

Date : 04-09-2021

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

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

Scrip Code / ID : 524019 / KINGFA

Symbol : KINGFA

**Sub : Annual Report for the Financial Year 2020 - 21 alongwith
Notice convening 37th Annual General Meeting**

Dear Sir / Madam,

As required under Regulation 34 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2020-21 along with the Notice convening the 37th Annual General Meeting scheduled to be held on Wednesday, September 29, 2021 at 11.30 A.M. (IST) through Video Conferencing/Other Audio Visual Means in accordance with General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, followed by General Circular No. 20/2020 dated May 5, 2020 read with General Circular No.02/2021 dated January 13, 2021 issued by Ministry of Corporate Affairs, Securities and Exchange Board of India vide its circular dated January 15, 2021 read with May 12, 2020 and applicable provisions of the Companies Act, 2013.

The remote e-Voting period commences on Sunday, September 26, 2021 at 9.00 a.m. (IST) and ends on Tuesday, September 28, 2021 at 5.00 p.m. (IST). The cut- off date i.e. Wednesday, September 22, 2021.

The Annual Report for the Financial year 2020-21 along with the Notice convening the 36th Annual General Meeting is uploaded on the website of the Company at www.kingfaindia.com.

Please take the above information on record.

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



(NIRNOY SUR)
Company Secretary

Encl : as above

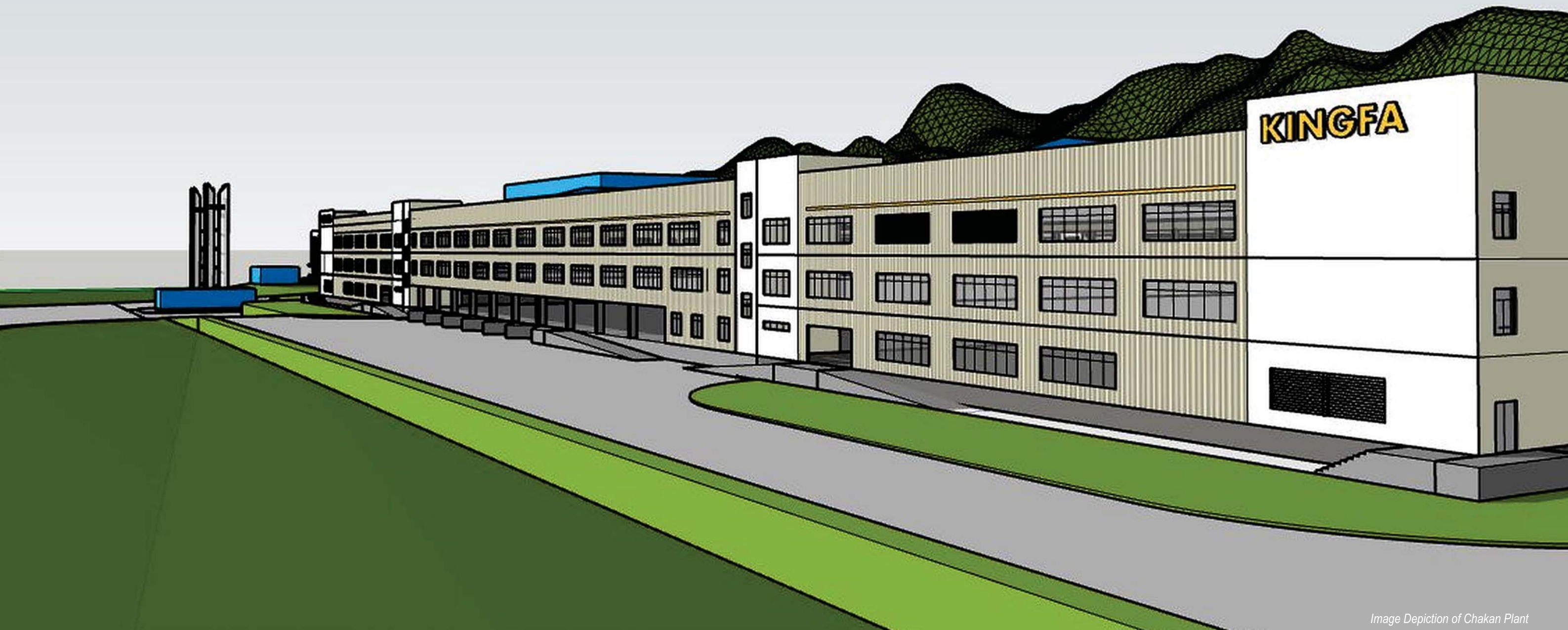


Image Depiction of Chakan Plant

金发科技(印度)有限公司

KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED

(formerly Hydro S & S Industries Limited)

CIN : L25209TN1983PLC010438

Regd. Office : Dhun Building, III Floor, 827, Anna Salai,
Chennai – 600 002. Tamilnadu, India.

