Loss.

Sr. No.	Asset category	Life in years	
1	Computer Software		3-6

Intangible assets with indefinite useful lives, if any are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets are recorded at the consideration paid for acquisition. In case of internally generated intangible assets, expenditure incurred in development phase, where it is reasonably certain that the outcome of development will be commercially exploited to yield future economic benefits to the Company, is considered as an intangible asset. Such developmental expenditure is capitalized at cost including a share of allocable expenses.

4.6. Borrowing Cost

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which these are incurred.

4.7. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication due to internal or external factors that an asset or a group of assets comprising a Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount (economic value in use) of the CGU to which the asset belongs is less than the carrying amount of the assets or the CGU as the case may be, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

4.8. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

(i) Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

(ii) Subsequent measurement of financial assets

For the purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at amortized cost :

A financial asset is measured at amortized cost if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset if applicable. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

- Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets, until they are derecognized or reclassified, are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income except for interest income, impairment gains or losses and foreign exchange gains and losses which are recognized in the statement of profit and loss.

- Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

After initial measurement, such financial assets are subsequently measured at fair value with unrealized gains or losses recognized in the statement of profit and loss.

(iii) Derecognition of financial assets

A financial asset is derecognized when:

- the contractual rights to the cash flows from the financial asset expire,
- or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of Profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

(v) Impairment of financial assets

In accordance with IndAS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments and are measured at amortized cost.
- Financial assets that are debt instruments and are measured as at FVOCI
- Lease receivables
- Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables, if they do not contain a significant financing component
- Trade receivables or contract assets that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- All lease receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not derecognize impairment allowance from the gross carrying amount.
- Loan commitments: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

(ii) Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, financial liabilities are classified and measured as follows:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also

includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IndAS 109.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IndAS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings at amortized Cost**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

4.9. Foreign Currency Transactions

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

a. **Initial Recognition**

Foreign currency transactions are recorded in Indian currency, by applying the exchange rate between the Indian currency and the foreign currency at the date of the transaction.

b. **Conversion**

Current assets and current liabilities, Secured Loans, being monetary items, designated in foreign currencies are revalored at the rate prevailing on the date of Balance Sheet or forward contract rate or other appropriate rate.

c. **Exchange Differences**

Exchange differences arising on the settlement and conversion of foreign currency transactions are recognized as income or as expenses in the year in which they arise.

4.10. Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period in exchange for consideration.

a. Company as a lessee

A lessee is required to recognize assets and liabilities for all leases and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effect on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, not to recognize a right-of-use asset and a lease liability. The Company applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

Right to use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

b- Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalized within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognized in the Statement of profit and Loss on a straight-line basis over the term of the lease.

4.11. Inventories

- a. Raw materials, components, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes all cost of purchase and incidental expenses incurred in bringing the inventories to their present location and condition. Cost is ascertained using weighted average cost method.
- b. Work-in-process including finished components and finished goods are valued at cost or realizable value whichever is lower. Cost includes direct materials, labor costs and a proportion of manufacturing overheads based on the normal operating capacity.
- c. Materials-in-transit and materials in bonded warehouse are valued at actual cost incurred up to the date of balance sheet.

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

4.12. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

4.13. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of

collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

4.14. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or in equity, respectively, and not in the statement of Profit and Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss;

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Goods & Service Tax (GST)

Expenses and assets are recognized net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the GST is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

4.15. Non-Current Assets held for sale and Discontinuing operations

A. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate use in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

B. Discontinuing operations

Discontinuing operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss account.

Assets and liabilities classified as held for distribution are presented separately from others assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- a) Represents a separate major line of business or geographical area of operations,
 - b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- c) Is a subsidiary acquired exclusively with a view to resale

An entity does not depreciate (or amortize) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

4.16. Employee Benefits

a) Short Term Employee Benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company makes payment to state government provident fund scheme and employee state insurance scheme which are defined contribution plans. The contribution paid/payable under the schemes is recognized in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

(ii) Defined benefit plan

The employee's gratuity fund scheme is Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts

included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

The Employee Group Gratuity Fund and the Employee Superannuation Fund respectively have been constituted through Kingfa Science and Technology (India) Limited Employees Group Gratuity Trust and Kingfa Science and Technology (India) Limited Employee Superannuation Trust in which Company Secretary is a Trustee.

(iii) Other long term employment benefits:

The employee's long term compensated absences are Company's other long term benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognize the obligation on a net basis.

In regard to other long term employment benefits, the Company recognizes the net total of service costs; net interest on the net defined benefit liability (asset); and re-measurements of the net defined benefit liability (asset) in the statement of profit and loss.

(iv) The company does not offer any Termination benefits to its employees.

4.17. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.18. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

4.19. Provisions and Contingencies

Necessary provisions are made for the present obligations that arise out of past events entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

However a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.20. Revenue Recognition

- a. The Company manufactures and sells thermoplastic compounds. Sales are recognized when control of the products has been transferred, when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Sales are stated net of discounts, rebates and returns. It also excludes Goods and Service Tax.

- b. Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.
- c. Interest income from - debt instruments is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.21. Government Grant

Grants and subsidies from the government are recognized if the following conditions are satisfied,

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

However, company has opted for recording non monetary government grants at nominal value as per the Companies (India Accounting Standards) second amendment rule 2018 notified as on 20th September 2018

4.22. Cash dividend

The Company recognizes a liability to make cash distributions to the equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the provisions of Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions, if any, are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the statement of profit and loss.

4.23. Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

4.24. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

4.25. Segment Reporting

The business of the Company falls under a single primary segment i.e. "Reinforced Polypropylene" for the purpose of Ind AS 108.

