

KINGFA/SEC/2023-24

Date : 31-08-2023

Corporate Relationship Department,
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers
Dalal Street, Fort, Mumbai - 400001.
Scrip Code : 524019

Listing Compliance Dept.
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra East,
Mumbai - 400051
Symbol : KINGFA

Sub.: Annual Report for FY 2022-23

Dear Sir / Madam,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the Financial Year 2022-23.

The aforesaid report is also available on the website of the Company at www.kingfaindia.com.

You are requested to kindly take the same on your record.

Thanking you.

Yours faithfully,

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

Nirnoy Sur

Company secretary & Compliance Officer

Encl.: As above



KINGFA KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED

2022 - 2023 ANNUAL REPORT

Board of Directors

Mr. Bo Jingen, *Managing Director*
 Mr. Wu Xiaohui, *Non-Executive Non-Independent Director*
 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. Chen Xiaoqiong (*w.e.f. 10.11.2022*)
 [Mr. Xie Dongming (*till 10.11.2022*)]

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

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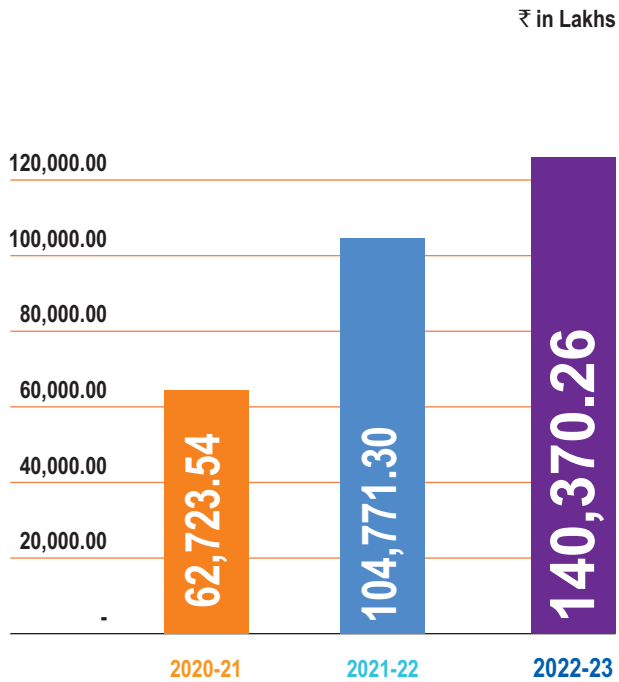
FIVE - YEAR FINANCIAL DATA

(₹ in Millions)

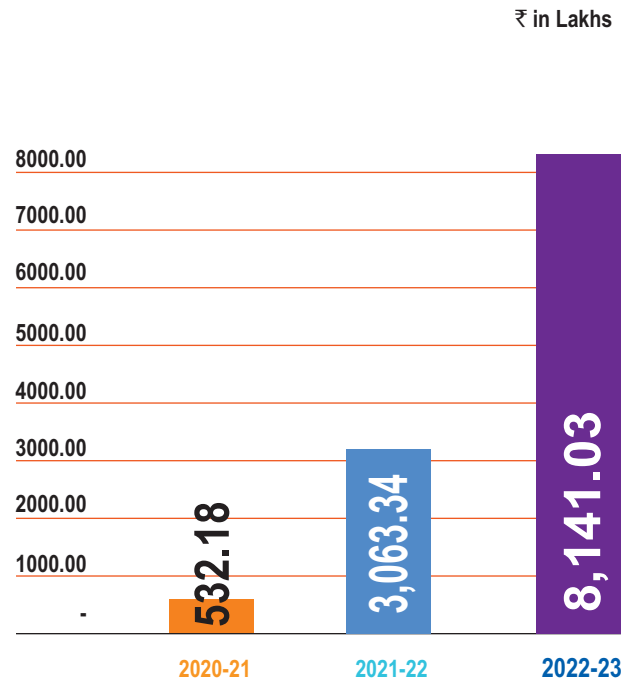
For the Year	2022-23	2021-22	2020-21	2019-20	2018-19
Sales: Domestic	12,927.679	10,191.021	6,011.610	7,361.740	6,980.709
Exports	1,109.347	286.109	260.744	53.263	34.536
Operating Profit (PBIDT)	1,298.763	591.627	258.048	456.695	393.039
Finance Cost	61.424	48.537	31.624	33.693	20.724
Depreciation & Amortisation Expenses	141.415	129.650	107.917	89.562	80.080
Tax expenses - Current	297.000	114.900	46.278	102.590	109.000
- Deferred	(15.179)	(7.794)	19.011	(15.315)	(7.315)
Profit/(Loss) After Tax	814.103	306.334	53.218	246.165	190.551
As at the end of the year					
Share Capital	121.105	121.105	121.105	121.105	121.105
Reserves & Surplus	4,538.820	3,724.772	3,418.651	3,364.790	3,123.820
Loan Funds	0.450	169.200	244.200	182.046	166.461
Gross Block	2,096.489	1,969.546	1,865.937	1,541.865	1,236.509
Net Current Assets	1,985.519	1,413.659	1,276.706	1,345.209	1,661.312
Measures of Investment					
Return on Capital Employed (%)	22.80%	10.77%	3.97%	10.01%	9.06%
Return on Equity (%)	19.14%	8.30%	1.50%	7.06%	5.87%
Earnings per Share (Rs.)	67.22	25.29	4.39	20.33	15.73
Dividend Cover (Times)	-	-	-	-	-
Dividend (%)	-	-	-	-	-
Book Value of an equity share	384.785	317.567	292.289	287.842	257.944
Of Performance					
- Profitability (%)					
Profit/(Loss) before Tax (%)	7.81%	3.95%	1.89%	4.50%	4.17%
Profit/(Loss) after Tax (%)	5.80%	2.92%	0.85%	3.32%	2.72%
- Capital Turnover (times)	3.01	2.61	1.66	2.02	2.03
- Stock Turnover (times)	4.06	4.27	4.39	6.67	5.46
- Working Capital Turnover (times)	7.07	7.41	4.91	5.51	4.22
Of Financial Status					
- Debt-Equity Ratio (times)	0.09	0.12	0.07	0.05	0.05
- Current Ratio	1.37	1.30	1.47	1.65	1.81
- Fixed Assets to Shareholders' Funds (times)	0.26	0.33	0.36	0.31	0.55

PERFORMANCE METRICS

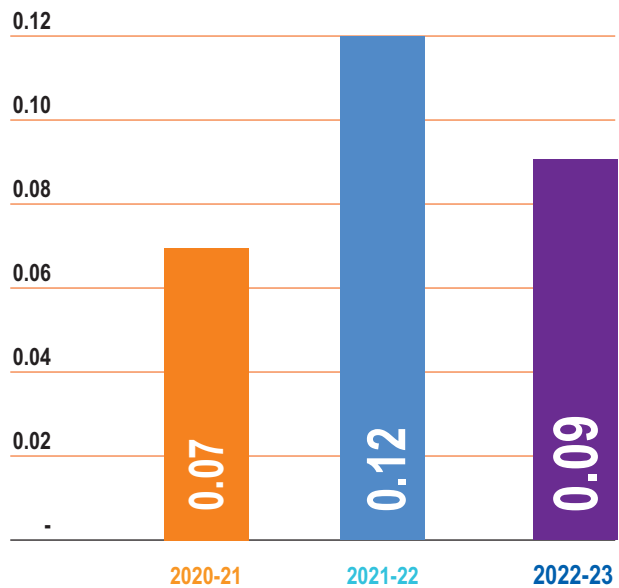
Revenue



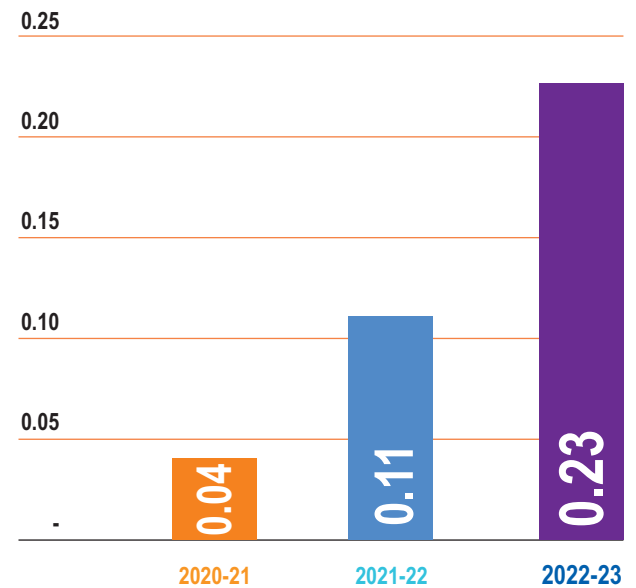
PAT



Debt-Equity Ratio (Times)



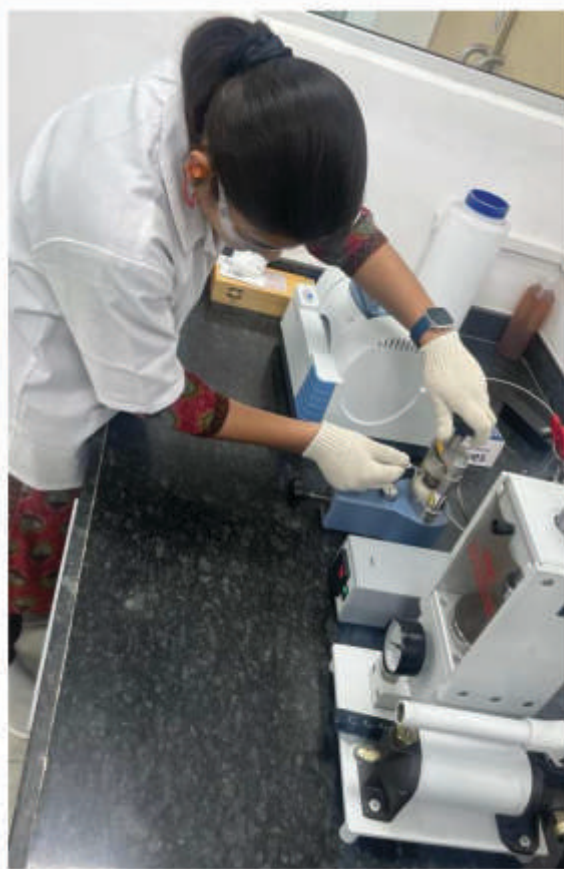
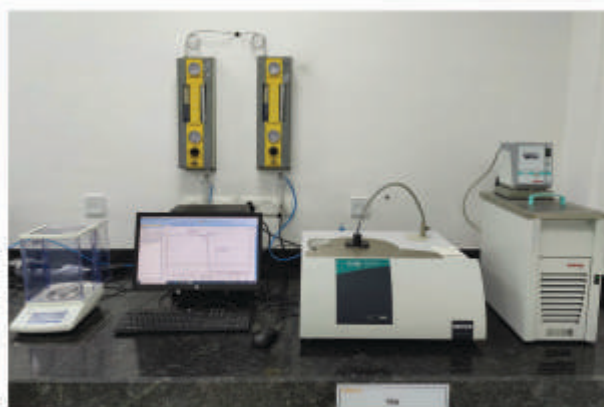
Return on Capital Employed (%)

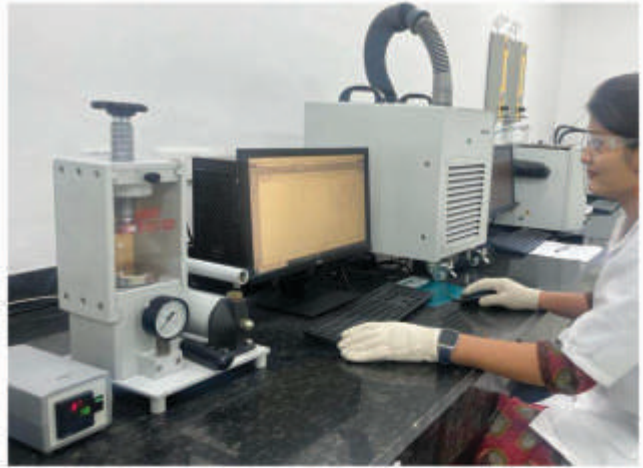
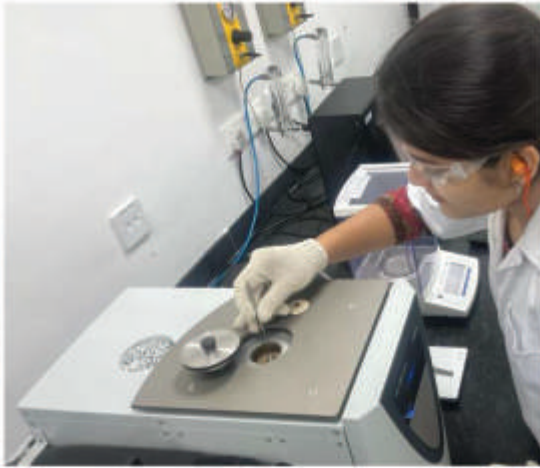


Glimpses of the State of the art laboratory at Kingfa India plant, Chakan, Pune

In the previous year's annual report, the stress on why a 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. This photoshoot throws light on what kind of facilities Kingfa (India) has to check the properties of polymeric materials, its composition and for product development.

Characterisation Lab :

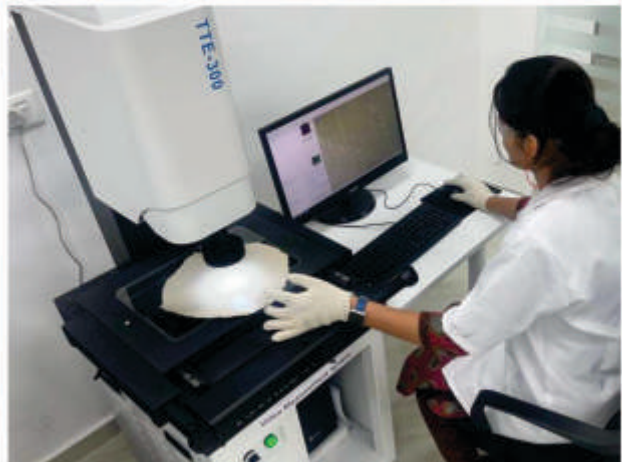




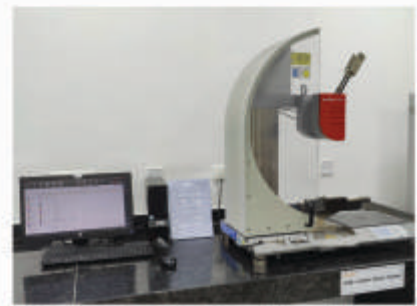
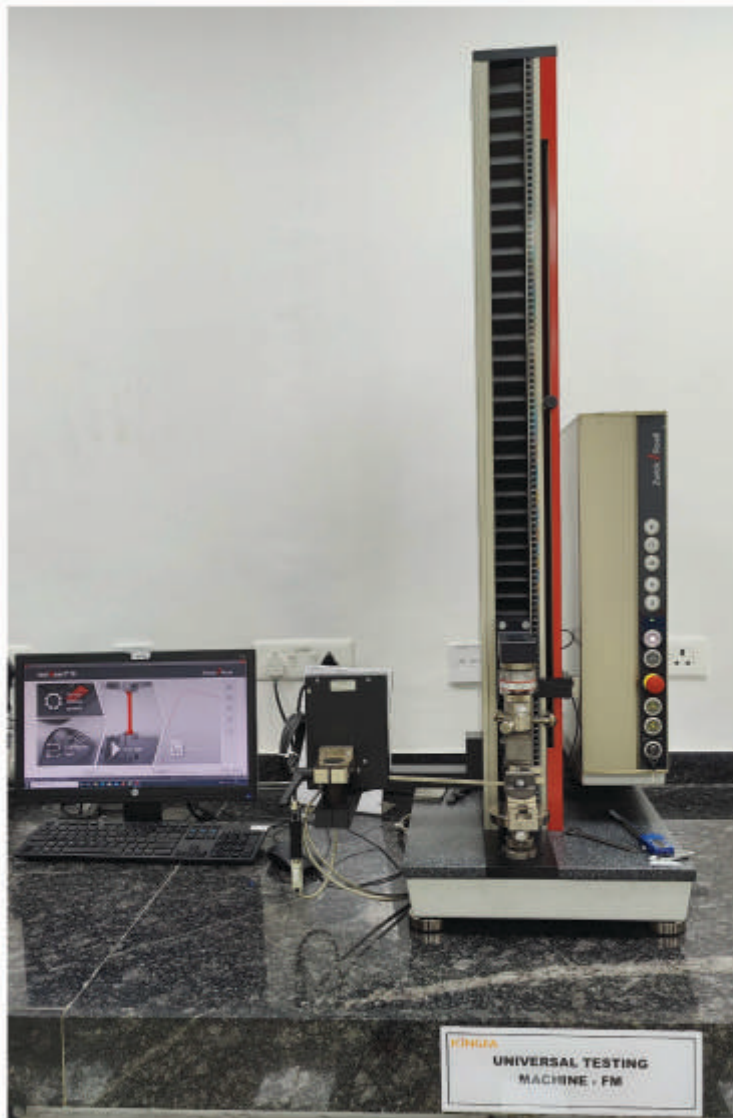
Thermal Lab:



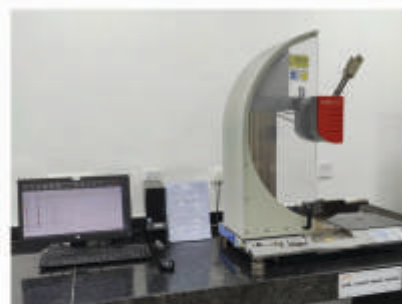
Performance Evaluation Lab:



Mechanical Lab:



Mechanical Lab (contd...):



Awards & Recognition 2022-23

**Best
Supplier
Award
from IFB**



Awards & Recognition 2022-23

**Recognition
from Honda**



**Nissan
Supplier
meet
2022-23**

CSR Snapshots

Construction of nine toilets (tiles, electrical, plumbing, white wash, painting and other works) alongwith repair works at the Govt. Girls Sr. Sec. School, Bhondsi, Gurugram, Haryana - ₹ 15.92 Lakhs



Distribution of Almirah Lockers and Bookcases at Govt. Girls Sr. Sec. School, Bhondsi, Gurugram, Haryana - ₹ 0.86 Lakhs





CSR Snapshots

Distribution of Medical Equipment (ECG Machine, Patient Multipara Monitor, OT Table, Electro Surgical Unit, Vertical Autoclave, etc.) at Govt. Primary Healthcare Centre, Kiliyanur @ Tailapuram, Puducherry - ₹ 14.88 Lakhs



Distributed Sports kits & equipments at Ambattur Municipal Hr. Sec. School, Chennai, Tamil Nadu - ₹ 0.15 Lakhs



CSR Snapshots

Provided Projectors for Smart Classroom and Green Boards at Govt. Girls Hr. Sec. School, Ambattur, Chennai, Tamil Nadu - ₹ 1.80 Lakhs



Distribution of Medical Equipment (Semi Automatic Biochemistry Analyzer, Patient Monitoring System, Vertical Autoclave, etc.) at Padi UCHC Ambattur Zone Government Hospital, Chennai, Tamil Nadu – ₹ 3.81 Lakhs.



Distribution of Desktop Computers, UPS and Printers at Mahalunge Police Station, Chakan, Pune, Maharashtra – ₹ 1.38 Lakhs





CSR Snapshots

Installation of RO Water Purifier System of 1000 LPH capacity at Govt. Primary School, Bakori, Pune, Maharashtra - ₹ 2.94 Lakhs



Laid foundation and Constructed a Tin Shade for pilgrims at Bhamchandra Mandir, Shinde-Vasuli, Pune, Maharashtra – ₹ 18.41 Lakhs



DIRECTORS' REPORT

Your Directors hereby present their 39th Annual Report along with Audited Financial Statements for the year ended March 31, 2023.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023		Year Ended March 31, 2022	
Revenue from Operations				
Gross		1,40,370.26		1,04,789.66
Net of Excise Duty		1,40,370.26		1,04,789.66
Other Income		225.72		90.03
Profit before Finance Costs, Depreciation and Amortisation Expense & Tax Expenses		13,026.31		5,959.71
Finance Costs		652.92		528.81
Profit before Depreciation and Amortisation Expense & Tax Expenses		12,373.39		5,430.90
Depreciation and Amortisation Expense		1,414.15		1,296.50
Profit before Tax Expenses		10,959.24		4,134.40
Tax expenses - Current Tax	2,970.00		1,149.00	
- Deferred Tax	(151.79)	2,818.21	(77.94)	1,071.06
Profit after Tax Expenses		8,141.03		3,063.34
Balance brought forward		11,126.95		8,065.74
Other Comprehensive Income		(0.52)		(2.13)
Surplus carried forward		19,267.46		11,126.95

BUSINESS OPERATIONS

Your Company reported a top-line growth of 33.95% over the Previous year. The Net Revenue from operations stood at ₹ 1,40,370.26 Lakhs compared with ₹ 1,04,789.66 Lakhs in the Previous Year. The Operating Profit before tax stood at ₹ 10,959.24 Lakhs as against ₹ 4,134.40 Lakhs in the Previous Year. The Net Profit for the year stood at ₹ 8,141.03 Lakhs against ₹ 3,063.34 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/DDPolicy1.pdf>

RESERVES

As on March 31, 2023 the reserves and surplus stood at ₹ 45,388.20 Lakhs as compared to ₹ 37,247.69 Lakhs as on March 31, 2022. 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, 2023 was ₹ 239.54 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 AND KEY MANAGERIAL PERSONNEL

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

Mr. Xie Dongming has tendered his resignation from the position of Chief Financial Officer (CFO) of the Company with effect from 10th November, 2022 due to change in his roles and responsibilities in KINGFA Group.

Mr. Chen Xiaoqiong has been appointed as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company with effect from 10th November, 2022.

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, 2023, 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. Chen Xiaoqiong, 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 25th May, 2022, 10th August, 2022, 10th November, 2022 and 14th February, 2023 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 2022 – 23 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(5) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2023, 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, 2023 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 and can be accessed at <http://www.kingfaindia.com/RPTPolicy.pdf>. 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 and can be accessed at http://www.kingfaindia.com/images/pdf/CodeofConduct_Senior_Management_Personnel.pdf. 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 viz. www.kingfaindia.com and can be accessed at <http://www.kingfaindia.com/images/pdf/WPandVM.pdf>

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 viz. www.kingfaindia.com and can be accessed at <http://www.kingfaindia.com/kyc/ITC.pdf>

STATUTORY AUDITORS

The Company's Statutory Auditors, P G BHAGWAT LLP, Chartered Accountants (Firm Registration Number: 101118W/W100682) were re-appointed as Statutory Auditors of your Company at the Annual General Meeting held on 22nd September, 2022 for the second term of five years to hold office from the conclusion of the 38th Annual General Meeting till the conclusion of the 43rd Annual General Meeting of the Company.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 07, 2018 the requirement of seeking ratification of the members for the appointment of Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification of members for continuance of their re-appointment at this Annual General Meeting is not being sought.

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, Practising Company Secretary, ACS 11392, PCS 8675 of M/s. Vaishnav Associates to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith 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 re-appointed Mr.K.Suryanarayanan, Cost Accountant (Registration Number 102347) as Cost Auditor to audit the cost accounts of the Company for the financial year 2023-24. 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 2023 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 and adopted Risk Management Policy. 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
2015-2016 to 2021-2022	No Dividend declared		N.A.	

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards.

BUSINESS RESPONSIBILITY AND SUSTANABILITY REPORT (BRSR)

The Securities and Exchange Board of India ('SEBI'), in May, 2021, introduced new sustainability related reporting requirements, Business Responsibility and Sustainability Report ('BRSR') which has replaced Business Responsibility Report. Further, SEBI has mandated top 1,000 listed Companies, based on market capitalization, to transition to BRSR from FY 2022-23 onwards. The Company is pleased to present its 1st Business Responsibility and Sustainability Report for FY 2022-23 which is annexed herewith as Annexure – V and 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
 DIN : 06617986

D. BALAJI
Executive Director
 DIN : 08256342

Place : Pune
 Date : 24th May, 2023

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 2022-23.

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number 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	4	4
2	Mr. D. Balaji	Member, Executive Director	4	4
3	Mr. Wu Xiaohui	Member, Non-Executive Non-Independent Director	4	4

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/CSR-Annual-Action-Plan-FY2023-24.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: ₹ 1.94 Lakhs
6. Average net profit of the company as per section 135(5): ₹ 2,998.16 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 59.96 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: ₹ 1.94 Lakhs
(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 58.02 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
₹ 60.15 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
₹ 60.15 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) ₹ 60.15 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)	59.96
(i-a)	Excess amount of previous year (FY 2021 -22)	1.94
(i-b)	Total amount to be spent for the financial year	58.02
(ii)	Total amount spent for the financial year	60.15
(iii)	Excess amount spent for the financial year [(ii) - (i-b)]	2.13
(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)]	2.13

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
DIN : 08256342

DILIP DINKAR KULKARNI
Chairman of CSR Committee
DIN : 07272118

Place : Pune
Date : 24th May, 2023

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 nine toilets (tiles, electrical, plumbing, white wash, painting and other works) alongwith repair works at the Govt. Girls Sr. Sec. School.	Education, Infrastructure	Yes	Bhondsi, Gurugram, Haryana	15.92	Direct	NA	NA
2.	Distribution of Almirah Lockers and Bookcases at Govt. Girls Sr. Sec. School	Education, Infrastructure	Yes	Bhondsi, Gurugram Haryana	0.86	Direct		
3.	Distribution of Medical Equipment (ECG Machine, Patient Multipara Monitor, OT Table, Electro Surgical Unit, Vertical Autoclave, etc.) at Govt. Primary Healthcare Centre.	Health, Infrastructure	Yes	Kiliyanur, @ Tailapuram Puducherry	14.88	Direct		
4.	Distributed Sports kits & equipments at Ambattur Municipal Hr. Sec. School.	Sports	Yes	Athipet, Chennai, TamilNadu	0.15	Direct		
5.	Provided Projectors for Smart Classroom and Green Boards at Govt. Girls Hr. Sec. School for Girls Children Education.	Education, Infrastructure	Yes	Ambattur, Chennai, Tamil Nadu	1.80	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
6.	Distribution of Medical Equipment (Semi Automatic Biochemistry Analyzer, Patient Monitoring System, Vertical Autoclave, etc.) at Padi UCHC Ambattur Zone Government Hospital	Health, Infrastructure	Yes	Chennai, Tamil Nadu	3.81	Direct	NA	NA
7.	Distribution of Desktop Computers, UPS and Printers at Mahalunge Police Station.	Infrastructure	Yes	Chakan, Pune, Maharashtra	1.38	Direct		
8.	Installation of RO Water Purifier System of 1000 LPH capacity at Govt. Primary School	Education, Sustainability	Yes	Bakori, Pune, Maharashtra	2.94	Direct		
9.	Laid foundation and Constructed a Tin Shade for pilgrims at Bhamchandra Mandir	Public welfare, Infrastructure Development	Yes	Shinde-Vasuli, Pune, Maharashtra	18.41	Direct		
Total					60.15			

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. Dpt. 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 Thailand	GUANGDONG KINGFASCI. & TECH	Zhuhai Wantong Special Engineering Plastics Co., Ltd.	Chengdu Kingfa Technology New Material Co., Ltd	Zhuhai Kingfa Biomaterials 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	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	Buy/ Sell
(c) Duration of the contracts / arrangements / transactions	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase / Sales of Materials 6429.19 / 0.53	Purchase / Sale of Materials 594.95 / 20.56	Purchase / Sale of Materials 1973.04 / Nil	Purchase / Sale of Materials 151.36 / Nil	Purchase / Sale of Materials 657.57 / Nil	Purchase / Sale of Materials Nil / 17.33	Purchase / Sale of Materials Nil / 6888.46	Purchase / Sale of Materials (-65.8) / Nil	Purchase / Sale of Materials 13.64 / Nil	Purchase / Sale of Materials 7.70 / Nil	Purchase / Sale of Materials 115.59 / 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 25/05/2022 and approval obtained from the Board at its Meeting held on 25/05/2022.										
(f) Amount paid as advances, if any:	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place : Pune
Date : 24th May, 2023

BO JINGEN
Managing Director
DIN : 06617986

D. Balaji
Executive Director
DIN : 08256342

ANNEXURE - III

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014] and pursuant to Regulation 24A of 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 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, 2023 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, 2023 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 (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the year under review)
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 up to August 15, 2021. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations 2021 with effect from August 16, 2021); (not applicable to the Company during the audit period); and
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 up to June 10, 2021. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021, with effect from June 11, 2021 (not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 up to August 12, 2021. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from August 13, 2021 (not applicable to the Company during the audit period).

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We have also examined compliance with the applicable clauses and regulations of the following:

- (I) Secretarial Standards on the Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.
- (II) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines standards etc. mentioned above .

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

S.Vaishnav

Practicing Company Secretary

ACS/FCS No.8675

C P No.: 11392

UDIN A011392E000628228

Place : Pune

Date : May 24, 2023

Annexure "A"

(To the Secretarial Audit Report of M/s.Kingfa Science & Technology (India) Limited for the financial year ended 31-03-2023)

To

The Members

Kingfa Science & Technology (India) Limited

The Secretarial Audit Report for the Financial Year ended 31 March 2023 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

S.Vaishnav

Practicing Company Secretary

ACS/FCS No.8675

C P No.: 11392

UDIN A011392E000628228

Place : Pune

Date : May 24, 2023

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, 2023 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. For auxiliary equipment interlink with extruder main motor. During change over if the extruder motor stop auxiliary equipment also stopped. Saving around ₹ 30,000/- per machine / month in Chakan Plant.
2. Replaced capacitor bank so that power factor maintained 0.99 as per MSEB. Saving approx. ₹ 4 Lacs / month in Chakan Plant.
3. Air line leakage arrested to save the compressor running cost. Saving approx. ₹ 40,000/- per month in Chakan Plant.
4. Plant indoor/outdoor Lighting systems were replaced with LED lights for Power saving, improving illumination level and harmonics reduction in Puducherry Plant.
5. In Quality and Office area, lights were replaced with LED lights resulting in Power saving in Manesar Plant.
6. Production Grade, increased the Output and thus saved energy consumption in Manesar Plant.
7. In the Production area, Compressor was replaced resulting in less power consumption in Manesar Plant.

(b) The Capital investment on energy conservation equipment - ₹ 1.50 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	2022-23	2021-22
(a) Capital	129.11	73.34
(b) Recurring	705.62	442.14
Total	834.73	515.48
Total R & D expenditure as a % of Total Turnover	0.59	0.49

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ in Lakhs)

Particulars	2022-23	2021-22
Foreign Exchange Earnings	11,617.53	1,535.47
Foreign Exchange Outgo	54,400.11	27,600.04

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) 3.89:1
Mr. D. Balaji (WTD / Executive Director) 7.11:1
- (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 219 as of 31.03.2023.

- (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
Managing Director
DIN : 06617986

D. Balaji
Executive Director
DIN : 08256342

Place : Pune

Date : 24th May, 2023

ANNEXURE - V

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A : GENERAL DISCLOSURES

I. Details of the listed entity

- | | |
|--|--|
| 1. Corporate Identity Number (CIN) of the Listed Entity : | L25209TN1983PLC010438 |
| 2. Name of the Listed Entity : | Kingfa Science & Technology (India) Limited
(formerly known as Hydro S&S Industries Limited) |
| 3. Year of Incorporation : | 10-11-1983 |
| 4. Registered Office Address : | Dhun Building, III Floor, 827, Anna Salai,
Chennai, Tamil Nadu – 600002. |
| 5. Corporate Address : | Plot No. F 5/5, Chakan Industrial Area,
Phase-2, MIDC, Vasuli Shinde, Khed, Pune,
Maharashtra - 410501 |
| 6. E-mail : | cs@kingfaindia.com |
| 7. Telephone : | 044 - 28521736 / 28529240 |
| 8. Website : | www.kingfaindia.com |
| 9. Financial Year for which reporting is being done : | 01-04-2022 to 31-03-2023 |
| 10. Name of the Stock Exchange(s) where shares are listed : | 1. BSE Ltd.
2. National Stock Exchange of India Ltd. (NSE) |
| 11. Paid - up Capital : | 12,11,04,610 |
| 12. Name and contact details
(Telephone, email address) of the person who may be contacted
in case of any queries on the BRSR report : | Mr. Nirnoy Sur
Contact - 044-28521736 / 28529240
E-mail - cs@kingfaindia.com |

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) : Standalone basis

II. Products / services

14. Details of business activities (accounting for 90% of the turnover) :

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Plastic Products, Non-metallic mineral products, rubber products, fabricated metal products	100.00%

15. Products / Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1.	Modified Thermoplastics	22209	100.00%

III. Operations

16. Number of locations where plants and / or operations / offices of the entity are situated :

Location	Number of plants	Number of Offices	Total
National	3	4	7
International	0	0	0

17. Markets served by the entity :

- a. Number of locations

Locations	Number
National (No. of States)	24
International (No. of Countries)	9

- b. What is the contribution of exports as a percentage of the total turnover of the entity? 7.76%

- c. A brief on types of customers - The company serves B2B & B2C Customers consisting OEMs - Original equipment manufacturer (Auto Sector), Non Auto Sector & Medical Field.