Phone : +91 - 44 - 28521736 Fax : +91 - 44 - 28520420

Works : Puducherry, Pune & Manesar

KINGFA 金发科技(印度)有限公司
KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED

2020 - 2021 ANNUAL REPORT

Board of Directors

Mr. Bo Jingen, *Managing Director*
Mr. Wu Xiaohui, *Whole-time 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. Xie Dongming

Company Secretary

Mr. Nirnoy Sur

Registered Office

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

Works

Plot No : F 5/5, Chakan Industrial Area, Phase-2, MIDC,
 Village - Vasuli – Shinde, Tal Khed, Pune – 410 501
 RS No. 38/1, Sedarapet Industrial Area, Sedarapet, Puducherry - 605 111
 G 34, Addl, Jejuri Industrial Area, Jejuri, Tal, Purandar, Pune - 412 303
 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

Citibank N.A., Chennai – 600 002
 The Hongkong and Shanghai Banking Corporation Limited, Chennai – 600 086
 State Bank of India, Chennai – 600 001
 Industrial and Commercial Bank of China Limited, Mumbai – 400 051

Registrar & Share Transfer Agent

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

Contents**Page Nos**

Financial Highlights	- 2
Performance Metrics	- 3
Directors' Report	- 16
Corporate Governance Report	- 34
M D & A Report	- 51
Independent Auditor's Report	- 58
Balance Sheet	- 66
Statement of Profit and Loss	- 68
Statement of Cash Flow	- 69

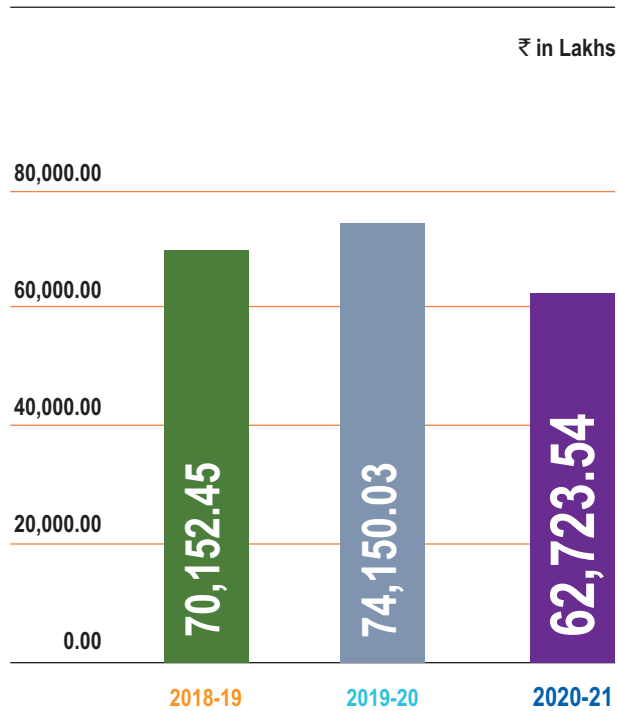
FIVE - YEAR FINANCIAL DATA

(₹ in Millions)