4.26. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

5. Additional Notes to the Financial Statements**5.1. Contingent Liabilities**

	As at 31 Mar 2022	As at 31 Mar 2021
		(₹ in Lakhs)
Claims not acknowledged as debts -		
a. Disputed Sales Tax Demands	2,538.02	752.57
b. Disputed Income Tax Demands	55.99	55.84

5.2. Other Commitments

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
(i) Export obligation for capital goods imported against EPCG license (Refer note below)	891.65	3,634.13
(ii) Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	178.02	894.01
(iii) Aggregate amount of Letters of Credit outstanding	3,723.03	4,126.55

Note: The Company has completed export obligations of ₹ 2,923.73 lakhs as at March 31, 2022 against some EPCG licenses which are pending final redemption with the DGFT. These have not been shown as other commitments as on March 31, 2022.

5.3. Additional regulatory information required by Schedule III**i) Details of benami property:**

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Relationship with struck off companies:

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iii) Borrowings obtained on the basis of security of current assets:

The Company has not obtained any borrowings from banks and financial institutions on the basis of security of current assets.

iv) Revaluation of property, plant and equipment and intangible assets:

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

v) Title deeds of immovable properties:

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in note 1 to the financial statements, are held in the name of the company.

vi) Utilization of borrowed funds and share premium:

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

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

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

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

vii) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

viii) Details of crypto currencies:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

ix) Wilful defaulters:

The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

x) Registration of charges or satisfaction with Registrar of Companies:

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

xi) Compliance with approved scheme(s) of Arrangements:

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

xii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

5.4. Payment to Auditors

		(₹ in Lakhs)	
Sr. No.	Particulars	2021-22	2020-21
	a. As Auditors		
	Audit & Assurance Fees	6.50	6.50
	GST Audit Fees	9.00	11.75
	b. Limited Review	1.50	1.50
	c. Reimbursement of expenses	1.41	0.05
	d. Certification & others (Group Reporting)	1.30	1.30
	TOTAL	19.71	21.10

5.5: Employee benefit obligations

(A) Defined Contribution Plans

The Company has recognised following amounts in the Statement of Profit and Loss

		(₹ in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Contribution to Employees' Superannuation Fund	1.11	1.54	
Contribution to Employees' State Insurance	3.76	4.49	
Contribution to Provident Fund	89.91	74.47	
Total	94.78	80.50	

(B) Defined benefit plans:

(i) - The Company has below post employment benefit which is in the nature of defined benefit plan:

- Gratuity

		March 31, 2022 : Changes in defined benefit obligation and plan assets						Remeasurement gains/(losses) in other comprehensive income				₹ in Rs lakhs
		cost charged to statement of profit and loss										
	01-Apr-21	Service cost	Net interest expense/(income)	Sub-total included in statement of profit and loss (Note 26)	Benefit Paid	Return on plan assets, excluding amount recognized in Interest Income - Gain / Income	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions employer	31-Mar-22
Gratuity												
Defined benefit obligation	(165.70)	(32.04)	(10.25)	(42.28)	6.14	-	-	4.27	(7.56)	(3.29)	-	(205.13)
Fair value of plan assets	156.04	-	10.43	10.43	(6.14)	-	-	-0.33	0.78	0.45	23.89	184.67
Benefit liability	(9.66)	(32.04)	0.18	(31.85)	-	-	-	3.94	(6.78)	(2.84)	23.89	(20.46)
March 31, 2021 : Changes in defined benefit obligation and plan assets												
		cost charged to statement of profit and loss						Remeasurement gains/(losses) in other comprehensive income				₹ in Rs lakhs
	01-Apr-20	Service cost	Net interest expense/(income)	Sub-total included in statement of profit and loss (Note 26)	Benefit Paid	Return on plan assets, excluding amount recognized in Interest Income - Gain / Income	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions employer	31-March-22
Gratuity												
Defined benefit obligation	(171.29)	(27.28)	(10.15)	(37.43)	30.23	-	-	(1.84)	14.62	12.78	-	(165.70)
Fair value of plan assets	165.49	-	10.29	10.29	(30.23)	(4.22)	(1.08)	-	-	(5.29)	15.79	156.04
Benefit liability	(5.79)	(27.28)	0.14	(27.14)	-	(4.22)	(1.08)	(1.84)	14.62	7.49	15.79	(9.66)

(ii) The major categories of plan assets of the fair value of the total plan assets is as follows:

Particulars	₹ in Rs lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Special Deposit Scheme	-	-
(%) of total plan assets	-	-
Insured managed funds	184.67	156.04
(%) of total plan assets	100%	100%
Others	-	-
(%) of total plan assets	-	-

(iii) The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below :

Discount rate	6.70%	6.30%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.30%	6.50%
Expected average remaining working lives (in years)	6.19	6.22
Withdrawal rate (based on grade and age of employees)	15.00%	15.00%

(iv) A quantitative sensitivity analysis for significant assumption is as shown below :

Particulars	Sensitivity level	₹ in lakhs	
		Year ended March 31, 2022 Rs.	Year ended March 31, 2021 Rs.
(increase) / decrease in defined benefit obligation (Impact)			
Discount rate	0.5% increase	5.10	4.52
	0.5% decrease	-5.37	-4.76
Future salary increase	0.5% increase	-4.37	-3.89
	0.5% decrease	4.19	3.73
Attrition rate	0.5% increase	0.33	0.38
	0.5% decrease	-0.34	-0.40

(v) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan ₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Within the next 12 months (next annual reporting period)	36.75	22.42
Between 2 and 5 years	124.53	102.17
Beyond 5 years	175.66	152.97
Total expected payments	336.94	277.56

(vi) The weighted average duration of defined plan obligation (based on discounted cash flows) is 8.23 years & 8.63 years for 31 March, 2022 & 31 March, 2021 respectively