IV. Employees

18. Details as at the end of Financial Year :

- a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
EMPLOYEES								
1.	Permanent (D)	194	183	94.33%	11	5.67%	0	0.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%	0	0.00%
3.	Total employees (D+E)	194	183	94.33%	11	5.67%	0	0.00%
WORKERS								
4.	Permanent (F)	21	21	100.00%	0	0.00%	0	0.00%
5.	Other than Permanent (G)	0	0	0.00%	0	0.00%	0	0.00%
6.	Total workers (F+G)	21	21	100.00%	0	0.00%	0	0.00%

b. Differently abled Employees and workers :

S. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
DIFFERENTLY ABLED EMPLOYEES								
1.	Permanent (D)	0	0	0.00%	0	0.00%	0	0.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%	0	0.00%
3.	Total employees (D+E)	0	0	0.00%	0	0.00%	0	0.00%
DIFFERENTLY ABLED WORKERS								
4.	Permanent (F)	0	0	0.00%	0	0.00%	0	0.00%
5.	Other than Permanent (G)	0	0	0.00%	0	0.00%	0	0.00%
6.	Total workers (F+G)	0	0	0.00%	0	0.00%	0	0.00%

19. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	1	16.67%
Key Management Personnel	2	0	0.00%

20. Turnover rate for permanent employees & workers (Disclose trends for past 3 years)

	Turnover rate in current FY (2022-23)				Turnover rate in previous FY (2021-22)				Turnover rate in the year prior to the previous FY (2020-21)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	96.65%	3.35%	0.00%	100%	91.22%	8.87%	0.00%	100%	88.48%	11.52%	0.00%	100%
Permanent Workers	100%	0.00%	0.00%	100%	100%	0.00%	0.00%	100%	100%	0.00%	0.00%	100%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes / No)
1	Kingfa Sci. & Tech. Co. Ltd., China	Holding	74.99%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : **Yes**

(ii) Turnover (in Rs.) : 104,771,30,000

(iii) Net worth (in Rs.) : 38,458,74,000

VII. Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct :

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	(If Yes, then provide web-link for grievance redress policy)	FY (2022-23)			PY (2021-22)		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	http://www.kingfa.india.com/images/pdf/WP and VM.pdf	0	0	None	0	0	None
Investors (other than share holders)	Yes		0	0	None	0	0	None
Share holders	Yes		0	0	None	0	0	None
Employees and workers	Yes		0	0	None	0	0	None
Customers	Yes		0	0	None	0	0	None
Value Chain Partners	Yes		0	0	None	0	0	None
Other (please specify)	Yes		0	0	None	0	0	None

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format :

S. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Employee Wellbeing	Opportunity	Employee wellbeing leads to enhance employee satisfaction, engagement and productivity. When employees feel appreciated and receive adequate support, they are more likely to be motivated and dedicated to their work, resulting in improved business outcomes.	NA	Positive

2	Community Development	Opportunity	Community development drives economic growth by supporting local businesses and creating jobs. It also addresses social issues, promotes social justice, and improves the wellbeing of marginalized communities through increased access to essential services. Supporting CSR activities creates a positive impact on the communities we engage with, addressing needs, promoting sustainability, and enhancing stakeholder relationships.	NA	Positive
3	Water Management /Waste Management	Opportunity	Water and waste management is a significant priority in our daily lives, and we perceive it as an opportunity to effectively address these concerns within our premises. It allows us to save money, showcase our environmental commitment, comply with regulations, drive innovation, engage employees, and attract sustainability-focused customers.	NA	Positive
4	Business Continuity	Risk	Potential threats such as natural disasters or disruption in operation due to technical failure exist in spite of all-round preparedness.	To minimize interruptions due to breakdown, preventive maintenance is undertaken.	Negative
5	Supply chain Management	Opportunity	Management of supply chain is crucial in manufacturing the products and thereby meeting the Company's business objectives.	NA	Positive
6	Occupational Health and Safety	Opportunity	The Company continuously strives to provide a safe workplace for its employees.	NA	Positive

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	http://www.kingfaindia.com/CGPC.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015 ISO 16949:2016 ISO 45001:2018 ISO 14001:2015 ISO 28000:2007
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The commitments and goals wherever required are set by the Company and have been mentioned in Annual Report wherever applicable
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of the entity against the specific commitments, goals and targets have been mentioned in Annual Report wherever applicable
Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i>	In keeping with Company's commitment to reducing the environmental impact of business, the Company has implemented a risk assessment as part of Business Risk Management framework. The procedure entails a thorough examination of all of our processes, raw materials, products, and services, as well as identifying and quantifying the importance of Environmental Aspects and Associated Impacts. The Board/Committee of the Company reviews the matters related to ESG and business responsibility activities from time to time.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. D Balaji, Whole Time Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Mr. D Balaji, Whole Time Director

10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC)

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against Above policies and follow up action	Yes									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes									Annually								
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1									P2	P3	P4	P5	P6	P7	P8	P9	
										No								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable since the policies of the Company cover all Principles on NGRBCs.																		

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year :

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	<ul style="list-style-type: none"> ▪ National guidelines on responsible business conduct, 2018 ▪ Safety of recycled Plastics 	66.67 %
Key Managerial Personnel	2	<ul style="list-style-type: none"> ▪ Training by Indian National Bar Association. ▪ Training on Intellectual Property 	50.00%
Employees other than BoD and KMPs	7	<ul style="list-style-type: none"> ▪ PPE, Safety & First Aid ▪ ISO 28000 ▪ Electrical Safety & Emergency Preparedness ▪ Extrusion Process ▪ IATF 16949 ▪ ISO 45001:2018 ▪ ISO 14001:2015 <p>Above training programs has developed understanding, knowledge and awareness of aforesaid topics among employees and workers</p>	100.00%
Workers	7	<ul style="list-style-type: none"> ▪ PPE, Safety & First Aid ▪ ISO 28000 ▪ Electrical Safety & Emergency Preparedness ▪ Extrusion Process ▪ IATF 16949 ▪ ISO 45001:2018 ▪ ISO 14001:2015 <p>Above training programs has developed understanding, knowledge and awareness of aforesaid topics among employees and workers</p>	100.00%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Amount (In INR) Brief of the Case preferred? (Yes/No)
Penalty/ Fine					
Settlement			None		
Compounding Fees					
			Non-Monetary		
Imprisonment					
Punishment			None		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed. : NotApplicable
4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. : Yes. The Company has code of conduct that serve as guiding principal for the Directors, Senior management and Employees of the Company. The same has been placed on website of the company, http://www.kingfaindia.com/images/pdf/CodeofConduct_Senior_Management_Personnel.pdf
5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption :

	FY (2022-23)	PY (2021-22)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY (2022-23)		PY (2021-22)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. : NotApplicable

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY (2022-23)	PY (2021-22)	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	NA
Capex	0.00%	0.00%	NA

2. a. Does the entity have procedures in place for sustainable sourcing? Yes
b. If yes, what percentage of inputs were sourced sustainably? – 7 %

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for :

(a) Plastics (including packaging)	Grinding the lumps and reusing them
(b) E-waste	No E-waste Generated
(c) Hazardous waste	Sold with the Pollution control Authorized board
(d) other waste	Sent to Authorized vendor for disposal

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). – Yes

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. – Yes

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees :

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent employees											
Male	183	183	100.00%	183	100.00%	0	0.00%	183	100.00%	0	0.00%
Female	11	11	100.00%	11	100.00%	11	100.00%	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	194	194	100.00%	194	100.00%	11	5.67%	183	94.33%	0	0.00%
Other than permanent employees											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

b. Details of measures for the well-being of workers :

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent workers											
Male	21	21	100.00%	21	100.00%	0	0.00%	21	100.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	21	21	100.00%	21	100.00%	0	0.00%	21	100.00%	0	0.00%
Other than permanent workers											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY (2022-23)			PY (2021-22)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	0.00%	8.59%	Yes	0.00%	14.69%	Yes
Others – Please specify (Super Annuation)	0.95%	0.00%	Yes	0.95%	0.00%	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. : Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? : No

If so, provide a web-link to the policy. : NA, The Company do not have any Person with Disability as worker or employee.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes / No	If yes, give details of the mechanism in brief.
Permanent Workers	Yes	For Employees & workers, the Company has a Whistle blower Policy and Vigil Mechanism to deal with instance of fraud and mismanagement; if any. The Vigil Mechanism ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity :

Category	FY (2022-23)			PY (2021-22)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees	0	0	0.00%	0	0	0.00%
Male	0	0	0.00%	0	0	0.00%
Female	0	0	0.00%	0	0	0.00%
Other	0	0	0.00%	0	0	0.00%
Total Permanent Workers	21	19	90.48%	21	19	90.48%
Male	21	19	90.48%	21	19	90.48%
Female	0	0	0.00%	0	0	0.00%
Other	0	0	0.00%	0	0	0.00%

8. Details of training given to employees and workers

Category	FY (2022-23)					PY (2021-22)				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	105	30	28.57%	14	13.33%	105	50	47.62%	14	13.33%
Female	9	2	22.22%	2	22.22%	9	3	33.33%	2	22.22%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total	114	32	28.07%	16	14.04%	114	53	46.49%	16	14.04%
Workers										
Male	220	70	31.82%	40	18.18%	220	60	27.27%	50	22.73%
Female	15	5	33.33%	5	33.33%	15	8	53.33%	10	66.67%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total	235	75	31.91%	45	19.15%	235	68	28.94%	60	25.53%

9. Details of performance and career development reviews of employees and worker :

Category	FY (2022-23)			PY (2021-22)		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	105	95	90.48%	105	90	85.71%
Female	9	8	88.89%	9	7	77.78%
Other	0	0	0.00%	0	0	0.00%
Total	114	103	90.35%	114	97	85.09%
Workers						
Male	220	180	81.82%	220	160	72.73%
Female	15	12	80.00%	15	10	66.67%
Other	0	0	0.00%	0	0	0.00%
Total	235	192	81.70%	235	170	72.34%

10. Health and safety management system :

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)	Yes
If yes, the coverage such system?	The Company has in placed Health and Safety Policy which effectively managed to reduce risks in the workplace of company. It provides structured management approach to control safety & environmental risks.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Step 1: Collect Existing Information about Workplace Hazards. Step 2: Inspect the Workplace for Safety Hazards. Step 3: Identify Health & Work-Related Hazards. Step 4: Conduct Incident Investigations. Step 5: Identify Hazards Associated with Emergency Situations
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.	Yes
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?	Yes

11. Details of safety related incidents, in the following format :

Safety Incident / Number	Category	FY (2022-23)	PY (2021-22)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- 1) We are Using PPE at the plant.
- 2) Maintaining 5 s at the plant.
- 3) Providing the sanitary pad hygiene machine for the Female staff & worker free of cost.
- 4) Providing training regarding the health and safety.
- 5) Awareness of ergonomics to Employee.

13. Number of Complaints on the following made by employees and workers :

Category	FY (2022-23)			PY (2021-22)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	None	0	0	None
Health & Safety	0	0	None	0	0	None

14. Assessments for the year :

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	50.00%
Working Conditions	50.00%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.: None

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.	The Company values all the stakeholders of the Company and maintains long term cordial relationship with them. The Stakeholders are determined based on the significance of their impact on the business
---	--

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employee	No	E-mail/ Notice Board / SMS	Continuous	Enhance efficiency, Equal opportunities, clear communication
2	Shareholders	No	E-mail/ SMS/ Website/ Newspaper / Advertisements	Continuous	Business Updates and performance details on finance
3	Auditors/ Consultants	No	E-mail	Continuous	Advice on business, legal and tax related issue & Business performance details

4	Suppliers	No	E-mail/ SMS Website	Continuous	Payment Cycle, Business Obligations & Mutual expectation
5	Customers	No	E-mail/ SMS/ Website/ Advertisements	Continuous	Understand customer needs and obtain feedback to provide customer satisfaction

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY (2022-23)			PY (2021-22)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	100	50	50.00%	100	40	40.00%
Other than permanent	14	8	57.14%	14	6	42.86%
Total Employees	114	58	50.88%	114	46	40.35%
Workers						
Permanent	15	9	60.00%	15	6	40.00%
Other than permanent	220	150	68.18%	220	120	54.55%
Total Workers	235	159	67.66%	235	126	53.62%

- Details of minimum wages paid to employees and workers, in the following format :

Category	FY (2022-23)					PY (2021-22)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	100	0	0.00%	100	100.00%	100	0	0.00%	100	100.00%
Male	95	0	0.00%	95	100.00%	95	0	0.00%	95	100.00%
Female	5	0	0.00%	5	100.00%	5	0	0.00%	5	100.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	14	0	0.00%	14	100.00%	14	0	0.00%	14	100.00%
Male	10	0	0.00%	10	100.00%	10	0	0.00%	10	100.00%
Female	4	0	0.00%	4	100.00%	4	0	0.00%	4	100.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%

Workers										
Permanent	15	15	100.00%	0	0.00%	15	15	100.00%	0	0.00%
Male	15	15	100.00%	0	0.00%	15	15	100.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	220	220	100.00%	0	0.00%	220	220	100.00%	0	0.00%
Male	205	205	100.00%	0	0.00%	205	205	100.00%	0	0.00%
Female	15	15	100.00%	0	0.00%	15	15	100.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%

3. Details of remuneration /salary / wages, in the following format :

	Male		Female		Others	
	Number	Median remuneration/ salary/ wages of respective category (In Lakhs)	Number	Median remuneration/ salary/ wages of respective category (In Lakhs)	Number	Median remuneration/ salary/ wages of respective category (In Lakhs)
Board of Directors (BoD)	5	7.80	1	7.80	0	0
Key Managerial Personnel	2	23.05	0	0	0	0
Employees other than BoD and KMP	183	4.80	11	6.33	0	0
Workers	21	3.84	0	0	0	0

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.	The issue related to work or other rights can be raised through the Plant Head/HR Manager who then take the action and provide the solution through team and inform the concerned person accordingly.
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6. Number of Complaints on the following made by employees and workers:

Category	FY (2022-23)			PY (2021-22)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	None	0	0	None
Discrimination at workplace	0	0	None	0	0	None
Child Labour	0	0	None	0	0	None
Forced Labour/ Involuntary Labour	0	0	None	0	0	None
Wages	0	0	None	0	0	None
Other human rights related issues	0	0	None	0	0	None

7.	Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.	Prevention of Sexual Harassment Committee at the Workplace
8.	Do human rights requirements form part of your business agreements and contracts?	No

9. Assessments for the year :

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100.00%
Forced/involuntary labour	100.00%
Sexual harassment	100.00%
Discrimination at workplace	100.00%
Wages	100.00%
Others – please specify	100.00%

10.	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:	There were no corrective actions taken since there were no concerns arose from the assessments.
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PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment
Essential Indicators

1. Details of total energy consumption (in Gigajoules) and energy intensity, in the following format:

Parameter	FY (2022-23)	PY (2021-22)
Total electricity consumption (A)	107264.00	80948.00
Total fuel consumption (B)	220.00	29.00
Energy consumption through other sources (C)	0.00	0.00
Total energy consumption (A+B+C)	107484.00	80977.00
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.00000766	0.00000773
Energy intensity (optional) – the relevant metric may be selected by the entity		
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)	No	No
If yes, name of the external agency.	NA	NA

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) – No
 If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. - NA

3. Provide details of the following disclosures related to water, in the following format :

Parameter	FY (2022-23)	PY (2021-22)
Water withdrawal by source (in kilolitres)		
(i) Surface water	31240.00	19128.00
(ii) Groundwater	3570.00	3350.00
(iii) Third party water	13438.00	12402.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	48248.00	34880.00
Total volume of water consumption (in kilolitres)	48248.00	34880.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000344	0.00000333
Water intensity (optional) – the relevant metric may be selected by the entity		
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)	No	No
If yes, name of the external agency.	NA	NA

4. Has the entity implemented a mechanism for Zero Liquid Discharge? No.

If yes, provide details of its coverage and implementation. - NA

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format :

Parameter	Please specify unit	FY (2022-23)	PY (2021-22)
NOx	NA	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		No	
If yes, name of the external agency.		NA	

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY (2022-23)	PY (2021-22)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	NA	0	0
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	NA	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover	NA	0	0
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	0	0
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		No	
If yes, name of the external agency.		NA	

7. Does the entity have any project related to reducing Green House Gas emission? : No

If Yes, then provide details. : NA

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY (2022-23)	PY (2021-22)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	302	130
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) - Hydraulic/Waste/Used oil (Ltrs)	650	400
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A + B + C + D + E + F + G + H)	952	530
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
<i>Total</i>	0	0
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)	No	
If yes, name of the external agency.	NA	

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

We comply with all regulations concerning the safe and responsible management of waste materials. Also we follow MPCB norms at our plants. We dispose the hazardous waste to Authorized MPCB vendors. In our process the toxic chemicals are not used.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year : No

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). : Yes

If not, provide details of all such non-compliances, in the following format : NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. –5
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1	Kingfa Science & Technology (India) Ltd., Paniyalar Munetra Sangam	State
2	Fedaration of Chakan Industrial Association	State
3	Jejuri Industrial Association	State
4	All India Plastic Manufacturing Association	National
5	The Plastics Export Promotion Council	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

S. No.	Name of authority	Brief of the case	Corrective action taken
NA			

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
NA						

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

The communities can raise their grievances as per the mechanism provided in our Whistleblower Policy and Vigil Mechanism available on our website of the Company.