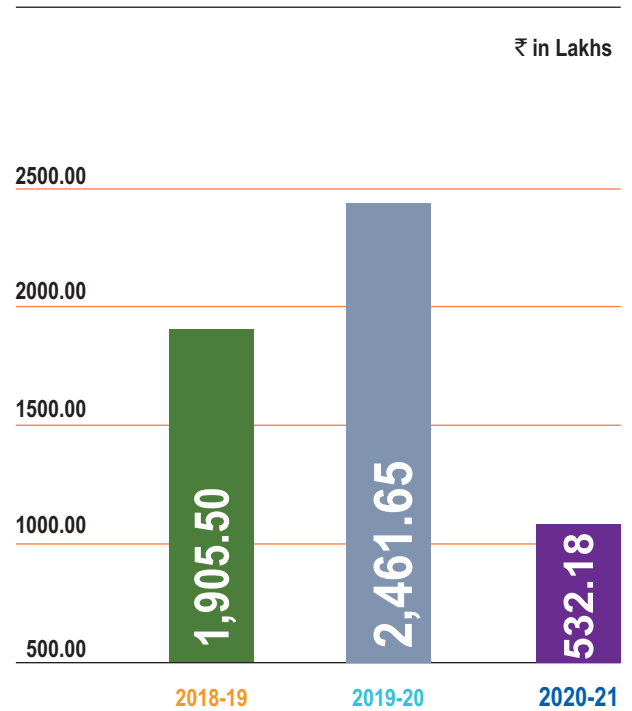
For the Year	2020-21	2019-20	2018-19	2017-18	2016-17
Sales : Domestic	6,011.610	7,361.740	6,980.709	6,175.342	4,825.695
Exports	260.744	53.263	34.536	2.996	6.550
Operating Profit (PBIDT)	258.048	456.695	393.039	468.505	190.394
Finance Cost	31.624	33.693	20.724	20.402	(10.505)
Depreciation & Amortisation Expenses	107.917	89.562	80.080	62.230	30.542
Tax expenses - Current	46.278	102.590	109.000	117.000	38.200
- Deferred	19.011	(15.315)	(7.315)	22.469	13.809
Profit/(Loss) After Tax	53.218	246.165	190.551	246.404	118.348
As at the end of the year					
Share Capital	121.105	121.105	121.105	121.105	101.106
Reserves & Surplus	3,418.651	3,364.790	3,123.820	2,931.827	1,211.516
Loan Funds	244.200	182.046	166.461	156.556	156.466
Gross Block	1,865.937	1,541.865	1,236.509	1,181.955	987.024
Net Current Assets	1,276.706	1,345.209	1,661.312	2,291.091	1,738.518
Measures of Investment					
Return on Capital Employed (%)	3.97%	10.01%	9.06%	12.74%	10.88%
Return on Equity (%)	1.50%	7.06%	5.87%	8.07%	9.02%
Earnings per Share (Rs.)	4.39	20.33	15.73	20.51	11.71
Dividend Cover (Times)	-	-	-	-	-
Dividend (%)	-	-	-	-	-
Book Value of an equity share	292.289	287.842	257.944	252.090	129.827
Of Performance					
- Profitability (%)					
Profit/(Loss) before Tax (%)	1.89%	4.50%	4.17%	6.41%	3.99%
Profit/(Loss) after Tax (%)	0.85%	3.32%	2.72%	4.10%	2.77%
- Capital Turnover (times)	1.66	2.02	2.03	1.90	3.29
- Stock Turnover (times)	4.39	6.67	5.46	5.41	7.01
- Working Capital Turnover (times)	4.91	5.51	4.22	2.70	2.78
Of Financial Status					
- Debt-Equity Ratio (times)	0.07	0.05	0.05	0.05	0.12
- Current Ratio	1.47	1.65	1.81	2.43	1.88
- Fixed Assets to Shareholders' Funds (times)	0.36	0.31	0.55	0.32	0.57