(vii) The expected contributions to planned assets for the next year is Rs.30 lakhs & Rs.16 Lakhs for 31 March, 2022 & 31 March, 2021 respectively

5.6. Related parties have been identified as defined under Clause 9 of Accounting Standard (Ind AS 24) “Related Party Disclosures”

(A) Description of Related Parties

i) Name of the related party and nature of relationship where control exists:

Sr. No.	Related Party Category	Company
1	Holding Company	Kingfa Science & Technology Co. Ltd
2	Fellow Subsidiaries	Shanghai Kingfa Science and Technology Co Ltd
		Jaingsu Kingfa Science & Technology Advance Material Co Ltd
		Hong Kong Kingfa Development Co Ltd
		Tianjin Kingfa Advanced Materials Co Ltd
		Kingfa Science & Technology (Europe) Gmbh
		Kingfa Science & Technology Inc, (USA)
		Zhuhai Wantong Special Engineering Plastics Co., Ltd.
		Kingfa Science & Technology (Thailand) Co. Ltd.
		Kingfa Science & Technology (Malaysia) Sdn. Bhd.
		Chengdu Kingfa Technology New Material Co., Ltd. (formerly known as Chengdu Kingfa Technology Co., Ltd.)
		Guangdong Kingfa Technology Co., Ltd.
		Kingfa Supply Chain Management Co. Ltd

ii) Key Management Personnel

Sr. No.	Name
A	Mr. Bo Jingen, Managing Director
B	Mr. Wu Xiaohui, Whole-time Director
C	Mr. Balaji D, Whole-time Director
D	Mr. XieDongming, Chief Financial Officer
E	Mr. Nirnoy Sur, Company Secretary

(B) Transactions with Related Parties

Sr. No.	Nature of the transaction / relationship / major parties	2021-22		2020-21	
		Amount	Amount	Amount	Amount
1	Gross Sales				
	Holding Company	122.27		698.05	
	Kingfa Science & Technology Co. Ltd		122.27		698.05
	Fellow Subsidiaries	1,227.40		524.69	
	Shanghai Kingfa Science and Technology Co Ltd		52.28		53.48
	Jiangsu Kingfa Technology Co., Ltd.		0.00		3.15
	Kingfa Science & Technology Inc, (USA)		112.02		215.28
	Kingfa Science & Technology (Malaysia) Sdn. Bhd.		0.00		29.97
	Kingfa Science & Technology (Thailand) Co. Ltd.		998.36		222.81
	Kingfa Science & Technology (Europe) Gmbh		64.74		0.00
	Total	1,349.67	1,349.67	1,222.74	1,222.74

2 Material Purchases Net of Discount

	Holding Company	7,813.74		2,303.83	
	Kingfa Science & Technology Co. Ltd		7,813.74		2,303.83
	Fellow Subsidiaries	11,427.02		1,777.68	
	Shanghai Kingfa Science and Technology Co Ltd		834.22		45.24
	Jaingsu Kingfa Science & Tech Advance Material Co Ltd		3,361.98		1,158.56
	Chengdu Kingfa Technology New Material Co., Ltd..		0.00		10.67
	Kingfa Science & Technology (Malaysia) Sdn. Bhd.		378.68		0.00
	Zhuhai Wantong Special Engineering Plastics Co., Ltd.		51.92		0.00
	Kingfa Science & Technology (Europe) Gmbh		0.00		58.52
	Guangdong Kingfa Technology Co., Ltd.		6,166.10		504.69
	Kingfa Supply Chain Management Co. Ltd		634.12		0.00
	Total	19,240.76	19,240.76	4,081.51	4,081.51
3	Capital Purchases Net of Discount				
	Holding Company	420.58		955.41	
	Kingfa Science & Technology Co. Ltd		420.58		955.41
	Fellow Subsidiaries		0.00		708.81
	Guangdong Kingfa Technology Co., Ltd.		0.00		708.81
	Total	420.58	420.58	1,664.22	1,664.22
4	Interest on ECB				
	Holding Company	16.48		67.81	
	Kingfa Science & Technology Co. Ltd		16.48		67.81
5	Rendering of Services from				
	Key Management Personnel	151.20		219.91	
	Mr. Bo Jingen		30.41		82.04
	Mr. Wu Xiaohui		10.29		20.00
	Mr. XieDongming		19.05		25.58
	Mr. Nirnoy Sur		25.60		21.07
	Mr. Balaji D		65.85		71.22

		As at 31 March 2022		As at 31 March 2021	
	Outstanding				
1	Trade Payable				
	Holding Company	14,204.01			8,514.27
	Kingfa Science & Technology Co. Ltd		14,204.01		8,514.27
	Fellow Subsidiaries		12,774.77		3,141.95
	Shanghai Kingfa Science and Technology Co Ltd		839.17		79.37
	Jaingsu Kingfa Science & Tech Advance Material Co Ltd		4,390.93		1,777.71
	Hong Kong Kingfa Development Co Ltd		1.08		1.05
	Kingfa Science & Technology (Europe) Gmbh		59.11		57.31
	Zhuhai Wantong Special Engineering Plastics Co., Ltd.		57.27		5.05
	Chengdu Kingfa Technology New Material Co., Ltd.		11.04		10.71
	Guangdong Kingfa Technology Co., Ltd.		6,799.46		1,210.75
	Kingfa Supply Chain Management Co. Ltd		232.06		0.00
	Kingfa Science & Technology (Malaysia) Sdn. Bhd.		384.65		0.00
	Total	26,978.78	26,978.78	11,656.22	11,656.22
2	Capital Payable				
	Holding Company	1,007.82		957.24	
	Kingfa Science & Technology Co. Ltd		1,007.82		957.24
	Total	1,007.82	1,007.82	957.24	957.24
3	Trade Receivable				
	Holding Company	209.99		239.61	
	Kingfa Science & Technology Co. Ltd		209.99		239.61
	Fellow Subsidiaries	1,212.07		294.71	
	Shanghai Kingfa Science and Technology Co Ltd		7.88		17.00
	Kingfa Science & Technology Inc, (USA)		190.75		159.82
	Jiangsu Kingfa Technology New Material Co., Ltd.		3.12		3.02
	Kingfa Science & Technology (Thailand) Co. Ltd.		1,010.32		114.87
	Total	1,422.06	1,422.06	534.32	534.32
4	Loan outstanding				
	Holding Company	0.00		1,757.51	
	Kingfa Science & Technology Co. Ltd		0.00		1,757.51
	Total	0.00	0.00	1,717.51	1,717.51
5	Interest Payable				
	Holding Company	142.65		125.67	
	Kingfa Science & Technology Co. Ltd		142.65		125.67
	Total	142.65	142.65	125.67	125.67