4.	Percentage of input material (inputs to total inputs by value) sourced from suppliers :	FY (2022-23)	PY (2021-22)
	Directly sourced from MSMEs/ small producers	12%	10%
	Sourced directly from within the district and neighbouring districts	7%	5%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In case of any complaint on the product, the customer can inform the same to the concerned sales person over phone or by mail. On receipt of the complaint the sales person checks the details over the phone, e-mail or in person & offers the solution/ resolution either himself or in consultation with the product specialist if it is technical in nature. For Commercials/Delivery related complaints, the resolution is offered by the sales person, either by himself or by the concerned department. Feedback is taken by the sales team whenever they meet the customers in person and through website as well.

2.	Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about	As a percentage to total turnover
	Environmental and social parameters relevant to the product	100%
	Safe and responsible usage	100%
	Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following :

	FY (2022-23)		Remarks	PY (2021-22)		Remarks
	Filed during the year	Pending resolution at the end of year		Filed during the year	Pending resolution at the end of year	
Data privacy	0	0	None	0	0	None
Advertising	0	0	None	0	0	None
Cyber-security	0	0	None	0	0	None
Delivery of essential services	0	0	None	0	0	None
Restrictive Trade Practices	0	0	None	0	0	None
Unfair Trade Practices	0	0	None	0	0	None
Other	4	0	None	4	0	None

4.	Details of instances of product recalls on account of safety issues	Number	Reasons for recall
	Voluntary recalls	0	NA
	Forced recalls	0	NA
5.	Does the entity have a framework/ policy on cyber security and risks related to data privacy?	Yes	
	If available, provide a web-link of the policy	http://www.kingfaindia.com/CyberSecurity&DataProtectionPolicy.pdf	
6.	Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; reoccurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. - NA		

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023, 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.

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, 2023, 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 Directors are persons of eminence in areas such as business, industry, finance, law, administration, economics etc and bring with them experience and skills which add value to the performance of the Board.

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 2022 - 23, the Board met 4 times on 25th May, 2022, 10th August, 2022, 10th November, 2022 and 14th February, 2023. The last AGM was held on 22nd September, 2022.

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, 2023.

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

@ 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 (Independent Director, Chairman - Board of Directors).

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

- Business plans, forecast, strategic initiatives.
- operating plans, capital budgets.
- capital expenditure and updates.
- internal financial controls.
- 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, disinvestments 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. Also, a presentation was made to Independent Directors to apprise them on the subject of National Guidelines on Responsible Business Conduct.

The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company viz. www.kingfaindia.com and can be accessed at <http://www.kingfaindia.com/Familprogrm.pdf>.

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 2022 - 23, four Audit Committee Meetings were held on 25th May, 2022, 10th August, 2022, 10th November, 2022 and 14th February, 2023.

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 Director, Non-Executive Non-Independent Director, 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 the 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.

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- 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 / Independent 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 Director(s).

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 2022 - 23, three meetings of the Nomination and Remuneration Committee were held on 10th August, 2022, 10th November, 2022 and 14th February, 2023 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	₹ 30,000/-
Stakeholder Relationship Committee Meetings	₹ 30,000/-
Corporate Social Responsibility Committee Meetings	₹30,000/-
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 2022 - 23 together with sitting fees paid and the shareholding held by the Non Executive Directors as on 31st March, 2023 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	-	-	26.91
Mr. D.Balaji	34.05	4.03	-	50.95	89.03

Non - Executive Directors

Name of Director	Sitting fees paid for Board and Committee Meetings (₹ in Lakhs)	Commission (₹ in Lakhs)	Shares held in the Company (Nos.)
Mr. N.Subramanian	5.20	2.00	Nil
Mr. Dilip Dinkar Kulkarni	5.80	2.00	Nil
Ms. Nilima Ramrao Shinde	5.80	2.00	Nil
Mr. Wu Xiaohui	3.20	-	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) Stakeholders Relationship Committee

Terms of Reference

The Board of Directors has constituted a Stakeholders Relationship Committee to approve the share transfers and other investor related matters and also attend to the investor grievances in compliance with the requirements of the Act and Listing Regulations.

The Composition of the Stakeholders 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 2022 - 23, the Stakeholder Relationship Committee met two times on 25th May, 2022 and 10th August, 2022.

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, 2023 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 2022 – 23 and there are no complaints pending to be resolved as on 31st March, 2023.

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

The primary roles / responsibilities of the Corporate Social Responsibility Committee are :

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy including Annual Action Plan which shall indicate the activities to be undertaken by the Company in areas or subjects, as 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.
- b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
- c. Monitor implementation and adherence to the CSR Policy of the Company from time to time.
- d. 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 2022-23 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 four times during the financial year 2022 – 23 on 25th May, 2022, 10th August, 2022, 10th November, 2022 and 14th February, 2023.

Attendance

Name of Director	No. of Meetings Attended
Mr. Dilip Dinkar Kulkarni	4
Mr. Wu Xiaohui	4
Mr. D.Balaji	4

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 2022 – 23 on 19th July, 2022 and 11th January, 2023.

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

A separate meeting of Independent Directors of the Company without the presence of the Non-Independent Directors and Management Representatives was held on 14th February, 2023 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors, inter alia:

- (a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) reviewed the performance of the Chairman, taking into account the views of Executive Directors and Non-Executive Directors;
- (c) assessed the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their 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
31.03.2022	22.09.2022	11.30 a.m.	Meeting held through Video Conferencing / Other Audio Visual Means
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

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

I. At the 38th Annual General Meeting held on 22th September, 2022.

a) Approval for Payment of Commission to Independent Directors.

II. 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.

III. 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.

(C) Postal Ballot

During the year, no resolutions have been passed through Postal Ballot.

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 thereunder and SEBI Listing Regulations, 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.

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.

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 and can be accessed at <http://www.kingfaindia.com/RPTPolicy.pdf>.

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:

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.

Dividend Distribution Policy

The Company has adopted a dividend distribution policy, duly approved by the Board and the same is available on the website of the Company viz. www.kingfaindia.com and can be accessed at <http://www.kingfaindia.com/DDPolicy1.pdf>.

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	2022-23	
a. As Auditors		
Audit & Assurance Fees	10.00	
GST Audit Fees	0.00	
b. Limited Review	1.90	
c. Reimbursement of expenses	0.37	
d. Certification & others	2.00	
Total	14.27	

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 2023 – 2024:

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

First Quarter Results (30th June, 2023)	on or before August 14, 2023
Second Quarter Results (30th September, 2023)	on or before November 14, 2023
Third Quarter Results (31st December, 2023)	on or before February 14, 2024
Fourth Quarter Results (31st March, 2024)	before end of May, 2024
Annual General Meeting (2023-2024)	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.

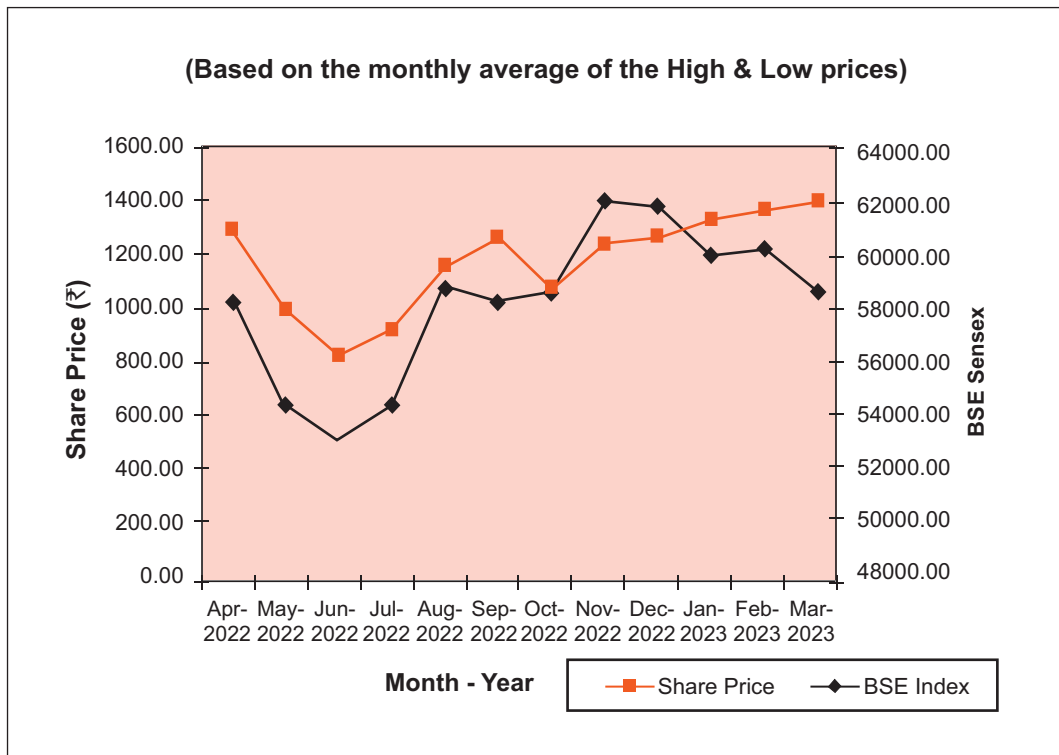
The Listing fees to BSE and NSE have been paid.

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

(in ₹)

Month	Year	BSE		NSE	
		High	Low	High	Low
April	2022	1,459.00	1,119.50	1,422.00	1,117.65
May	2022	1,165.00	871.10	1,170.00	871.85
June	2022	975.95	751.05	989.75	754.45
July	2022	1,027.00	866.00	1,023.95	868.00
August	2022	1,380.10	952.15	1,380.00	938.65
September	2022	1,468.65	1,055.05	1,470.00	1,060.00
October	2022	1,160.75	1,020.20	1,153.00	1,020.20
November	2022	1,402.80	1,085.05	1,390.50	1,100.00
December	2022	1,399.00	1,133.00	1,397.70	1,115.10
January	2023	1,406.00	1,248.05	1,418.95	1,264.30
February	2023	1,497.95	1,222.60	1,500.00	1,230.25
March	2023	1,531.20	1,243.25	1,539.95	1,241.05

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. All works relating to transfer, transmission, splitting of Share certificates, dematerialization and re-materialization and other investor related activities are attended to and processed by the Company’s Registrar & Share Transfer Agent : M/s. Integrated Registry Management Services Private Limited. Company’s equity shares are traded on the Stock Exchanges compulsorily in Demat mode segment.
2. The Board has delegated powers to the Compliance Officer for dealing with matters concerning securities of the Company and his action is ratified at the next Stakeholder Relationship Committee Meeting.
3. The Company obtains a certificate from Practicing Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges.
4. 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 Practicing Company Secretary is forwarded to Stock Exchanges where the Company’s shares are listed.

l) Distribution of Shareholding and Shareholding Pattern as on 31.03.2023.

i) Distribution of Shareholding

CATEGORY	SHAREHOLDERS		SHARES	
	NUMBER	%	NUMBER	%
Upto 2500	8292	98.74	1030991	8.51
2501 – 5000	65	0.77	236850	1.96
5001 – 10000	23	0.28	166341	1.37
10001 – 20000	6	0.07	82783	0.68
20001 – 30000	5	0.06	125666	1.04
30001 – 40000	0	0.00	0	0.00
40001 – 50000	1	0.01	44344	0.37
50001 – 100000	2	0.02	150303	1.24
100000 & above	4	0.05	10273183	84.83
TOTAL	8398	100.00	12110461	100.00

ii) Shareholding Pattern

CATEGORY	HOLDERS	SHARES	VOTING STRENGTH (PERCENTAGE)
Promoter	1	9082214	74.99
Non-Resident Individuals / OCBs	212	106216	0.88
Foreign Port Folio Investor - Corporate / Foreign National	3	766793	6.33
Bodies Corporate	84	82912	0.69
FIs/Mutual Funds/Banks	0	0	0.00
Resident Individuals	8067	1977678	16.33
Others	31	94648	0.78
Total	8398	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, 2023, 99.47% of the Company's total equity shares representing 1,20,46,105 shares were held in dematerialised form and the balance 0.53% representing 64,356 shares in the physical form.

n) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

- Nil

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,
Phase-2, MIDC, Vasuli – Shinde,
Tal Khed, Pune – 410501. - Modified Thermoplastics

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

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

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

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

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 No. : +91-44-28521736
Fax No. : +91-44-28520420
E-Mail : cs@kingfaindia.com

For and on behalf of the Board of Directors

BO JINGEN
Managing Director
DIN : 06617986

D. BALAJI
Executive Director
DIN : 08256342

Place : Pune

Date : 24th May, 2023

**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, 2023, 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, 2023.

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.

VAISHNAV ASSOCIATES

Shaswati Vaishnav

Place : Pune

Date : May 24, 2023

Practicing Company Secretary

ACS: 11392 CP No : 8675

UDIN A011392E000629561

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, 2023 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.	DIN	Name of Director	Begin date of Appointment
1	0003602858	NARAYANASWAMY SUBRAMANIAN	16/05/2014
2	0006617977	XIAOHUI WU	27/02/2014
3	0006617986	JINGEN BO	27/02/2014
4	0007272118	DILIP DINKAR KULKARNI	28/08/2015
5	0007646156	NILIMA RAMRAO SHINDE	01/11/2016
6	0008256342	BALAJI DORAISWAMI	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.

VAISHNAV ASSOCIATES

Shaswati Vaishnav

Practicing Company Secretary

ACS: 11392 CP No : 8675

UDIN A011392E000629592

Place : Pune

Date : May 24, 2023

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, 2023 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 : 24th May, 2023

BO JINGEN
Managing Director

CHEN XIAOQIONG
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 2022-23 started with hopes for the entire World to be free from Co-vid. The memories of the ravage caused by Covid-19, the human lives lost and the loss of productivity was fresh in everyone's mind. FY 2020-21 & 2021-22 went through lock downs from time to time. It has indeed come as a breath of fresh air for the industry to be free from any lock downs during the year 2022-23.

Every nation was looking into revival after the economic devastation caused by the Co-vid pandemic. The manufacturing activities, agriculture and service sector were all back on track during the year 2022-23. Travel

activities streamlined with the restrictions due to Co-vid removed and this directly had a bearing on the revival of the economy.

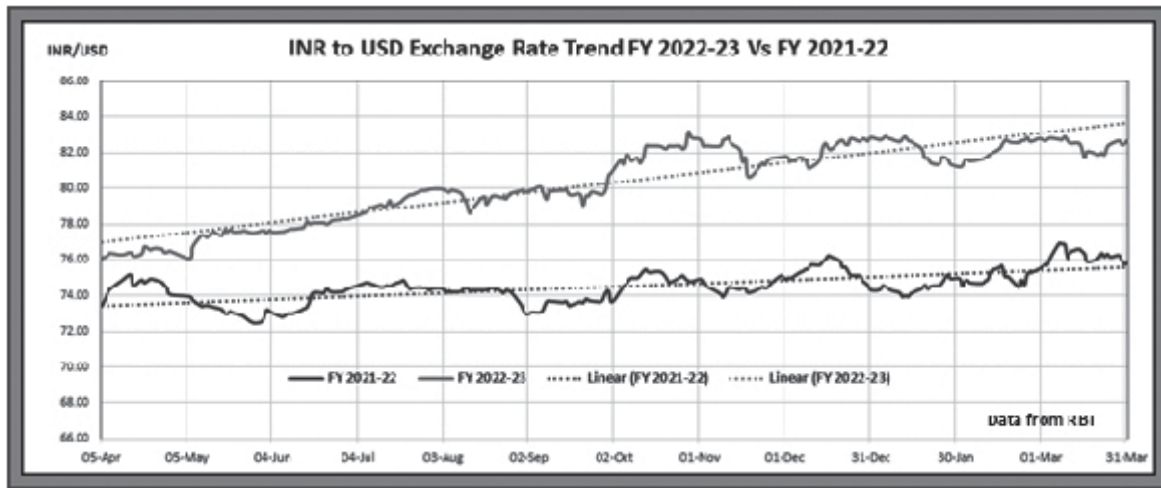
The Ukraine-Russia crisis that began towards the end of the previous year continued during 2022-23, polarizing the nations and in the process bringing in sanctions and other measures. But the imbroglio did not end during the year and continues even now. The imposed sanctions changed the way oil was traded and in turn impacted on all the downstream products into a quagmire. Realignments have happened with respect to many of the industrial raw material procurement and leading to a certain level of uncertainty during the year. Towards the end of the FY 2022-23, things seemed to settle down.