PERFORMANCE METRICS

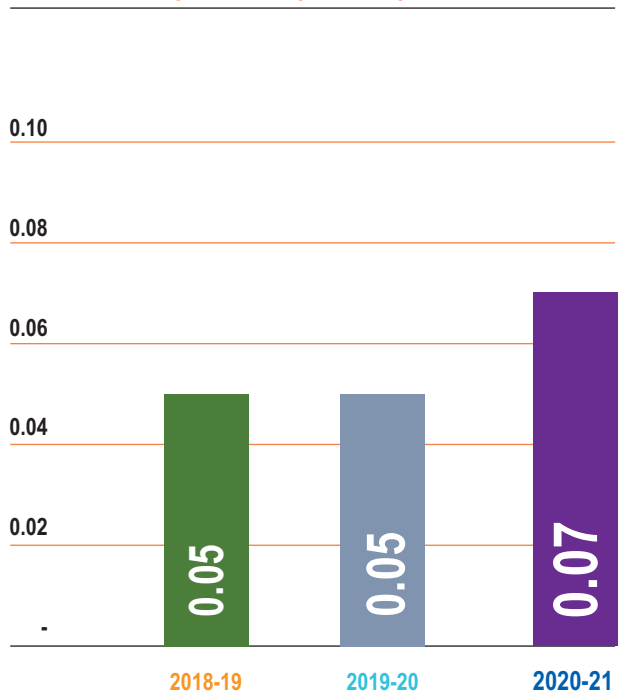
Revenue



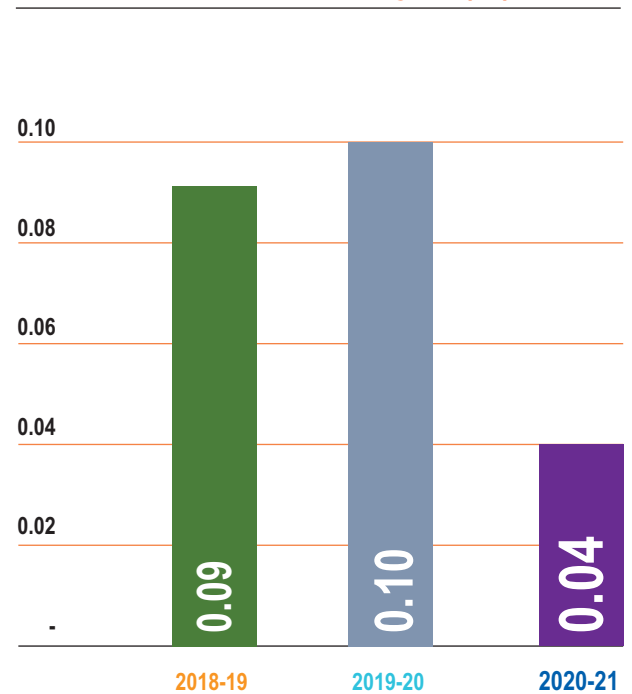
PAT



Debt-Equity Ratio (Times)



Return on Capital Employed (%)



Engineering Plastics – A viable alternative to Metals

The metals have been in use from time immemorial.

The earliest recorded history on use of metals go back to 8000 years in time. Pre-historic man used metals to create weapons and tools. The development of civilisation has relied heavily on the discovery of metals. As the civilisation evolved, metals played a key role in the advancement of agriculture, transport, arts and craft among other daily use needs and paved way for the evolution of modern society.

S.No.	Metal	Historical use
1	Gold	6000 BC
2	Copper	4200 BC
3	Silver	4000 BC
4	Lead	3500 BC
5	Tin	1750 BC
6	Iron	1500 BC
7	Mercury	750 BC
8	Nicket	1751 AD
9	Uranium	1789 AD
10	Titanium	1791 AD
11	Aluminium	1827 AD
12	Radium	1898 AD

Table : 1 Timeline on the first use of various metals

The 19th century saw synthesis of new generation of materials with properties drastically different to that of metals. The 'Cellulosics' were the first category of materials that were called 'Plastic'. The 'Phenolics' came into existence in the early 20th century followed by PVC in 1913 and Polyamide popularly called 'Nylon' in 1935. Ever since the world of plastics keeps growing and have shaped the growth of civilisation from 20th century onwards.

The saga of 'Stone age' giving way to 'Copper age', then to 'Bronze age' and 'Iron age' is now continuing in what can be called 'the Plastics Age'.

We cannot imagine life without Plastics today. Starting from brushing our teeth in the morning, we constantly make use of plastics all through the day. Such is the influence of plastics, that we now get surprises when we see an article made of a traditional metal.

What influenced the use of Plastics as an alternative to metal?