Terms and conditions of transactions with related parties

Transactions entered into with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2022, the Company has not recorded any write off of receivables relating to amounts owed by related parties (31 March 2021: `Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

The above figures do not include provision for leave encashment and gratuity, as actuarial valuation of such provision for the Key Management Personnel is included in the total provision for Leave encashment & gratuity.

5.7. Earnings Per Share (Basic and Diluted)

Particulars	2021-22	2020-21
Profit for the year after taxation (₹ in Lakhs)	3,063.34	532.18
Total number of equity shares at the end of the year	121.11	121.11
Weighted average number of equity shares for the purpose of computing Earnings Per Share	121.11	121.11
Basic and Diluted Earnings Per Share (in ₹)	25.29	4.39

Earnings per share are calculated in accordance with Accounting Standard (IndAS 33) "Earnings Per Share".

5.8. Fair value disclosures for financial assets and financial liabilities

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Security deposits			585.10			593.74
Trade receivables			28,285.58			21,190.45
Discount receivable			336.58			198.73
Cash and cash equivalents			858.26			373.66
Deposits with Bank with original maturity of more than three months but less than 12 months			2,083.40			2,021.63
Deposits with Bank with original maturity of more than twelve months			15.00			15.50
Other receivables			67.38			84.62
Total financial assets			32,231.30			24,478.33
Financial liabilities						
Borrowings			4,095.58			6,679.96
Trade payables			42,696.16			21,760.27
Capital payables			1,119.42			1,699.31
Other Financial liabilities			279.77			535.27
Total financial liabilities			48,190.93			30,674.81

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade and other receivables, loans), non-current financial liabilities and current financial liabilities (e.g. Trade payables and other payables and others) approximate their carrying amounts.

5.9. Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

The company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Audit Committee and Board review financial risks and the appropriate risk governance framework for the company's financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, trade and other receivables, trade and other payables and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and leave encashment provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

i) Interest rate risk

a. Exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Long Term Fixed Interest Loans	-	-
Short Term Fixed Interest Loans	-	-
Long Term Floating Interest Loans	2,437.50	4,761.05
Short Term Floating Interest Loans	1,500.00	1,000.00

b. Interest Rate Sensitivity

(₹ in Lakhs)

Financial Year	Change in Interest rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2022	+50 bps	19.69	19.69
	-50 bps	(19.69)	(19.69)
March 31, 2021	+50 bps	15.61	15.61
	-50 bps	(15.61)	(15.61)

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Amounts (₹ In Lakhs)

Nature of Exposure	Currency	31-Mar-22	31-Mar-21
Receivable	USD	1,804.78	543.86
	CNY	0	0.06
Payable	USD	31,479.57	14,404.35
	CNY	760.39	1,352.23
Cash and cash equivalent	USD	0.64	0.64

The Company is in the process of managing its foreign currency risk by hedging transactions related to sales & purchases.

a) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD & CNY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to revaluation of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)

Financial Year	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
31 March, 2022	+7%	2,077.24	2,077.24
	-7%	(2,077.24)	(2,077.24)
31 March 2021	+7%	970.29	970.29
	-7%	(970.29)	(970.29)

(₹ in Lakhs)

Financial Year	Change in CNY rate	Effect on profit before tax	Effect on pre-tax equity
31 March 2022	+7%	553.23	553.23
	-7%	(553.23)	(553.23)
31 March 2021	+7%	147.93	147.93
	-7%	(147.93)	(147.93)

iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require a continuous supply of poly propylene. However, the company being indirect user of these commodities and based on past trend to pass on those volatility to customers, does not have direct impact on profitability over a period of time.

iv) Other Price Risk

The company does not hold investments in equity or mutual fund as on the date of Balance Sheet and hence it is not exposed to any such risks.

v) Equity price risk

The Company has not made any investment in equity instruments and hence, the Company do not foresee any risk from this unlisted equity shares.

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Receivables are reviewed, managed and controlled for each class of customers separately. Credit exposure risk is mainly influenced by class / type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Wherever required, credit risk of receivables is further covered through letter of credit, bank guarantee, business deposits and such other forms of credit assurance schemes.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on actual incurred historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are spread over vast spectrum.