The congestions in ports and the availability of the containers eased during the year removing the uncertainty to a larger extent. This made the logistics cost thaw down and come back closer to the pre co-vid levels. However on the exchange rate front, hardening of US\$ against all the major currencies brought in it's share of economic troubles for the dependent nations.

The exchange rate which was at ₹ 75.25 (average) in Q4 of FY 2021-22 went up in FY 2022-23 every quarter. This was a stress to the importers with increasing cost of imports and negated the other positive aspects related to logistics and other costs.

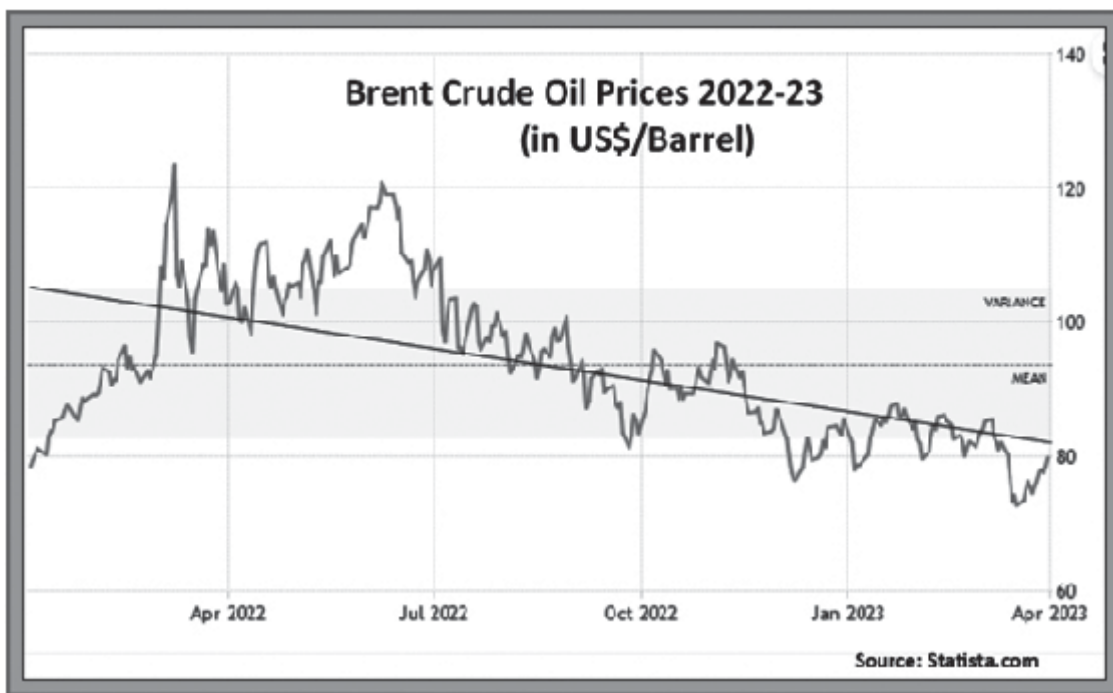


The exchange rate, during FY 2022-23 was on the increasing trend, Quarter-on-Quarter, similar to what was witnessed in the previous year. The average exchange rate went up to ₹ 82.26/US\$ in Q4 of FY 2022-23. You can see the comparison of exchange rate trend as per data from RBI in the chart below for the year in discussion and the previous year.



The crude prices were on the increasing trend through the first half of 2022 as a result of the Russia-Ukraine crisis with a peak price of US\$122.71/barrel in Jun'22. However from Jul'22 the prices of oil started coming down and reached a low of US\$80.92 in Dec'22. During the last quarter of the year, stability was seen with prices hovering between US\$ 75-85/barrel.

Prices of petrochemical based output, especially the polymers, both commodity as well as specialty polymers, started softening towards the year end as a result of softening oil prices.

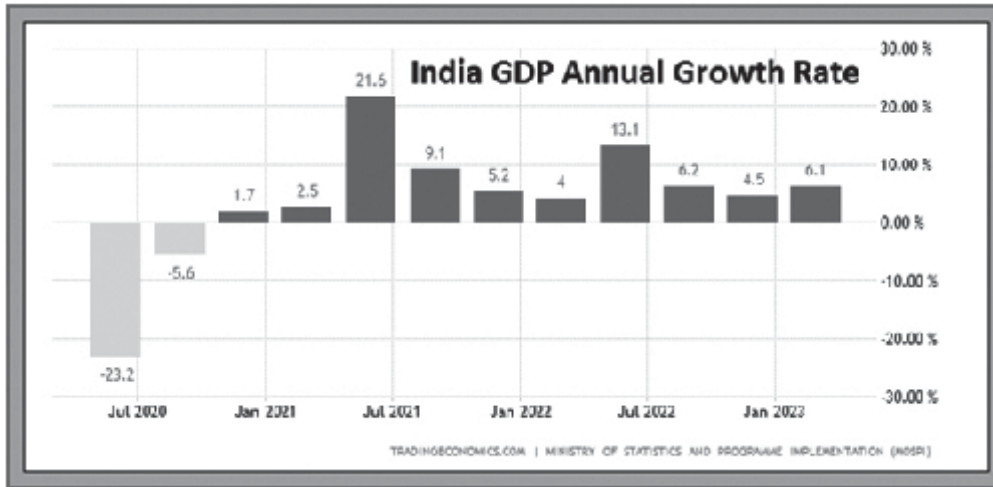


Indian Economy revived from the impact of Co-vid-19 and posted impressive gains from the lows of the Co-vid affected previous years.

In FY 2022-23, the Indian economy saw a growth pattern similar to that of the previous year, hitting a big jump in Q1 and then tapering off in the following quarters. FY 2021-22 saw a peak of 21.6% in Q1 tapering off to 4.1% in Q4. In FY 2022-23, Q1 registered a growth of 13.1% which tapered down to 4.4% in Q3 and then recovered to 6.1% in Q4.

The economic survey 2022-23 tabled in the Parliament projected a growth of 7.0% for the FY23 as against 8.7% in the previous year. The projected growth for FY 2023-24 is indicated to be 6.5% which the industry experts feel to be of comfortable level in the wake of

challenges India will face in FY24. However, India's growth rate is expected to moderate or decelerate in 2023 due to various factors such as external conditions, policy tightening, inflation pressure, global slowdown, and monsoon distribution. The world economy is projected to see just 2.9% GDP growth in 2023. The real GDP in industrial countries will slow in 2023, only growing by around one percent due to the impact of high global inflation rates. On the other hand, the GDP of emerging and developing countries is expected to grow by 3.7% both in 2022 and 2023, and by over four percent in 2024.



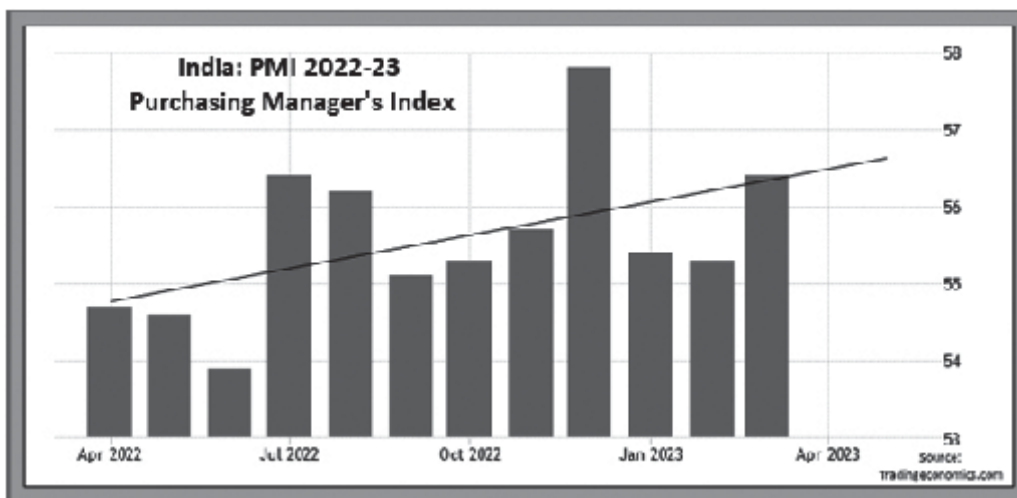
The production linked incentive (PLI) scheme announced in the previous year's budget was well received by industries and resulted in some of the segments registering higher than normal growth seen in earlier years. The air conditioner industry benefitted largely from this and registered an impressive 26-28% growth as per industry sources.

In the Union Budget 2022-23, presented on 1st February 2022, the finance minister stressed on the continuous efforts to push reforms and maneuver the economy through schemes and initiatives which have aided in India's resilience thus far. The focus areas included, among others, inclusive development, reaching the last mile, infrastructure & investment, green growth, youth power and the financial sector. Overall, the budget is targeted at boosting consumption by increasing the disposable income of the tax payers.

C) INDUSTRY STRUCTURE AND DEVELOPMENTS

During the year under review, the industries, for the first time since Co-vid 19 induced pandemic, operated without the fear of any lock downs and restrictions in people movement and the absence of permissions for gathering in large groups. The shopping activities gathered momentum with malls and show rooms registering increased footfall like what was prevailing before the pandemic.

The manufacturing PMI which is an indication of the expansion/contraction in manufacturing activities, was in excess of 50 for India throughout the FY23 indicating expansion. The lowest PMI of 53.9 was registered in Jun'22 while Dec'22 registered the highest PMI of 57.8. It is notable that PMI for India was steady in spite of global turmoil after the Russia-Ukraine conflict.



The automobile as well as appliances segments continued to feel the shortage of Chips and had to face continuing 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. This further consolidated with an increase

of 12.6% in the year 2022-23 in spite of the shortfall in the availability of chips. The passenger vehicle segment could register a 25.4% growth compared to 19.2% growth in the previous year while the commercial vehicles segment grew at 28.6% continuing on the 28.9% growth witnessed in the previous year.

AUTOMOTIVE INDUSTRY IN INDIA PRODUCTION TREND

fig in numbers

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-2023
Passenger Vehicles	40,20,267	40,28,471	34,24,564	30,62,280	36,50,698	45,78,639
Commercial Vehicles	8,95,448	11,12,405	7,56,725	6,24,939	8,05,527	10,35,626
Three Wheelers	10,22,181	12,68,833	11,32,982	6,14,613	7,58,669	8,55,696
Two Wheelers	2,31,54,838	2,44,99,777	2,10,32,927	1,83,49,941	1,78,21,111	1,94,59,009
Quadricycle	1,713	5,388	6,095	3,836	4,061	2,897
Grand Total	2,90,94,447	3,09,14,874	2,63,53,293	2,26,55,609	2,30,40,066	2,59,31,867

Source: Siam.in

It should be noted that the auto sector is cyclical and 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. The reviving economy will result in a robust growth in the coming year for Indian auto industry.

D) COMPANY PERFORMANCE

As mentioned above, with satisfactory growth during the past year, the industries had a mixed performance during the year. There were ups and downs of varying intensity in the growth trajectory of different segments with each having their own set of determinants reflecting on their performance. 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. The first plant erected at Chakan is now complete with all the slots fitted with compounding lines of varying capacities capable of producing not only PP compounds but also different engineering plastics as well. More and more

Engineering plastics compounds were localized reducing the lead time for the customers.

FY23 was significant in the operations of the Chakan plant for not only enhancing the capacity and adding new products but also for putting into use the most modern labs for quality assurance, product characterization and analysis. The state of the art lab facility is crucial for Kingfa India to serve the OEMs and customers in their new product development and to offer them innovative material solutions.

The PPE division consolidated the existing lines for manufacture of 3 Ply and foldable masks to lend themselves to produce different variants of the masks to cater to other industries. The product portfolio was enhanced with new products for industries, mining and other specialty requirements such as paint shops, cement and industries where dusty environment has to be tackled. The PPE division embarked on adding newer safety products for the Indian market and continued to get relevant product certifications as per the needs of the end users.

FY23 started with the raw material prices at their peak. However, towards Q3, relief was seen in RM prices which was short lived. Q4 saw prices going up again and the width varied from material to material. The Poly Propylene prices which hit historical highs during Mar'22 thawed down in a similar manner and went up again in Q4.

No new capacity additions were seen during this year too 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 in the early part of the year. The situation changed for the better as the year progressed which was a much needed relief for all the sectors.

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. The supply base continued to be expanded to minimize the risks and to have better control. Inventory management both at RM and FG level continue to remain a big challenge in view of the unpredictability seen in the imports in the early part of the year. This was managed well with specific in-house projects which were initiated in the previous year for improving the efficiency in inventory control.

Sustainability is the current watch word in the industries world wide. As Green initiatives take precedence over other conventional options, the need for conserving energy and directing our focus on sustainable options/solutions is inevitable. Your company is also looking into sustainable solutions as we move forward towards becoming carbon neutral.

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. There are separate sales teams to handle Polymer and PPE businesses.

With the shadow of Co-vid 19 pandemic lifted, your company actively participated and organized seminars 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. Technical lecture focusing on newer technologies and newer material solutions were presented to the industry participants which helps in widening our circle of association in the industry/OEMs.

New customers in newer segments were continued to be added for Engineering plastics compounds. Kingfa India has established itself as one of the leading manufacturers of engineering plastics in India and has gained significant foot hold in PA, PBT, ABS, HIPS, SAN and blends & alloys. Separate teams are formed to promote the biodegradable polymers in India whose demand is expected to go up in the coming years.

Electric Vehicles is an area of focus in the immediate years to come. Your company successfully commercialized Flame retardant compound for 2W segments in EV. In-house work shops were conducted at the campus of the leading EV 2W makers to make them aware of the products that Kingfa can offer for 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. As done in the past years, the technical, marketing and finance teams were strengthened with the addition of a mix of new and experienced hands. The company added fresh PhDs to the technical team with a view to enhance the technical capability of your company and to make forays into newer material solution areas. Your company is sure that this is bound to result in higher confidence level for our customers in Kingfa as a total solution provider. The newly commenced laboratory facilities has multitude of analytical instruments for the technical team to analyse and compare the materials towards finding solutions for newer challenges.

The team members located abroad have done considerable work towards creating opportunities for export from India. 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 219 as of 31st March 2023.

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 gaining momentum during the year and new customers added to our basket. 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. The year also saw more MNCs and large customers visiting our Chakan plant for auditing your company's facilities and processes 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. Your company has gone through a formal risk assessment process with the help of HQ in order to identify various risk factors and to 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 effective 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 and planned 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 33.95% 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. Continuing relationship with existing customer, new customer and product compounds has been developed during the period of reporting.

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/engineering plastic 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) The increasing trend towards switch to Electric vehicles offers opportunities for introducing our material and to develop new products to meet EV needs. Your company is one of the early movers in this and is actively working with EV manufacturers and expect to capitalize on this in the coming years.
- d) 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. Specific task forces are in place to monitor and control the same.
- e) Dependence on one segment of the industry is always a risk and your company understands the same. Your company's strategy is to broad base its product offerings into other segments of manufacturing, viz, Electrical, Power tools, 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 SIGNIFICANT 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	2022-23	2021-22
i) Debtors Turnover ratio :	4.38	4.24
ii) Inventory Turnover :	4.06	4.27
iii) Interest coverage ratio :	18.84	9.52
iv) Current Ratio :	1.37	1.30
v) Debt-Equity Ratio (%) :	6.89%	11.98%
vi) Operating profit margin (%) :	8.26%	4.45%
vii) Net profit margin (%) :	5.80%	2.92%

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, 2023, 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
DIN : 06617986

D.BALAJI
Executive Director
DIN : 08256342

Place : Pune

Date : 24th May, 2023

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, 2023, 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, 2023, 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 Auditor's 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 33 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 statements. 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 2023. 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 2023, the value of inventories amounted to ₹ 28,907.83 lakhs representing around 29% 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 32.4.11 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 2023 is ₹ 25,439.67 Lakh, which is 25% 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 32.4.3 to the Ind AS Financial Statements for accounting policy for valuation of Property, plant and equipment.</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 auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 auditor's 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 been maintained on servers physically located outside 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 2 (b) above, the backup of books of accounts and other books and papers maintained in electronic mode has been maintained on the servers located outside India.
 - g) With respect to the adequacy of the internal financial controls with reference to financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - h) 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 to directors is not in excess of the limit laid down under this section.