Metals have unique properties being strong, physically and thermally. Metal working processes have evolved over time to improve conversion efficiency and productivity. But the new age plastics have become preferred materials of choice over metals due to the following factors

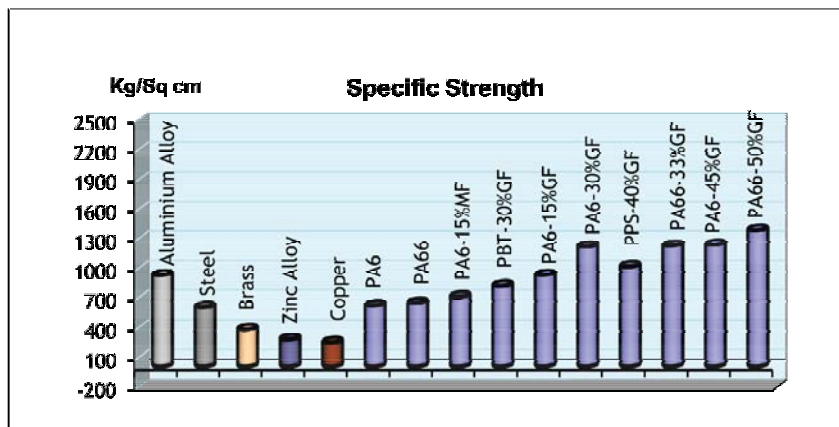
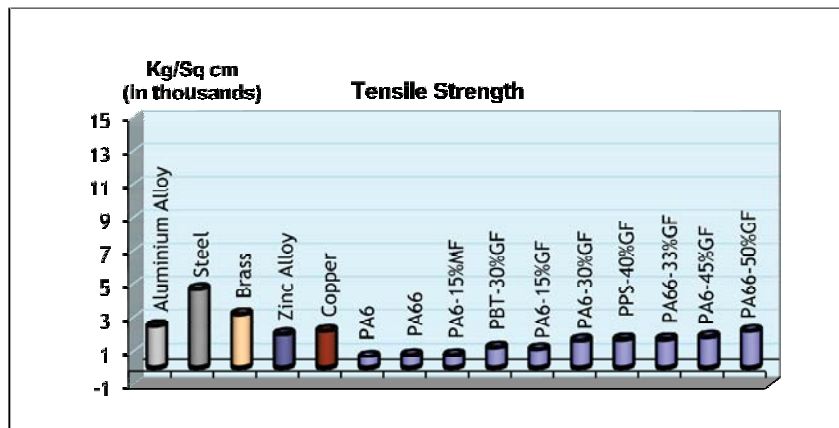
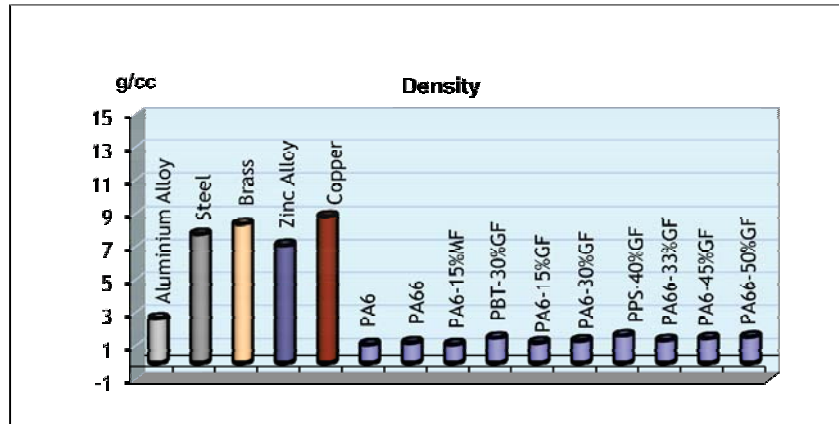
- Light weight
- Ease of processing
- Productivity
- Design freedom
- Elimination of multiple steps in production stage
- Reduced energy need

We can see each of these factors one by one

1. Light weight :

Every one know that Plastics are lighter in weight. What matters is the specific strength of the Plastics when we compare with metals. Specific strength is calculated by dividing the material's strength by the density. As long as the specific strength of two different materials are similar, they can become replaceable alternate to each other provided few other requirements are also met.

The following graphics bring out the specific strength of different metals and the plastics which are viable alternatives.



The above charts illustrate how the specific strength of major Engineering Plastics are higher than metals though the absolute strength is lesser. The lower density translates into lower weight of the components compared to metals. This makes the Engineering Plastics the right material for replacing metals in many of the applications in both Auto & Non-auto industries for reducing the weight.