Expected credit loss for trade receivables under simplified approach :**31 March 2022**

Particulars	Outstanding for following period from due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	21,147.54	6,414.53	382.97	454.91	100.17	74.80	28,574.92
Expected loss rate	0%	1%	6%	9%	85%	100%	
Expected credit loss (Loss allowance provision)	0.00	69.36	21.15	39.03	85.00	74.80	289.34
Carrying amount (net of impairment)	21,147.54	6,345.17	361.82	415.88	15.17	-	28,285.58

31 March 2021

Particulars	Outstanding for following period from due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	15,650.28	4,781.12	520.22	317.73	127.49	10.14	21,406.98
Expected loss rate	0%	1%	5%	22%	50%	100%	
Expected credit loss (Loss allowance provision)	0.00	47.81	26.01	68.82	63.75	10.14	216.53
Carrying amount (net of impairment)	15,650.28	4,733.31	494.21	248.91	63.74	-	21,190.45

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made as per the approved investment policy. Investment limits are set to minimise the concentration of risks and therefore mitigate financial loss if any.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of underlying businesses, company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecast of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at the local level in the operating companies of the group in accordance with the practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

- (i) The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years	Total
Year ended 31 March, 2022					
Interest bearing borrowings	1,702.93	562.5	1,687.50	-	3,952.93
Other financial liabilities	1,182.07	212.61	-	-	1,394.68
Trade payables	42,696.16	-	-	-	42,696.16
Lease Liabilities	21.96	73.2	415.09	-	510.25
	45,603.12	848.31	2,102.59	-	48,554.02
Year ended 31 March, 2021					
Interest bearing borrowings	1,776.26	2,320.01	2,437.50	-	6,533.77
Other financial liabilities	49.77	2,180.30	-	-	2,230.07
Trade payables	21,760.28	-	-	-	21,760.28
Lease Liabilities	22.33	48.29	390.5	-	461.12
	23,608.64	4,548.60	2,828.00	-	30,985.24

(ii) Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 March 2021 and 31 March 2020.

Particulars	31 March 2022	31 March 2021
Cash and cash equivalents	858.26	373.66
Borrowings	(4,095.58)	(6,679.96)
Lease liabilities	(510.25)	(461.12)
Net Debt	(3,747.57)	(6,767.42)

Particulars	Cash and cash equivalents	Borrowings	Lease liabilities	Total
Net debt as on 1 April 2020	228.91	(4,575.51)	(97.88)	(4,444.48)
Additions	0.00	(5,508.87)	(469.32)	(5,978.19)
Interest expense	0.00	(316.24)	(14.73)	(330.97)
Interest received/(paid)	0.00	220.66	0.00	220.66
Repayments	0.00	3,500.00	120.81	3,620.81
Cash flows	144.75	0.00	0.00	144.75
Net debt as on 31 March 2021	373.66	(6,679.96)	(461.12)	(6,767.42)
Additions	0.00	(9,500.00)	(134.70)	(9,634.70)
Interest expense	0.00	(485.38)	(43.44)	(528.82)
Interest received/(paid)	0.00	473.58	0.00	473.58
Repayments	0.00	12,096.18	129.09	12,225.27
Others	0.00	0.00	(0.08)	(0.08)
Cash flows	484.60	0.00	0.00	484.60
Net debt as on 31 March 2022	858.26	(4,095.58)	(510.25)	(3,747.57)

5.10. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

The gearing ratios were as follows:

Particulars	2021-22	2020-21
Net Debt	3,747.57	6,767.42
Total Equity	38,458.74	35,397.53
Net debt to equity ratio	9.74%	19.12%

The net debt to equity ratio for the current year decreased from 19.12% to 9.74% as a result of repayment of debt during the year.

5.11. Leases

Company as a lessee

This note provides information for leases where the company is a lessee. The company leases factory sheds and rental contracts are typically made for fixed periods of five years. The weighted average incremental borrowing rate is 8.5% (31 March 2021: 8.5%).

The following table shows impact of INDAS 116 on balance sheet and statement of profit or loss:

The following table shows impact of IND AS 116 on balance sheet and statement of profit or loss:

Particulars	Rs in Lakhs	
	2021-22	2020-21
(i) Amounts recognised in the statement of profit and loss		
Depreciation charged on right-of-use asset	164.16	130.57
Interest expense on lease liability	43.44	14.73
Expense for short term leases/ low value leases	84.01	101.88
(ii) Cash outflow for leases	129.00	135.54
(iii) Carrying amount of right-of-use asset at the end of period	4,516.50	4,545.95
(iv) Carrying amount of lease liability at the end of period	510.25	461.12

Company as a lessor

Company has not entered into any finance lease as well as operating lease during the financial year as a lessor.

5.12. Expenditure on CSR Activities

(₹ in Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
(i) Amount required to be spent by the company during the year	51.83	70.71
(ii) Amount of expenditure incurred	53.52	70.96
- Construction/acquisition of new asset	52.55	53.71
- On purpose other than (i) above	0.97	17.25
(iii) Shortfall/(Excess) at the end of the year	(1.69)	(0.25)
(iv) Total of previous years shortfall/(Excess)	(0.25)	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities	Promotion of sanitation and making available safe drinking water, Promoting education, promoting preventive health care, Eradicating hunger, poverty and malnutrition	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

Financial ratios:
The ratios as per the latest amendment to schedule III are as follows :