- i) With respect to the other matters to be included in the Auditor's 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, 2023.
- (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, as prescribed under rule 3(1) of the Companies (Accounts) Rules, 2014, 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, 2023.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682

Abhijit Shetye

Partner

Membership Number: 151638

UDIN : 23151638BGQGET2277

Pune

May 24, 2023

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 chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) According to the information and explanations provided to us there are no proceedings 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 and have been appropriately dealt with in the books of accounts.
- (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 of the Act. 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, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and profession tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, 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.

- (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, 2023 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, 1944	Duty of excise	9.10	0.62	November 2009 to December 2015	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	49.18	Interest	1186	
External Commercial Borrowing	Holding Company	39.72	Interest	1004	
External Commercial Borrowing	Holding Company	33.76	Interest	820	
External Commercial Borrowing	Holding Company	32.53	Interest	639	

- (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 the company has used funds raised on short term basis aggregating to Rs. 1,500Lakh for long-term purposes.
- (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(x)(a) 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.
- 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 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)(a) 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 during 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 : 23151638BGQGET2277

Pune

May 24, 2023

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")

We have audited the internal financial controls with reference to the Financial Statements of Kingfa Science & Technology (India) Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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, 2023, 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:23151638BGQGET2277

Pune

May 24, 2023

Balance Sheet as at 31 March 2023

₹ in Lakhs

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
I. Non-current assets		27,232.21	26,774.04
(a) Property, plant and equipment	1	12,341.76	12,552.68
(b) Capital work-in-progress	1	13,097.43	12,728.74
(c) Intangible assets	1	0.47	0.94
(d) Financial assets			
(i) Other financial assets	2	573.57	568.00
(e) Income Tax Assets (Net)	3	547.51	547.51
(f) Other non-current assets	4	671.47	376.17
II. Current assets		73,800.61	61,229.31
(a) Inventories	5	28,907.83	26,099.78
(b) Financial assets			
(i) Trade receivables	6	35,784.84	28,285.58
(ii) Cash and cash equivalents	7.a	239.54	858.26
(iii) Bank balance other than (ii) above	7.b	2,181.85	2,083.40
(iv) Other financial assets	8	782.46	436.05
(c) Other current assets	9.a	5,900.48	3,466.24
(d) Assets Classified as held for sale	9.b	3.61	-
Total Assets		101,032.82	88,003.35

Balance Sheet as at 31 March 2023

₹ in Lakhs

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
Equity		46,599.25	38,458.74
(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	19,232.79	11,092.28
Liabilities			
I. Non-current liabilities		491.76	2,451.87
(a) Financial liabilities			
(i) Borrowings	12	-	1,687.50
(ii) Lease liabilities	13.a	295.71	415.09
(iii) Other financial liabilities	13.b	4.50	4.50
(b) Deferred tax liabilities (net)	14	79.72	231.69
(c) Government grants	15	111.83	113.09
II. Current liabilities		53,941.81	47,092.74
(a) Financial liabilities			
(i) Borrowings	16	3,828.16	2,408.08
(ii) Lease liabilities	18.b	119.38	95.16
(iii) Trade and other payables			
-- total outstanding dues of micro enterprises and small enterprises	17	1,120.47	702.84
-- total outstanding dues of creditors other than micro enterprises and small enterprises	17	46,331.74	41,993.31
(iv) Other financial liabilities	18.a	690.42	1,394.69
(b) Other current liabilities	19	452.15	416.71
(c) Short-term provisions	20	107.73	81.95
(d) Current tax liabilities (net)	21	1,291.76	-
Total Equity and Liabilities		101,032.82	88,003.35

Significant accounting policies 32

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 **P. G. BHAGWAT LLP****BO JINGEN****D. BALAJI**

Chartered Accountants

Managing Director

Executive Director

Firm Registration

DIN : 0006617986

DIN : 08256342

Number : 101118W / W100682

ABHIJIT SHETYE**CHEN XIAOQIONG****NIRNOY SUR**

Partner

Chief Financial Officer

Company Secretary

Membership Number : 151638

Pune : 24 May 2023

Statement of profit and loss for the year ended 31 March 2023

			₹ in Lakhs
Particulars	Note No.	2022-23	2021-22
Income			
Revenue from operations	22	140,370.26	104,789.66
Other income	23	225.72	90.03
Total Income		140,595.98	104,879.69
Expenses			
Cost of raw materials and components consumed	24	105,711.96	90,216.92
Purchase of traded goods	25	5,813.28	3,043.63
Changes in inventories of finished goods, work-in-progress and traded goods	26	206.70	(6992.11)
Employee benefits expense	27	2,471.91	1,985.22
Finance costs	28	652.92	528.81
Depreciation and amortisation expense	29	1,414.15	1,296.50
Other Expenses	30	13,365.82	8,341.37
Total expenses		129,636.74	98,420.34
Profit before exceptional items and tax		10,959.24	6,459.35
Exceptional items	5.2	-	2,324.95
Profit before tax		10,959.24	4,134.40
Tax expense		2,818.21	1,071.06
Current tax	31	2,970.00	1,149.00
Deferred tax	31	(151.79)	(77.94)
Profit for the year		8,141.03	3,063.34
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		(0.69)	(2.84)
Income tax effect on above		0.17	0.71
Total other comprehensive income for the year, net of tax		(0.52)	(2.13)
Total comprehensive income for the year, net of tax		8,140.51	3,061.21
Earnings per equity share [nominal value per share ₹ 10/- (31 March 22 : ₹ 10/-)]			
Basic (in Rs.)	32.5.7	67.22	25.29
Diluted (in Rs.)	32.5.7	67.22	25.29
Significant accounting policies	32		

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

As per our attached report of even date

For **P. G. BHAGWAT LLP**

Chartered Accountants

Firm Registration

Number : 101118W/W100682

ABHIJIT SHETYE

Partner

Membership Number : 151638

Pune : 24 May 2023

For and on behalf of the board of directors

BO JINGEN

Managing Director

DIN : 0006617986

CHEN XIAOQIONG

Chief Financial Officer

D. BALAJI

Executive Director

DIN : 08256342

NIRNOY SUR

Company Secretary

Statement of Cash Flow for the year ended 31 March 2023

	₹ in Lakhs	
Particulars	2022-23	2021-22
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	10,959.24	4,134.40
Adjustments to reconcile profit before tax to net cash flows:		
Add :		
Depreciation and Amortisation	1,414.15	1,296.50
Provision for Impairment Loss	72.04	41.85
Provision for doubtful debts and advances (net)	322.72	73.71
Bad debts written off	456.46	68.85
Unrealised foreign exchange (Gain) / Loss on Interest payable on ECB	12.54	26.68
Unrealised Loss / (Profit) on Foreign Currency Trade payable	1,555.49	496.57
Unrealised Loss / (Profit) on Foreign Currency on Trade receivable	(17.21)	(19.76)
Finance cost	652.92	427.78
	4,469.11	2,412.18
Less:		
Government Grant Income	1.26	1.26
Profit on sale of assets	5.14	0.08
Interest income	129.48	81.39
Provisions no longer required written back	80.70	-
	216.58	82.73
Operating Profit before working capital changes	15,211.77	6,463.85
Working Capital Adjustments		
(Increase) / Decrease in Trade and Other Receivables	(11,048.81)	(7,921.22)
(Increase) / Decrease in Inventories	(2,808.06)	(11,804.06)
Increase / (Decrease) in Trade and other Payables	3,123.17	18,425.09
Increase / (Decrease) in Provisions	25.08	20.91
	(10,708.62)	(1,279.28)
Net Cash generated from operations	4,503.15	5,184.57
Direct taxes paid (Net of refunds received if any)	(1,779.24)	(1,400.23)
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,723.91	3,784.34

Statement of Cash Flow for the year ended 31 March 2023

Particulars	₹ in Lakhs	
	2022-23	2021-22
CASH FLOW FROM INVESTING ACTIVITIES		
Add :		
Sale of Property, Plant and Equipment	5.70	0.93
Interest received	116.27	77.06
	121.97	78.00
Less :		
Purchase of Property, Plant and Equipment	(2,453.54)	(1,891.11)
(Investment in) / Disposal of fixed deposits (net)	(84.02)	(61.27)
	(2,537.56)	(1,952.38)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(2,415.59)	(1,874.39)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (net)	(1,437.50)	(923.88)
Interest paid (finance cost)	(528.67)	(372.46)
Principle payment of lease elements	(133.84)	(129.01)
NET CASH OUTFLOW FROM FINANCING ACTIVITY	(2,100.01)	(1,425.35)
Net increase / (decrease) in cash and cash equivalents	(1,791.69)	484.60
Opening Cash and Cash equivalents	858.26	373.66
Add : Cash credit closing balance	1,172.97	-
Closing Cash and Cash equivalents	239.54	858.26
As per our attached report of even date	For and on behalf of the board of directors	
For P. G. BHAGWAT LLP	BO JINGEN	D. BALAJI
Chartered Accountants	Managing Director	Executive Director
Firm Registration	DIN : 0006617986	DIN : 08256342
Number : 101118W/W100682		
ABHIJIT SHETYE	CHEN XIAOQIONG	NIRNOY SUR
Partner	Chief Financial Officer	Company Secretary
Membership Number : 151638		
Pune : 24 May 2023		

Statement of changes in Equity for the year ended 31 March 2023

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 31st March 2021	12,110,461	1,211.05
Issue/Reduction, if any during the year	-	-
As at 31st March 2022	12,110,461	1,211.05
Issue/Reduction, if any during the year	-	-
As at 31st March 2023	12,110,461	1,211.05
Issue/Reduction, if any during the year	-	-

B. Other Equity (Refer Note 11)

₹ in Lakhs

Particulars	Reserves and Surplus				Total equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	
Opening Balance as at 01 April 2021	67.18	87.09	24,878.38	1,122.76	34,186.48
Profit/(Loss) for the year	-	-	-	-	3,063.34
Other comprehensive income for the year	-	-	-	-	(2.13)
Total Comprehensive income for the year	-	-	-	-	3,061.21
Closing Balance as at 31 March 2022	67.18	87.09	24,878.38	1,122.76	37,247.69
Opening Balance as at 01 April 2022	67.18	87.09	24,878.38	1,122.76	37,247.69
Profit/(Loss) for the year	-	-	-	-	8,141.03
Other comprehensive income for the year	-	-	-	-	(0.52)
Total Comprehensive income for the year	-	-	-	-	8,140.51
Closing Balance as at 31 March 2023	67.18	87.09	24,878.38	1,122.76	45,388.20

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

For **P. G. BHAGWAT LLP**

Chartered Accountants

Firm Registration

Number : 101118W/W100682

ABHIJIT SHETYE

Partner

Membership Number : 151638

Pune : 24 May 2023

BO JINGEN

Managing Director

DIN : 0006617986

CHEN XIAOQIONG

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	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 2021	31.62	4,299.90	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	1,123.43
Deductions/Transfer	-	-	-	(1.01)	-	-	-	-	-	(1.01)	-	(1.01)	(714.86)
As At 31 March 2022	31.62	4,299.90	3,655.02	10,437.14	118.68	113.55	99.34	159.99	746.96	19,662.20	33.26	19,695.46	12,728.74
As At 01 April 2022	31.62	4,299.90	3,655.02	10,437.14	118.68	113.55	99.34	159.99	746.96	19,662.20	33.26	19,695.46	12,728.74
Additions	-	-	-	1,186.96	3.01	61.60	0.66	26.73	-	1,278.96	-	1,278.96	1,645.32
Assets classified as held for sale	(3.61)	-	-	-	-	-	-	-	-	(3.61)	-	(3.61)	-
Deductions/Transfer	-	-	-	(9.54)	-	-	-	-	-	(9.54)	-	(9.54)	(1,276.63)
As At 31 March 2023	28.01	4,299.90	3,655.02	11,614.56	121.69	175.15	100.00	186.72	746.96	20,928.01	33.26	20,961.27	13,097.43
Depreciation													
Upto 01 April 2021	-	200.94	766.38	4,179.76	89.77	85.43	83.76	137.86	161.44	5,705.34	31.24	5,736.58	-
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	95.17	88.58	149.70	280.47	7,000.68	32.32	7,033.00	-
Depreciation													
Upto 01 April 2022	-	246.07	874.52	5,168.96	97.21	95.17	88.58	149.70	280.47	7,000.68	32.32	7,033.00	-
For The Year	-	45.19	109.60	1,097.37	6.10	11.14	5.05	18.42	120.80	1,413.67	0.48	1,414.15	-
Deductions	-	-	-	(8.98)	-	-	-	-	-	(8.98)	-	(8.98)	-
As At 31 March 2023	-	291.26	984.12	6,257.35	103.31	106.31	93.63	168.12	401.27	8,405.37	32.80	8,438.17	-
Provision for Impairment Loss													
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	-
Upto 01 April 2022	-	3.82	59.04	45.98	-	-	-	-	-	108.84	-	108.84	-
For The Year	-	-	-	71.68	0.03	0.10	0.04	0.19	-	72.04	-	72.04	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-
As At 31 March 2023	-	3.82	59.04	117.66	0.03	0.10	0.04	0.19	-	180.88	-	180.88	-
Net Block													
As At 31 March 2023	28.01	4,004.82	2,611.86	5,239.55	18.35	68.74	6.33	18.41	345.69	12,341.76	0.47	12,342.24	13,097.43
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

Notes :

- For Depreciation and amortisation refer accounting policy (Note 32.4.3).
- 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 2023 mainly comprises of Chakan Project.
- The company has made a provision for impairment loss of ₹ 72.04 Lakhs during the year against plant and machinery pertaining to the Jejuri plant (31 March 2022: ₹ 41.85 Lakhs against land, building, plant and machinery at Jejuri) since operations at the plant 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 (a) The amount of borrowing costs capitalised during the financial year 2022-23 is nil. (FY2021-22 was ₹ 159.84 Lakhs) (b) The initial interest rate is 8.5% p.a. subject to reset half yearly
- 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 2023

₹ 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	388.76	369.41	6,529.57	5,318.73	12,606.47
Others	486.82	4.14	0.00	0.00	490.96
Total	875.58	373.55	6,529.57	5,318.73	13,097.43

(ii) 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
Project 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

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, 2023 and March 31, 2022:

(i) For year ended 31 March 2023

₹ 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
Projects in progress					
Chakan project	12,606.47	0.00	0.00	0.00	12,606.47
Total	12,606.47	0.00	0.00	0.00	12,606.47

(ii) For year ended March 31st, 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
Projects in progress					
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

Notes to the Financial Statements

Note 2 : Other financial assets (non current)

₹ in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	573.00	553.00
Deposits with bank with original maturity of more than twelve months	0.57	15.00
Total	573.57	568.00

Note 3 : Income Tax Assets (Net)

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

Note 4 : Other non-current assets

Capital advances		
Unsecured considered good	604.36	309.21
Unsecured considered doubtful	-	4.84
Less: Provision for doubtful advances	-	(4.84)
	604.36	309.21
Balance with Government authorities	66.96	66.96
Prepaid expenses	0.15	-
Total	671.47	376.17

Provision for doubtful advances

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

Note 5 : Inventories

Raw materials	15,429.38	12,722.05
Raw materials and components	12,640.38	8,796.19
Raw materials in transit	2,789.00	3,925.86
Work-in-progress	38.10	20.59
Finished goods	7,682.56	9,324.93
Finished goods in transit	2,110.62	1,889.56
Traded goods	3,233.06	2,035.96
Stores and spares	414.11	106.69
Total	28,907.83	26,099.78

- Write-down of inventories to net realisable value/(reversal of provision for such write-down), resulted in net loss/(gain) of (₹ 1,694.06) Lakhs [31 March 2022 : ₹ 2,324.95 Lakhs]. These were recognised as an expense/(income) in the statement of profit and loss. Above mentioned reversal of provision during the year is mainly on account of sale of respective inventory.
- During previous year, the Company has recorded a write down of ₹ 2,324.95 lakhs 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 : Trade receivables

₹ in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Trade Receivable from contracts with customers	34,267.40	27,152.86
Trade Receivable from contracts with customers-related party (Refer Note 32.5.6)	2,129.50	1,422.06
Less: Loss allowance	(612.06)	(289.34)
Total	35,784.84	28,285.58
1. Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	36,179.40	28,574.92
Trade receivables which have significant increase in credit risk	217.50	-
Trade receivables - credit impaired	-	-
Total	36,396.90	28,574.92
Loss allowance	(612.06)	(289.34)
Total Trade Receivables	35,784.84	28,285.58
2. Movement of loss allowance		
Opening Balance	289.34	216.53
Provided during the year	779.18	141.66
Amounts written off	(456.46)	(68.85)
Closing Balance	612.06	289.34

3. Refer Note 32.5.9.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, 2023 and March 31, 2022.

Trade receivables ageing schedule for the year ended as on March 31, 2023

Particulars	Outstanding for following period from due date of payment							Total (Mar'23)
	Unbilled	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	-	26,761.70	7,801.30	739.37	612.85	250.81	13.38	36,179.40
Undisputed Trade receivables – which have significant increase in credit risk	-	18.49	35.42	19.54	135.68	8.37	-	217.50
Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables - Considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in Credit risk	-	-	-	-	-	-	-	-

Disputed Trade receivables - Credit impaired	-	-	-	-	-	-	-	-
Less: Loss allowance								(612.06)
Total Trade Receivables								35,784.84

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'23)
	Unbilled	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	6,414.52	382.98	454.91	100.17	74.80	28,574.92
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables - Considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in Credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - Credit impaired	-	-	-	-	-	-	-	-
Less: Loss allowance								(289.34)
Total Trade Receivables								28,285.58

Note 7.a : Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with Bank	238.28	857.22
Current accounts and debit balance in cash credit accounts	238.28	857.22
Cash on hand	1.26	1.04
Total	239.54	858.26

Note 7.b : Other bank balances

Unpaid dividend accounts	-	-
Deposits with banks original maturity of more than three months but less than 12 months	2,181.85	2,083.40
Total	2,181.85	2,083.40

1. Refer Note 32.4.12 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	51.82	32.09
Discount Receivable	629.39	336.58
Others	101.25	67.38
Total	782.46	436.05

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

Note 9.a : Other current assets

Advance to suppliers	1,159.14	697.78
Balance with Government authorities	4,397.55	2,603.46
Prepaid expenses	20.66	35.19
Export Incentive Receivable	193.58	11.54
Others	129.55	118.27
Total	5,900.48	3,466.24

Note 9.b : Assets classified as held for sale

Land Freehold	3.61	-
Total	3.61	-

1. During current year, the directors of Kingfa Science & Technology Limited decided to sell a Freehold Land situated in Pudukottai, Tamilnadu, where the company had operations. The company is having discussion with several parties and the sale is expected to be made before the end of March 2024.