2. Ease of Processing:

Plastics offer the benefit of ease of Processing. Unlike metals which have only few traditional time-consuming methods for conversion, Plastics have multitude of

processing methods that can be tailor made for the product to be produced.

3. Productivity:

The biggest advantage in using Plastics to replace metals is their high productivity. The cycle time achieved in the plastics production process is far higher compared to the conventional methods for metals. Moreover, where the volume of production is huge, Plastics offer the best advantage.

4. Design Freedom:

Plastics offer flexibility during the design of products. You can always simplify the design, combine multiple units into single piece design, create the desired surface finish to enhance aesthetics and much more. The best part of the designing freedom is the ability to make the parts in multiple colours in line with the customer’s choices. It is also possible to have two or three colours processed in the same step. This ability of the Plastics is a marketing man’s delight.

5. Elimination of multiple steps in production stage:

The parts made of metal often need further steps to make them usable like joining by welding, bending or any action to modify the shape, removing the burrs and painting among others. Very often the parts are moved from one location to another involving additional logistics cost and time delays. These steps are a major contributor for the cost of parts made out of metals. Use of Plastics avoid all the steps with design freedom, as mention earlier, and through simplification of design.

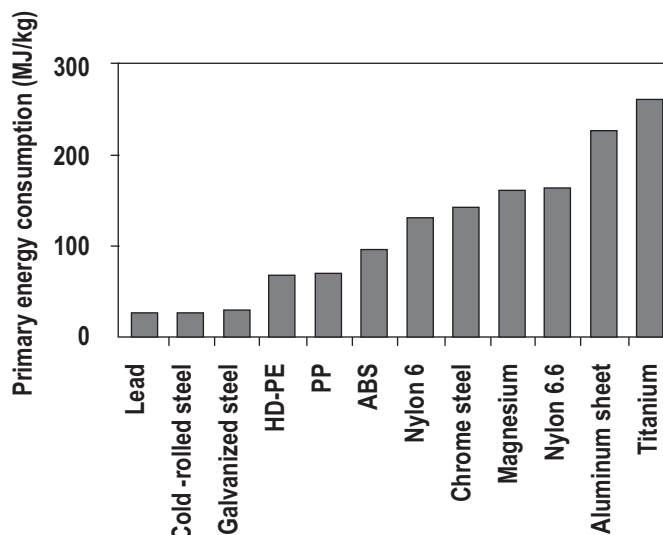
6. Reduced Energy Need:

The biggest impact of replacing metals with Plastics comes from the lesser energy needed for conversion. This factor is often not taken note of. All metals are found in the earth, but most are not found in their pure state. While Gold, platinum and sometimes copper and silver are found in their pure state, common metals like iron and aluminium are found as ores. The process of smelting, an energy intensive process, separates pure metal from the Ore.

Of the widely used raw materials ‘Plastics’ as a group consume lesser energy (embodied energy) making sense for their use to substitute widely used metals. Embodied Energy (EE) represents the non-renewable energy consumed in the acquisition of raw materials, their processing, manufacturing, transportation to site, and construction throughout the whole life cycle.

Material	Embodied Energy	
	MJ/Kg	MJ/m ³
Aluminium (Recycled)	8.1	21870
Steel (Recycled)	8.9	37210
Steel (Recycled)	32.0	251200
Zinc	51.0	371280
Brass	62.0	519560
Copper	70.6	631164
Aluminium	227.0	515700
PVC	70.0	93620
Polystyrene insulation	117.0	3770

Embodied energy reproduced from several sources and may vary



All the above factors are very critical and are responsible for the ever growing demand for Plastics as a replacement for metal. Apart from these Plastics offer electrical resistance, vibration damping, thermal insulation and corrosion resistance that make them the Designer’s choice. Thus today’s solution for optimised material comes from Engineering Plastics.

Some of the erstwhile metal components which are now made in Engineering Plastics.