Ratios	Numerator	Denominator	CY-Ratio	PY-Ratio	% Variance	Reason for variance
a)	Current ratio Current Assets	Current liabilities	1.30	1.43	-8.96%	Reason not required to be stated as the variance is below 25%
b)	Debt Equity Ratio Total Debt=Long term + Short term(Including Lease Liability)	Total Equity	0.12	0.20	-40.64%	The variance is primarily on account of repayment of debt and increase in net profit.
c)	Debt service coverage ratio Earning for Debt Service: Net Profit after taxes + Depreciation and amortizations + Interest (Excluding interest on short term borrowings and including interest on Lease liability) + Net Gain on ECB Scheme+ Loss on revalorisation on imports+Profit on revalorisation on exports+Provision for doubtful debts and advances (net)	Debt Service: Interest (excluding interest on short term borrowings) and lease payments + Principal Repayments of long term borrowings and lease liability)	1.96	9.18	-78.69%	The variance is primarily on account of scheduled repayment of long term borrowings and increase in net profit during current year.
d)	Return on Equity Ratio Net Profit after Tax	Average Shareholder's Equity	8.30%	1.51%	447.56%	The variance is primarily on account of increase in net profit .
e)	Inventory turnover ratio COGS=Cost of material and	Average inventory components consumed+ Purchase of stock in trade+ Changes in inventory	4.27	4.12	3.65%	Reason not required to be stated as the variance is below 25%
f)	Trade receivables turnover ratio Revenue from operations	Average Trade Receivables	4.24	3.07	37.96%	The variance is primarily on account of increase in revenue from operations supported with better recovery of receivable balances during current year.
g)	Trade payables turnover ratio Net Purchases = Purchases of raw material + Purchases	Average Trade Payables of traded goods + Other expenses (excluding provision for doubtful debts, bad debt written off, provision for impairment loss and provision for bad and doubtful advances)	3.31	3.04	8.93%	Reason not required to be stated as the variance is below 25%
h)	Net capital turnover ratio Revenue from operations	Working Capital Current Assets - Current Liabilities	7.41	5.12	44.70%	The variance is primarily on account of increase in revenue from operations during current year.
i)	Net profit ratio Net Profit after Tax	Revenue from operations	2.92%	0.85%	244.61%	The variance is primarily on account of increase in revenue from operations and net profit during current year.
j)	Return on capital employed Profit Before Interest (Including interest on lease liability) And Taxes(Current+Deferred)	Capital Employed (Refer Note 1 Below)	10.77%	3.54%	204.40%	The variance is primarily on account of increase in earning before interest and taxes.
k)	Return on investment Interest income on bank deposits	Average balance in fixed deposits with bank	3.19%	3.70%	-13.94%	Reason not required to be stated as the variance is below 25%

NOTE 32:

As at March 31, 2022, the company has certain foreign currency trade payables aggregating to ₹ 1,478.79 lakhs which are payable to other group companies situated outside India towards goods purchased and certain foreign currency trade receivables aggregating to ₹ 156.41 lakhs. These balances are pending for settlement or realisation beyond the time period stipulated as per the FED Master Direction No. 17/2016-17, dated January 01, 2016 (as amended) issued by Reserve Bank of India (RBI) and FED Master Direction No. 16/2015-16 dated January 1, 2016 (as amended) issued by RBI, respectively. The Company is in the process of regularising aforesaid delays for making necessary statutory compliances in respect of aforesaid dues. Pending conclusion of the aforesaid matters, the management believes that the impact, if any, is not ascertainable but expected not to be material to the financial statements. Therefore, no adjustments is required to be made in the financial statements.

NOTE 33 : Impact of COVID-19

The Company has evaluated the impact of COVID-19 on the operations of the Company, inventories, property, plant & equipment, current borrowings and trade payables. The management has considered the possible effects, if any, on the carrying amounts of these assets and liabilities up to the date of approval of these results. Based on the information from the internal and external sources; the management estimates to recover the carrying amount of these assets and currently does not anticipate any material impairment.

NOTE 34: Previous year's figures have been re-grouped wherever considered necessary to make them comparable with those of the current year.

Signatures to Note 1 to 34, forming part of the Financial Statements.

As per our attached report of even date

For and on behalf of the board of directors

For P G BHAGWAT LLP

BO JINGEN

BALAJI D

Chartered Accountants

Managing Director

Executive Director

Firm Registration Number :

DIN : 0006617986

DIN : 08256342

101118W/W100682

ABHIJIT SHETYE

XIE DONGMING

NIRNOY SUR

Partner

Chief Financial Officer

Company Secretary

Membership Number : 151638

Pune : 25 May 2022

'Intentionally Kept Blank'

'Intentionally Kept Blank'

'Intentionally Kept Blank'

KINGFA

KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED

(formerly Hydro S & S Industries Limited)

CIN : L25209TN1983PLC010438

Registered Office : Dhun Building, III Floor, 827, Anna Salai, Chennai – 600 002

Phone : 044 - 28521736, Fax : 044 – 28520420, E – mail : cs@kingfaindia.com, Website : www.kingfaindia.com

NOTICE 38TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 38TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 22, 2022 AT 11.30 A.M. (IST) THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item No. 1: Adoption of Audited Financial Statements of the Company for the Financial Year ended March 31, 2022

“RESOLVED THAT Audited Financial Statements of the Company for the Financial Year ended 31st March 2022 along with Directors’ Report, Independent Auditors’ Report thereon be and is hereby received, considered, approved and adopted.”

Item No. 2: Re-appointment of Mr. Wu Xiaohui

“RESOLVED THAT Mr. Wu Xiaohui (DIN: 06617977), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

Item No. 3: Re-appointment of Statutory Auditors for the second term of five years

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors, M/s. P G BHAGWAT LLP, Chartered Accountants (Firm Registration No. 101118W/W100682), be and are hereby re-appointed as the Statutory Auditors of the Company, for the second term of five years i.e., from the conclusion of this 38th Annual General Meeting until the conclusion of 43rd Annual General Meeting of the Company on such remuneration plus applicable taxes and

reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board of Directors and the Statutory Auditors from time to time.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

Item No.4: Approval for Payment of Commission to Independent Directors

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

“RESOLVED THAT pursuant to the provisions of Section 197 read along with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the “Act”) including any statutory modification(s) or re-enactment thereof for the time being in force, the Members at the Annual General Meeting of the Company held on September 29, 2021 have approved the payment of Commission to Independent Directors of the Company. Based to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for payment of ₹ 2 Lakhs (Rupees Two Lakhs Only) as Commission per Independent Director to Mr. N. Subramanian, Mr. Dilip Dinkar Kulkarni and Ms. Nilima Ramrao Shinde, totalling to ₹ 6 Lakhs (Rupees Six Lakhs Only).