Note 10 : Share capital

Particulars	No. of shares	₹ in Lakhs
Authorised equity share capital (Shares of ₹ 10 each)		
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
Increase / (decrease) during the year	-	-
As at 31 March 2023	18,000,000	1,800.00
Authorised 16% Cumulative Redeemable Preference Shares (Shares of ₹100 each)		
As at 31 March 2021	300,000	300.00
Increase / (decrease) during the year	-	-
As at 31 March 2022	300,000	300.00
Increase / (decrease) during the year	-	-
As at 31 March 2023	300,000	300.00
Issued, subscribed and fully paid up equity share capital (Shares of ₹10 each)		
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
Increase / (decrease) during the year	-	-
As at 31 March 2023	12,110,461	1,211.05
Total	12,110,461	1,211.05

Terms / Rights attached to the equity shares

- 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.
- 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.
- 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.
- 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 31st March 2022		
No. of Shares	9,082,214	765,100
% of Shareholding	74.99%	6.32%
As at 31 March 2023		
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 2023	9,082,214	74.99%	0.00%
As at 31 March 2022	9,082,214	74.99%	0.00%

Note 11 : Other Equity

Particulars	₹ in Lakhs	
	As at 31 March 2023	As at 31 March 2022
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	11,092.28	8,031.07
Add : Profit/(loss) for the year	8,141.03	3,063.34
Add : Other Comprehensive income / (Loss)	(0.52)	(2.13)
Closing Balance	19,232.79	11,092.28
Total	45,388.20	37,247.69

- The Capital Reserve includes subsidies received from Maharashtra and Tamil Nadu Government.
- 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.
- Securities premium was received against right issue of equity shares in prior years.
- 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 2023	As at 31 March 2022
Unsecured loans	-	1,687.50
From bank	-	1,687.50
Total	-	1,687.50

1. The company had taken Long Term Borrowings of ₹ 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 was 60 months. The loan has been repaid fully in February'23.
2. For explanations on the company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 32.5.9

Note 13.a : Lease Liabilities

Lease liability	295.71	415.09
Total	295.71	415.09

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

Earnest Money Deposits	4.50	4.50
Total	4.50	4.50

1. For explanations on the company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 32.5.9

Note 14: Deferred tax liability (Net)

Deferred Tax Assets	204.95	110.77
Others : Employee benefits expenses, provision for doubtful debts, etc.	204.95	110.77
Deferred Tax Liability	284.67	342.46
Depreciation	284.67	342.46
Total	79.72	231.69

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

Opening balance as of 1 April	231.69	310.34
Tax income/(expense) during the year recognised in profit or loss	151.79	77.94
Tax income/(expense) during the year recognised in OCI	0.18	0.71
Closing balance as at 31 March	79.72	231.69

2. The Company does not have any unused Tax Losses on which the deferred tax asset is required to be calculated.
3. 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.
4. Deferred tax is measured on temporary differences at the rate of 25.168%.

Note 15 : Government Grant

₹ in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Government grant	111.83	113.09
Total	111.83	113.09

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 an 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

Opening Balance as at 1 April	113.09	114.35
Availed during the year	-	-
Released to statement of profit and loss	1.26	1.26
Closing Balance as at 31 March	111.83	113.09

Note 16 : Borrowings (Current)

Unsecured loans	3,828.16	2,408.08
From Bank		
Short term loan	2,500.00	1,500.00
Cash Credit	1,172.97	0.00
Current maturities of long term debt		
- Related Party under ECB Scheme	155.19	142.65
- Bank	-	765.43
Total	3,828.16	2,408.08

- The company has fund and non fund based working capital facilities of ₹11,200 Lakhs from HSBC Bank Limited, ₹ 4,500 Lakhs working capital facilities from CTBC Bank and Rs. 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).
- Short term unsecured loan of ₹ 1,500 Lakhs taken from CTBC bank for 93 Days tenor starts from 15th February 2023, at 7.75% interest rate. And ₹ 1,000 Lakhs taken from CTBC bank for 119 Days tenor starts from 10th March 2023, at 7.80% interest rate.
- Interest accrued on long term debts of ₹ 155.19 Lakhs as on March 31, 2023 (₹ 158.07 Lakh as on March 31, 2022) is included in Current maturities of long term debt above.
- For explanations on the company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 32.5.9

Note 17 : Trade and other payables**Current**

Trade payables: micro and small enterprises	1,120.47	702.84
Trade payables: others	17,178.15	15,014.53
Trade payables to related parties	29,153.59	26,978.78
Total	47,452.21	42,696.15

- There are no disputed trade payables as on 31 March 2023 and 31 March 2022.
- For explanations on Company's Foreign currency risk and liquidity risk management processes, refer to Note 32.5.9
- For related parties, refer to Note 32.5.6

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

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount	Amount
A. Amounts payable to supplier under MSME Development Act, 2006 (Suppliers) as at year end		
- Principal	1,094.65	686.99
- Interest due thereon	0.01	1.00
b. Payments made to supplier beyond the appointed day during the year		-
- Principal	1,598.59	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	9.97	14.85
d. Amount of interest accrued and remaining unpaid as at year end	25.82	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 2022.		

Aging of trade payables:

31 March 2023

	Outstanding for following periods from the due date						Total
	Unbilled	Not due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro enterprises and small enterprises	-	669.61	450.59	0.27	-	-	1,120.47
- others	1,270.92	11,394.17	17,875.73	10,681.51	108.99	5,000.42	46,331.74
Total	1,270.92	12,063.78	18,326.32	10,681.78	108.99	5,000.42	47,452.21

Aging of trade payables:

31 March 2022

	Outstanding for following periods from the due date						Total
	Unbilled	Not due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
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	3,486.26	1,485.44	41,993.31
Total	873.41	12,629.13	20,343.33	3,878.58	3,486.26	1,485.44	42,696.15

Note 18.a : Other financial liabilities (Current)

₹ in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Employee benefits payable	125.77	62.66
Capital Payables	564.65	1,119.42
Retention Money	-	212.61
Total	690.42	1,394.69

1. For explanations on Company's Foreign currency risk and liquidity risk management processes, refer to Note 32.5.9

Note 18.b : Lease liabilities

Lease liability	119.38	95.16
Total	119.38	95.16

The movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022 is as follows:

Balance at the beginning	510.25	461.12
Additions	0.00	134.70
Finance cost during the period	38.68	43.44
Deletions	0.00	0.00
Payment of lease liabilities	(133.84)	(129.01)
Balance at the end	415.09	510.25
Current	119.38	95.16
Non Current	295.71	415.09
	415.09	510.25

Note 19 : Other Current liabilities

Other payables	452.15	416.71
Statutory dues including provident fund and tax deducted at source	413.55	400.10
Advance from Customer	38.60	16.61
Total	452.15	416.71

Note 20 : Short-term provisions**Provision for employee benefits**

Provision for gratuity	25.52	20.46
Provision for leave encashment	82.21	61.49
Total	107.73	81.95

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 32.5.5

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 32.5.5

Note 21 : Current tax liabilities (Net)		₹ in Lakhs
Particulars	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advance tax)	1,291.76	-
Total	1,291.76	-
Note 22 : Revenue from operations		
Revenue from contracts with customers		
Sale of products	140,141.74	104,771.30
Other operating revenues	228.52	18.36
Expert incentives	228.52	18.36
Total	140,370.26	104,789.66
Note 23 : Other Income		
Interest	129.47	81.39
On Bank Deposits	114.01	65.93
On others	15.46	15.46
Gain on disposal of property, plant and equipment	5.14	0.08
Provision no longer required written back	80.70	-
Miscellaneous income	10.41	8.56
Total	225.72	90.03
Note 24 : Cost of raw materials and components consumed		
Raw materials and components consumed	105,711.96	90,216.92
Total	105,711.96	90,216.92
Raw material at the beginning of the year	12,722.05	7,871.81
Add: Purchases	108,419.29	95,067.16
Less: Raw material at the end of the year	15,429.38	12,722.05
Total	105,711.96	90,216.92
Note 25 : Purchases of Traded goods		
Polymers	5,813.28	3,043.63
Total	5,813.28	3,043.63
Note 26 : Changes in inventories of finished goods, work-in-progress and traded goods		
Opening 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
Closing Inventory	13,064.34	13,271.04
Work-in-process	38.10	20.59
Finished goods	9,793.18	11,214.49
Traded goods	3,233.06	2,035.96
(Increase)/decrease in inventory	206.70	(6,992.11)

Note 27 : Employee benefits expense

₹ in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Salaries, wages, bonus, etc.	2,243.63	1,783.38
Contribution to provident and other funds	147.00	126.63
Welfare and training expenses	81.28	75.21
Total	2,471.91	1,985.22

Note 28 : Finance costs

Interest on ECB Loan	-	16.48
Interest on Working Capital and Cash credit	148.32	191.20
Interest on Term Loan	151.54	43.11
Interest on Lease Liability	38.68	43.44
Interest expense - others	162.11	101.02
Other bank charges	152.27	133.56
Total	652.92	528.81

Note 29 : Depreciation and amortization expense

Depreciation on Tangible assets	1,247.68	1,131.26
Amortization on Intangible assets	0.48	1.08
Amortization of right to use land	45.19	45.13
Amortization of right to use building	120.80	119.03
Total	1,414.15	1,296.50

Note 30 : Other expenses**Manufacturing expenses****4,113.12** **3,061.29**

Stores and spares material consumed	286.30	93.27
Power and fuel	2,629.79	1,939.12
Repairs to machinery	194.94	141.00
Wages	1,002.09	887.90

Selling expenses**3,754.48** **2,450.41**

Freight and forwarding	2,785.65	2,179.26
Advertisement and publicity	189.65	128.59
Provision for doubtful debts (net)	322.72	73.71
Bad debts written off	456.46	68.85

Administration expenses**5,498.22** **2,829.67**

Rent	95.73	84.01
Rates and taxes	315.46	303.70
Insurance	96.46	69.02
Repairs to building	15.40	1.71
Other repairs and maintenance	153.55	88.98
Travelling and conveyance	817.36	544.56
Communication expenses	171.89	120.23
Printing and stationery	31.20	71.79

Professional charges	246.52	128.85
Auditor's remuneration	14.27	19.71
Spend on CSR activities	60.15	53.52
Directors' Sitting Fees	20.30	15.20
Commission to Directors	6.00	4.50
Loss on Exchange difference	2,810.83	765.53
Provision for Impairment Loss	72.04	41.85
Miscellaneous expenses	571.06	516.51
Total	13,365.82	8,341.37

For auditor's remuneration refer note 32.5.4

For CSR activity expenditure refer note 32.5.12

Note 31 : Income Tax

Current tax	2,970.00	1,149.00
Current income tax	2,970.00	1,149.00
Deferred tax	(151.79)	(77.94)
Relating to origination and reversal or temporary difference	(151.79)	(77.94)
Income tax expense reported in the statement of profit and loss	2,818.21	1,071.06

Other Comprehensive Income (OCI)

Deferred tax related to items recognised in OCI during the year	0.17	0.71
Net loss / (gain) on actuarial gains and losses	0.17	0.71
Deferred tax charged to OCI	0.17	0.71

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 2023 and 31 March 2022.

Current tax

Accounting profit before income tax expense	10,959.24	4,134.40
Tax @ 25.168% (31 March 2022 : 25.168%)	2,758.22	1,040.63
Tax effect of adjustments in calculating taxable income:	59.99	30.43
Corporate Social Responsibility expenses/Donations (net)	15.14	13.47
Other Disallowances / (allowances)	44.85	16.96
Subtotal	2,818.21	1,071.06
Income tax for the previous year	-	-
Income Tax for the period	2,818.21	1,071.06

NOTE 32: NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**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 24 May 2023.

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 vide its notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards and are effective from 1 April 2023.

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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. Contingent Liabilities

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 32.4.16.

2. Impairment of Financial Assets

The impairment provisions for financial assets disclosed under note 32.4.8.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.

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.

When required, external valuation experts are involved for valuation of assets and liabilities as per requirement of standard. Involvement of external valuation experts is decided upon annually by the management.

4.3. Property, Plant and Equipment

- 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.
- 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.
- 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 ready 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.

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

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 maybe 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

(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. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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

- Revenue towards satisfaction of performance obligations is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

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

(₹ in Lakhs)

	Particulars	As at 31 Mar 2023	As at 31 Mar 2022
	Claims not acknowledged as debts -		
a.	Disputed Sales Tax Demands (Refer below note)	44.40	2,538.02
b.	Disputed Excise duty and Service tax Demands	55.99	55.99

Note: During the year the company opted for amnesty scheme with respect to assessments for FY 2015-16, FY 2016-17, FY 2017-18 under Maharashtra Value Added Tax Act and Central Sales Tax Act as the case may be. Therefore, the Company has not disclosed disputed dues aggregating to ₹ 2,493.62 pertaining to aforesaid financial years under respective acts as contingent liabilities as on March 31st, 2023.

5.2. Other Commitments

	Particulars	As at 31 Mar 2023	As at 31 Mar 2022
(i)	Export obligation for capital goods imported against EPCG license (Refer below note)	1,317.07	891.65
(ii)	Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	236.80	178.02
(iii)	Aggregate amount of Letters of Credit outstanding	5,182.57	3,723.03

Note: The Company has completed export obligations of ₹ 5,132.42 lakhs as at March 31, 2023 (March 31, 2022 ₹ 2,923.73) against some EPCG licenses which are pending final redemption with the DGFT. These have not been shown as other commitments.