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term mentioned above, the Independent Directors shall be paid remuneration by way of Commission as set out above, as may be decided by the Board of Directors of the Company and Members of the Company, notwithstanding that it may exceed the limits prescribed under the Companies Act, 2013 and the Rules made thereunder and subject to such restrictions, if any, as may be set out in the applicable provisions of and Schedule V to the Act, from time to time.”

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and is/are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.”

Item No.5: Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and as approved by the Board of Directors of the Company, remuneration of ₹ 2,25,000/- (plus applicable taxes and re-imbursment of out of pocket expenses incurred in connection with the audit) to be paid to Mr.K.Suryanarayanan, Cost Accountant (Registration No. 102347), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2023, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) and / or Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board of Directors
for **Kingfa Science & Technology (India) Limited**

Place : Pune

NIRNOYSUR

Date : August 10, 2022

Company Secretary

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, No.02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, No. 21/2021 dated December 14, 2021 and 2/2022 dated May 5, 2022, (collectively referred to as “**MCA Circulars**”) has permitted the holding of the annual general meeting through Video Conferencing (“VC”) or through other audio-visual means (“**OAVM**”), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circulars, the 38th Annual General Meeting (“Meeting” or “AGM”) of the Company is being held through VC / OAVM on Thursday, September

22, 2022 at 11.30 a.m. (IST). The deemed venue for the AGM will be the place from where the Chairman of the Board conducts the meeting.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members/ Institutional Investors intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at shaswati.vaishnav@gmail.com with a copy marked to evoting@nsdl.co.in, latest by Wednesday, September 21, 2022 (upto 10:30 a.m).
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4 to 5 of the Notice is annexed hereto. The relevant details, pursuant to Regulations 36(3) and other applicable Regulations of the Listing Regulations and Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM is provided as annexure to the Notice. Requisite declarations have been received from Director/s for seeking appointment/re-appointment.
6. **The Members can join the AGM through VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.** The Members will be able to view the proceedings on National Securities Depository Limited’s (‘NSDL’) e-Voting

- website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / the Registrar / Depositories. The Notice convening the AGM has been uploaded on the website of the Company at www.kingfaindia.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.
 8. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, September 16, 2022 to Thursday, September 22, 2022 (both days inclusive) for the purpose of this AGM.
 9. As per Regulation 40 (1) of the SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited ("Registrar" or "RTA") at yuvraj@integratedindia.in for assistance in this regard.
 10. All unclaimed dividends up to the FY 2010-11 paid by the Company have been transferred to Investor Education and Protection Fund of the Central Government. No dividend was declared thereafter. The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time.
 11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), registering of nomination, Bank details etc., to their Depository Participants (DPs) in case the shares are held in electronic form and to the RTA at yuvraj@integratedindia.in in case the shares are held in physical form, in prescribed Form No.ISR-1, quoting their folio number and enclosing supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
 12. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. Members who are either not desiring to register Nomination or would want to opt out, are requested to fill and submit Form No. ISR-3. The said forms can be obtained from the RTA, E-mail ID : yuvraj@integratedindia.in. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.
 13. As prescribed by the MCA under the Act, requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details etc. Members holding shares in physical form are requested to submit the filled-in Form No. ISR- 1 to the RTA in physical mode. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.
 14. During the AGM, Members may access the electronic copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at cs@kingfaindia.com, latest by

September 20, 2022 (upto 3:00 p.m).

15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

16. **Process for those shareholders whose e-mail ids are not registered with the Depositories/the Company for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:**

This AGM Notice is being sent, by e-mail, only to those eligible Members who have already registered their e-mail address with the Depositories / the depository participant / the Company's Registrar and Share Transfer Agents (RTA): Integrated Registry Management Services Private Limited / the Company or who will register their e-mail address with RTA.

Members who have not registered their email address and in consequence could not receive the notice may temporarily get their email address registered with the RTA at yuvraj@integratedindia.in. Post successful registration of the email address, the Member will receive soft copy of the Notice and the procedure for e-voting along with the User ID and the Password to enable remote e-voting for this Notice. In case of any queries, Member may write to RTA at yuvraj@integratedindia.in.

Also, the Members whose email ids are not registered with the Company or Depository Participant(s) as on the cut-off date are requested to register their e-mail Ids by sending an e-mail citing subject line as "Kingfa-AGM-Registration of e-mail Ids" to Registrar and Transfer Agent of the Company (RTA), i.e., Integrated Registry Management Services Private Limited at yuvraj@integratedindia.in or to the Company at cs@kingfaindia.com with name of registered shareholder(s), folio number(s)/DP Id/Client Id and Number of equity shares held from the email address they wish to register to enable them to exercise their vote on special businesses as set out in the AGM Notice through remote e-voting facility provided by NSDL.

For permanent registration of e-mail addresses, Members are requested to register the same with their concerned DPs, in respect of electronic holding and with the Company's RTA by writing to them at yuvraj@integratedindia.in in respect of physical holding, by submitting the Form No. ISR-1 duly filled and signed by the holders. Further, those Members who have already

registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their Depository Participants / RTA of the Company to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

17. **Alternatively, Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing Demat account number / Folio number and scanned copy of the share certificate (front and back) or client master, or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card).**

The Individual Shareholders holding securities in Demat mode, are requested to follow steps mentioned below in Para 27 below under Step 1 (A) i.e "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

18. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting system as well as e-voting during the AGM will be provided by National Securities Depository Limited (NSDL).
19. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date i.e. Thursday, September 15, 2022 may cast their vote by remote e-Voting. The remote e-Voting period commences on Monday, September 19, 2022 (9:00 a.m. IST) and ends on Wednesday, September 21, 2022 (5:00 p.m. IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before the AGM and e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-

- off date of Thursday, September 15, 2022. Subject to receipt of requisite number of votes, the Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM i.e. Thursday, September 22, 2022. The Notice of the AGM indicating the instructions of remote e-voting process can be downloaded from the NSDL's website www.evoting.nsdl.com or the Company's website www.kingfaindia.com.
20. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e- Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-Voting.
21. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Thursday, September 15, 2022, shall be entitled to avail the facility of remote e-voting before the AGM as well as e-Voting during the AGM. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the dispatch of this Notice and holding shares as on the cut-off date, i.e. Thursday, September 15, 2022, may obtain the User ID and password by sending a request along with the requisite documents as mentioned in Para 17 above, at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned **Para 27 below under Step 1 (A) i.e "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
23. Ms. Shaswati Vaishnav, Practising Company Secretary (ACS 11392, PCS 8675) M/s.Vaishnav Associates has been appointed as the Scrutinizer by the Board to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.
24. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges on which the Company's shares are listed, NSDL and will also be displayed on the Company's website at www.kingfaindia.com.
25. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address at cs@kingfaindia.com **before 5.00 p.m. (IST) on Sunday, September 18, 2022** and responses to such queries will be appropriately addressed by the Chairman of the meeting.
26. Members who would like to express their views/ask questions as a speaker at the Meeting may preregister themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at cs@kingfaindia.com from **Thursday, September 15, 2022 (9:00 a.m. IST) to Sunday, September 18, 2022 (5:00 p.m. IST). Only those Members who have pre-registered themselves as a speaker on the dedicated email id cs@kingfaindia.com will be allowed to express their views/ask questions during the AGM.** The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, depending on the availability of time for the AGM.
27. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**
- The remote e-voting period begins on Monday, September 19, 2022 (9:00 a.m. IST) and ends on Wednesday, September 21, 2022 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, September 15, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share

capital of the Company as on the cut-off date, being Thursday, September 15, 2022.

How do I vote electronically using NSDL e-Voting system?




The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e- Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 shaswati.vaishnav@gmail.com with a copy marked to evoting@nsdl.co.in, latest by Wednesday, September 21, 2022 (upto 10:30 a.m).
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.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, NSDL at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company’s RTA at yuvraj@integratedindia.in or to the Company at cs@kingfaindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company’s RTA at yuvraj@integratedindia.in or to the Company at cs@kingfaindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

28. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

29. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

By Order of the Board of Directors
for Kingfa Science & Technology (India) Limited

Place : Pune

NIRNOY SUR

Date : August 10, 2022

Company Secretary

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Approval for payment of Commission to Independent Directors

The Independent Directors contribute their wealth of knowledge, skills, expertise, strategies and experience to the business of the Company and provide required diversity in Board's decision making process.

They have provided guidance and support to the Management for improvement. Various other factors include attendance, time spent in Board & Committee Meetings and operational matters, contribution made by the Directors other than the Meetings for overall improvement and effective management of the company.

In view of the increased demands on Independent Directors participation in Board and Committee meetings and the higher responsibilities they are expected to bear in the interest of higher level of excellence in corporate governance on account of statutory and regulatory changes, it is proposed to pay ₹ 2 Lakhs (Rupees Two Lakhs Only) as Commission per Independent Director to Mr. N. Subramanian, Mr. Dilip Dinkar Kulkarni and Ms. Nilima Ramrao Shinde, totalling to ₹ 6 Lakhs (Rupees Six Lakhs Only).

Pursuant to the Companies (Amendment) Act, 2020, read with rules made thereunder, if a company fails to make profits or makes inadequate profits in a financial year, any independent director, may be paid remuneration in accordance with Schedule V of the Act.

In view of the above and in appreciation to the contribution and services, the Independent Directors have rendered and continue to render to the Company, the Board, on the basis of the recommendation of the Nomination and Remuneration Committee, at their respective Meetings held on 10th August, 2022 have approved and recommended payment of Commission in

addition to the sitting fees payable to them for attending Board/Committee meetings and reimbursement of expenses incurred for participation in the Board and/or Committee Meetings.

None of the Directors/key managerial personnel and/or their relatives, except the concerned Independent Directors are directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration that may be received by them in the Company, in the resolution set out in Item No. 4 of the Notice.

The Board recommends the Special Resolution set out in item no. 4 for approval by Shareholders.

Item No. 5

Ratification of Remuneration to Cost Auditor

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the re-appointment of Mr.K.Suryanarayanan, Cost Accountant, to conduct the audit of the Cost records of the Company on a remuneration of ₹ 2,25,000/- (excluding all applicable taxes and reimbursement of out of pocket expenses) for the Financial Year ending March 31, 2023.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2023, as set out in the Ordinary Resolution for the aforesaid services to be rendered by him.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

By Order of the Board of Directors

for Kingfa Science & Technology (India) Limited

Place : Pune

NIRNOY SUR

Date : August 10, 2022

Company Secretary

ANNEXURE 1

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Mr. Wu Xiaohui
DIN	06617977
Date of Birth and Age	09/04/1979 43 years
Date of first appointment on the Board	3rd July, 2013
Qualifications	Master's degree in Polymer Science
Experience and Expertise	Experience – More than 17 years. Expertise - Product Development and Technical Support.
Number of Meetings of the Board attended during the year	4 out of 4
List of Directorship / Membership / Chairmanship of Committees of other Board	–

Shareholding in the Company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	–
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Details are provided in the Corporate Governance Report Section of the Annual Report 2021-22.
Justification for choosing the appointees for appointment as Independent Director	NA

By Order of the Board of Directors
for Kingfa Science & Technology (India) Limited

Place : Pune
Date : August 10, 2022

NIRNOY SUR
Company Secretary

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the depository through their concerned Depository Participants. Members, who hold shares in physical form, are requested to contact and give their consent by providing their e - mail Id to the Company’s Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, to their e-mail ID i.e., yuvraj@integratedindia.in.