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) Willful defaulters:

The company has not been declared willful 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) Utilization 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	2022-23	2021-22
a.	As Auditors		
	Audit & Assurance Fees	10.00	6.50
	GST Audit Fees	0.00	9.00
b.	Limited Review	1.90	1.50
c.	Reimbursement of expenses	0.37	1.41
d.	Certification & others (Group Reporting)	2.00	1.30
	TOTAL	14.27	19.71

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, 2023	As at March 31, 2022
Contribution to Employees' Superannuation Fund	1.42	1.11
Contribution to Employees' State Insurance	2.81	3.76
Contribution to Provident Fund	106.84	89.91
Total	111.07	94.78

(B) Defined benefit plans:

(i) - The Company has below post employment benefit which is in the nature of defined benefit plan:

- Gratuity

		cost charged to statement of profit and loss						Remeasurement gains/(losses) in other comprehensive income				₹ in lakhs	
		01-Apr-22	Service cost	Net interest expense/(income)	Sub-total included in statement of profit and loss (Note 27)	Benefit Paid	Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions employer	31-Mar-23
Gratuity													
Defined benefit obligation	(205.13)	(35.65)	(13.56)	(49.22)	5.35	-	-	8.83	(15.65)	(6.83)	-	(255.82)	
Fair value of plan assets	184.67	-	13.29	13.29	(5.35)	-	-	0.79	5.34	6.13	31.57	230.31	
Benefit liability	(20.46)	(35.65)	(0.28)	(35.93)	-	-	-	9.62	(10.31)	(0.69)	31.57	(25.52)	
March 31, 2022 : Changes in defined benefit obligation and plan assets		cost charged to statement of profit and loss						Remeasurement gains/(losses) in other comprehensive income				₹ in lakhs	
		01-Apr-21	Service cost	Net interest expense/(income)	Sub-total included in statement of profit and loss (Note 27)	Benefit Paid	Return on plan assets, excluding amount recognized in Interest Income - Gain / Income	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions employer	31-March-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)	

(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, 2023	Year ended March 31, 2022
Special Deposit Scheme	-	-
(%) of total plan assets	-	-
Insured managed funds	230.31	184.67
(%) 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	7.40%	6.70%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.70%	6.30%
Expected average remaining working lives (in years)	6.17	6.19
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, 2023 Rs.	Year ended March 31, 2022 Rs.
(increase) / decrease in defined benefit obligation (Impact)			
Discount rate	0.5% increase	5.94	5.10
	0.5% decrease	-6.24	-5.37
Future salary increase	0.5% increase	-5.05	-4.37
	0.5% decrease	4.86	4.19
Attrition rate	0.5% increase	3.18	0.33
	0.5% decrease	2.82	-0.34

(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, 2023	Year ended March 31, 2022
Within the next 12 months (next annual reporting period)	60.76	36.75
Between 2 and 5 years	149.28	124.53
Beyond 5 years	213.86	175.66
Total expected payments	423.90	336.94

(vi) The weighted average duration of defined plan obligation (based on discounted cash flows) is 7.70 years & 8.23 years for 31 March, 2023 & 31 March, 2022 respectively

(vii) The expected contributions to planned assets for the next year is ₹ 26 lakhs & ₹ 30 Lakhs for 31 March, 2023 & 31 March, 2022 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
		Jiangsu 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
		Zhuhai Kingfa Biomaterial Co. Ltd.

ii) Key Management Personnel

Sr. No.	Name
A	Mr. Bo Jingen, Managing Director
B	Mr. Balaji D, Whole-time Director
C	Mr. Xie Dongming, Chief Financial Officer (Till November 10, 2022)
D	Mr. ChenXiaoqiong, Chief Financial Officer (From November 10, 2022)
E	Mr. Wu Xiaohui, Whole-time Director (Till August 12, 2021)
F	Mr. Nirnoy Sur, Company Secretary

(B) Transactions with Related Parties

(In Lakhs)

Sr. No.	Nature of the transaction / relationship / major parties	2022-23		2021-22	
		Amount	Amount	Amount	Amount
1	Gross Sales				
	Holding Company	0.53		122.27	
	Kingfa Science & Technology Co. Ltd		0.53		122.27
	Fellow Subsidiaries	6,876.05		1,227.40	
	Shanghai Kingfa Science and Technology Co Ltd		20.26		52.28
	Kingfa Science & Technology Inc, (USA)		0.00		112.02
	Kingfa Science & Technology (Thailand) Co. Ltd.		6838.46		998.36
	Kingfa Science & Technology (Europe) Gmbh		17.33		64.74
	Total	6876.58	6876.58	1,349.67	1,349.67

2 Material Purchases Net of Discount					
	Holding Company	6,363.73		7,813.74	
	Kingfa Science & Technology Co. Ltd		6,363.73		7,813.74
	Fellow Subsidiaries	3,448.05		11,427.02	
	Shanghai Kingfa Science and Technology Co Ltd		594.95		834.22
	Jiangsu Kingfa Science & Tech Advance Material Co Ltd		1,973.04		3,361.98
	Chengdu Kingfa Technology New Material Co., Ltd.		7.70		0.00
	Kingfa Science & Technology (Malaysia) Sdn. Bhd.		151.36		378.68
	Zhuhai Wantong Special Engineering Plastics Co., Ltd.		13.64		51.92
	Guangdong Kingfa Technology Co., Ltd.		(65.80)		6,166.10
	Kingfa Supply Chain Management Co. Ltd		657.57		634.12
	Zhuhai Kingfa Biomaterials Co., Ltd.		115.59		0.00
	Total	9811.78	9811.79	19,240.76	19,240.76
3 Capital Purchases Net of Discount					
	Holding Company	65.46		420.58	
	Kingfa Science & Technology Co. Ltd		65.46		420.58
	Total	65.46	65.46	420.58	420.58
4 Interest on ECB					
	Holding Company	0.00		16.48	
	Kingfa Science & Technology Co. Ltd		0.00		16.48
5 Rendering of Services from					
	Key Management Personnel	175.89		151.20	
	Mr. Bo Jingen		26.91		30.41
	Mr. Wu Xiaohui		0.00		10.29
	Mr. Xie Dongming		13.94		19.05
	Mr. Nirnoy Sur		27.69		25.60
	Mr. Balaji D		89.03		65.85
	Mr.ChenXiaoqiong		18.32		0.00

		As at 31 March 2023		As at 31 March 2022	
	Outstanding				
1	Trade Payable				
	Holding Company	17,808.53		14,204.01	
	Kingfa Science & Technology Co. Ltd		17,808.53		14,204.01
	Fellow Subsidiaries	11,345.06		12,774.77	
	Shanghai Kingfa Science and Technology Co Ltd		1,540.69		839.17
	Jiangsu Kingfa Science & Tech Advance Material Co Ltd		5,758.10		4,390.93
	Hong Kong Kingfa Development Co Ltd		0.00		1.08
	Kingfa Science & Technology (Europe) Gmbh		0.00		59.11
	Zhuhai Wantong Special Engineering Plastics Co., Ltd.		0.65		57.27
	Chengdu Kingfa Technology New Material Co., Ltd.		19.98		11.04
	Guangdong Kingfa Technology Co., Ltd.		3,501.06		6,799.46
	Kingfa Supply Chain Management Co. Ltd		62.96		232.06
	Kingfa Science & Technology (Malaysia) Sdn. Bhd.		346.91		384.65
	Zhuhai Kingfa Biomaterials Co., Ltd.		114.71		0.00
	Total	29,153.59	29,153.59	26,978.78	26,978.78
2	Capital Payable				
	Holding Company	414.14		1,007.82	
	Kingfa Science & Technology Co. Ltd		414.14		1,007.82
	Fellow Subsidiaries	2.46		2.46	
	Shanghai Kingfa Science and Technology Co Ltd		2.46		2.46
	Total	416.60	416.60	1,010.28	1,010.28
3	Trade Receivable				
	Holding Company	238.43		209.99	
	Kingfa Science & Technology Co. Ltd		238.43		209.99
	Fellow Subsidiaries	1,891.06		1,212.07	
	Shanghai Kingfa Science and Technology Co Ltd		1.47		7.88
	Kingfa Science & Technology Inc, (USA)		34.85		190.75
	Jiangsu Kingfa Technology New Material Co., Ltd.		0.00		3.12
	Kingfa Science & Technology (Thailand) Co. Ltd.		1,854.75		1,010.32
	Total	2,129.50	2,129.50	1,422.06	1,422.06
4	Interest Payable				
	Holding Company	155.19		142.65	
	Kingfa Science & Technology Co. Ltd		155.19		142.65
	Total	155.19	155.19	142.65	142.65

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 2023, the Company has not recorded any write off of receivables relating to amounts owed by related parties (31 March 2022: `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	2022-23	2021-22
Profit for the year after taxation (₹ in Lakhs)	8,141.03	3,063.34
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 ₹)	67.22	25.29

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 2023			As at 31 March 2022		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Security deposits			624.82			585.09
Trade receivables			35,784.84			28,285.58
Discount receivable			629.39			336.58
Cash and cash equivalents			239.54			858.26
Deposits with Bank with original maturity of more than three months but less than 12 months			2,181.85			2,083.40
Deposits with Bank with original maturity of more than twelve months			0.57			15.00
Other receivables			101.25			67.38
Total financial assets			39,562.26			32,231.29
Financial liabilities						
Borrowings			3,828.16			4,095.58
Trade payables			47,452.21			42,696.15
Capital payables			564.65			1,119.42
Other Financial liabilities			130.27			279.77
Total financial liabilities			51,975.29			48,190.92

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 2023 and 31 March 2022.

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 2023 and 31 March 2022.

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 2023	As at 31st March 2022
Long Term Fixed Interest Loans	-	-
Short Term Fixed Interest Loans	-	-
Long Term Floating Interest Loans	-	2,437.50
Short Term Floating Interest Loans	3,672.97	1,500.00

b. Interest Rate Sensitivity

(₹ in Lakhs)

Financial Year	Change in Interest rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2023	+50 bps	18.36	18.36
	-50 bps	(18.36)	(18.36)
March 31, 2022	+50 bps	19.69	19.69
	-50 bps	(19.69)	(19.69)

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-23	31-Mar-22
Receivable	USD	3,762.79	1,804.78
Payable	USD	34,611.97	31,479.57
	CNY	1,468.18	760.39
Cash and cash equivalent	USD	0.72	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, 2023	+7%	2,159.39	2,159.39
	-7%	(2,159.39)	(2,159.39)
31 March 2022	+7%	2,077.19	2,077.19
	-7%	(2,077.19)	(2,077.19)

(₹ in Lakhs)

Financial Year	Change in CNY rate	Effect on profit before tax	Effect on pre-tax equity
31 March 2022	+7%	102.77	102.77
	-7%	(102.77)	(102.77)
31 March 2021	+7%	53.23	53.23
	-7%	(53.23)	(53.23)

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 2023**

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	26,780.20	7,836.71	758.90	748.53	259.18	13.38	36,396.90
Expected loss rate	0%	2%	10%	47%	5%	16%	
Expected credit loss (Loss allowance provision)	0.00	171.01	77.37	348.15	13.33	2.20	612.06
Carrying amount (net of impairment)	26,780.20	7,665.70	681.53	400.38	245.85	11.18	35,784.84

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	6,414.52	382.98	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	6,345.16	361.83	415.88	15.17	-	28,285.58

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:**

(In Lakhs)

Particulars	less than 1 year	1 year to 5 years	more than 5 years	Total
Year ended 31 March, 2023				
Interest bearing borrowings including interest accrued	3,828.16	0.00	0.00	3,828.16
Other financial liabilities	690.42	4.50	0.00	694.92
Trade payables	47,452.21	0.00	0.00	47,452.21
Lease Liabilities	119.38	295.71	0.00	415.09
	52,090.17	300.21	0.00	52,390.38
Year ended 31 March, 2022				
Interest bearing borrowings including interest accrued	2,408.08	1,687.50	0.00	4,095.58
Other financial liabilities	1,394.69	4.50	0.00	1,399.19
Trade payables	42,696.15	0.00	0.00	42,696.15
Lease Liabilities	95.16	415.09	0.00	510.25
	46,594.08	2,107.09	0.00	48,701.17

- (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 2023 and 31 March 2022.

Particulars	Note ref no.	31-Mar-23	31-Mar-22
Cash and cash equivalents	7.a	239.54	858.26
Cash credit	16	(1172.97)	0.00
Cash and cash equivalents*		(933.43)	858.26
Borrowings*	12 & 16	(2,655.19)	(4,095.58)
Lease liabilities	13.a & 18.b	(415.09)	(510.25)
Net Debt		(4,003.71)	(3,747.57)

Particulars	Cash and cash equivalents	Borrowings	Lease liabilities	Total
Net debt as on 1 April 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	(472.73)	(43.44)	(516.17)
Interest (received)/paid	0.00	473.58	0.00	473.58
Repayments	0.00	12,096.18	129.09	12,225.27
Others (restatement etc.)	0.00	(12.65)	(0.08)	(12.73)
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)
Additions	0.00	(6,385.82)	(0.00)	(6,385.82)
Interest expense	0.00	(312.40)	(38.68)	(351.08)
Interest (received)/paid	0.00	315.29	0.00	315.29
Repayments	0.00	7,823.32	133.84	7,957.16
Cash flows	(1,791.69)	0.00	0.00	(1,791.69)
Net debt as on 31 March 2023	(933.43)	(2,655.19)	(415.09)	(4,003.71)

* For the purpose of Net Debt reconciliation disclosed above Cash Credits are included in Cash and Cash equivalents and not in Borrowings.

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 2023 and 31 March 2022.

The gearing ratios were as follows:

Particulars	2022-23	2021-22
Net Debt	4,003.71	3,747.57
Total Equity	46,599.25	38,458.74
Net debt to equity ratio	8.59%	9.74%

The net debt to equity ratio for the current year decreased from 9.74% to 8.59% 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 2022: 8.5%).

The following table shows impact of IND AS 116 on balance sheet and statement of profit or loss:

(₹ in Lakhs)

Particulars	2022-23	2021-22
(i) Amounts recognised in the statement of profit and loss		
Depreciation charged on right-of-use asset	165.99	164.16
Interest expense on lease liability	38.68	43.44
Expense for short term leases/ low value leases	95.73	84.01
(ii) Cash outflow for leases	133.84	129.00
(iii) Carrying amount of right-of-use asset at the end of period	4,350.51	4,516.50
(iv) Carrying amount of lease liability at the end of period	415.09	510.25

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, 2023	March 31, 2022
(i) Amount required to be spent by the company during the year	59.96	51.83
(ii) Amount of expenditure incurred	60.15	53.52
- Construction/acquisition of new asset	55.02	52.55
- On purpose other than (i) above	5.13	0.97
(iii) Shortfall/(Excess) at the end of the year	(2.13)	(1.69)
(iv) Total of previous years shortfall/(Excess)	(1.94)	(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

5.13

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	1.37	1.30	5.38%	Reason not required to be stated as the variation is below 25%
b) Debt Equity Ratio	Total Debt = Long term + Short term (Including Lease Liability)	Total Equity	0.09	0.12	-25.00%	The variation primarily on account of repayment of long term borrowing during the year and increase in net profit for the year resulting in increase in total equity of the company
c) Debt service coverage ratio	Earning for Debt Service: Net Profit after taxes Depreciation and amortizations + Interest + on term loan and interest on Lease liability + Net Gain on ECB Scheme+ Loss on Foreign currency Trade payables+Profit on Foreign currency Trade receivables+Provision for doubtful debts and advances (net) + Bad debt written off	Debt Service: Interest on term loan and lease payments+Repayments of Principal of long term borrowings and lease liability	6.00	6.55	-8.40%	Reason not required to be stated as the variation is below 25%
d) Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	19.14%	8.30%	130.60%	The variation is mainly on account of increase in net profit for the current year also leading to an increase in retained earnings of the company.
e) Inventory turnover ratio	COGS	Average Inventory	4.06	4.27	-4.92%	Reason not required to be stated as the variation is below 25%
f) Trade receivables turnover ratio	Net Sales	Average Trade Receivables	4.38	4.24	3.30%	Reason not required to be stated as the variation is below 25%
g) Trade payables turnover ratio	Net Purchases = Purchases of raw material + Purchases 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)	Average Trade Payables	2.90	3.31	-12.39%	Reason not required to be stated as the variation is below 25%
h) Working capital turnover ratio	Total Sales	Working Capital: Current Assets-Current Liabilities	7.07	7.41	-4.59%	Reason not required to be stated as the variation is below 25%
i) Net profit ratio	Net Profit after Tax	Total Sales	5.80%	2.92%	98.63%	The variation is on account of increase in the net profit for the year as a result of significant increase in the revenue from operations during the year.
j) Return on capital employed	Profit Before Interest And Taxes	Capital Employed (Refer below note)	22.80%	10.77%	111.72%	The variation is on account of significant increase in revenue from operations of the company which has resulted in proportionate impact on profit before tax.
k) Return on Investment	Interest income on Fixed Deposits	Average balance of Fixed Deposits	5.33%	3.19%	67.08%	The variation is on account of new investment in Fixed Deposits and also due to significant increase in rate of interest on deposits during the year.

Note : Calculation for Capital Employed

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
Tangible Net Worth = Total Assets - Total Liabilities - Intangible Assets

NOTE 33:

As at March 31, 2023, the company has certain foreign currency trade payables aggregating to ₹ 5,379.15 lakhs which are payable to other group companies situated outside India towards goods purchased and certain foreign currency trade receivables aggregating to ₹ 302.11 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 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

Chartered Accountants

Firm Registration Number :

101118W/W100682

BO JINGEN

Managing Director

DIN : 0006617986

BALAJI D

Executive Director

DIN : 08256342

ABHIJIT SHETYE

Partner

Membership Number : 151638

CHEN XIAOQIONG

Chief Financial Officer

NIRNOY SUR

Company Secretary

Pune : 24 May 2023

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KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED

(formerly Hydro S & S Industries Limited)

CIN : L25209TN1983PLC010438

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