'ENGINEERING PLASTICS – POTENTIAL ALTERNATIVE TO METALS'



CSR Snapshots

Distribution of food grains and essential items during Covid Lockdown, Pune



Smart Vital Watch to Policemen in Pune to monitor Health Parameters and Recognition received from Hon. Dy. Chief Minister, Maharashtra State



CSR Snapshots

Distribution of Syringe pumps at Covid Care Centre, Pune



Distribution of Furnitures, Computers, UPS, Printer to Village Public Library, Govt. Primary School and Jr.College, Pune



'किंगफा'कडून वाकळवाडीला संगणक भेट

राजगुरुनगर : जिल्हा परिषद प्राथमिक शाळा वाकळवाडी व जऊळके बुद्रुक (ता. खेड) यांना किंगफा सायन्स अॅण्ड टेक्नॉलॉजी इंडिया लिमिटेड कंपनीकडून प्रत्येकी दोन संगणक आणि एक प्रिंटर देण्यात आला. तसेच शासनमान्य स्व. रामचंद्र बाळाजी पवळे सार्वजनिक वाचनालयास चार कपाटे, चार टेबल, आठ खुर्च्या, एक संगणक देण्यात आले. यावेळी कंपनी सचिव आणि एच.आर. हेड निरणोय सूर, एच. आर. मॅनेजर राहुल कुंभारे, एच. आर. एक्झिक्युटिव्ह निधी राय, सेफ्टी ऑफिसर विवेक थिंगळे, खेड तालुका माथाडी संघटनेचे अध्यक्ष सचिन पानमंद, खेड तालुका शिक्षक संघाचे धर्मराज पवळे, उद्योजक दत्ताभाऊ कोरडे, अध्यक्ष कचरु पवळे आदी उपस्थित होते. सूत्रसंचालन धर्मराज पवळे यांनी केले, दिलीप सुके यांनी आभार मानले.

CSR Snapshots



Distribution of Sports Equipments to promote Sports for underprivileged kids, Pune



AGILITY LADDER & FOOTBALL



FOOTBALL



FOOTBALL



FOOTBALL



MAGNETIC BOARD



RESISTENCE BAND



ALPHABETICAL CONES



CIRCULAR RINGS



GOAL NET

CSR Snapshots



7 A SIDE GOAL POST



3 A SIDE GOAL POST



ROPE



REBOUNDERS



BIBSBAG



TRAVELBAG



HURDLE STICKS



HURDLE CONES



BOSUBALLS



CSR Snapshots

Installation of Voltage stabilizer for Village Water Filter, Pune



Installation of Water Heaters for Elderly Citizens in Chennai

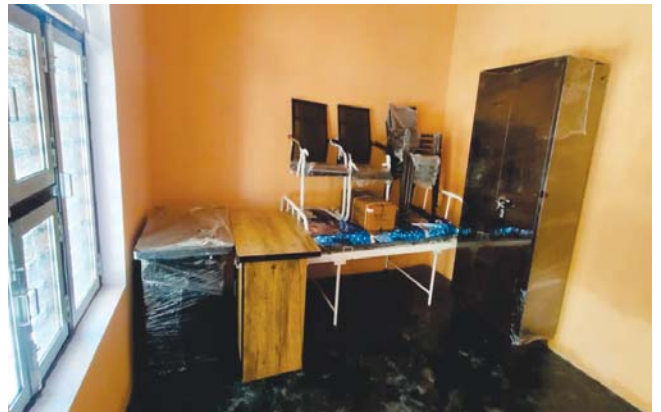


Distribution of Oximeter at Government Hospital, Covid Care Centre, Rewari



CSR Snapshots

Construction, Provided Hospital Bed and other items - Primary Health Centre, Rewari



CSR Snapshots

Distribution of Pulse Oximeter, IV Stand, Cylinder Regulator, Humidifying bottles, Water filter, Mattresses & Pillow at Government Hospital, Vanur



Distribution of Various Medical Equipments (Laproscopy Set, Boyles Apparatus, etc.) at Government Hospital, Marakkanam



CSR Snapshots



DIRECTORS' REPORT

Your Directors hereby present their 37th Annual Report along with Audited Financial Statements for the year ended March 31, 2021.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
Revenue from Operations				
Gross		62,723.54		74,150.03
Net of Excise Duty		62,723.54		74,150.03
Other Income		592.94		256.18
Profit before Finance Costs, Depreciation and Amortisation Expense & Tax Expenses		2,595.21		4,584.79
Finance Costs		330.97		354.77
Profit before Depreciation and Amortisation Expense & Tax Expenses		2,264.24		4,230.02
Depreciation and Amortisation Expense		1,079.17		895.62
Profit before Tax Expenses		1,185.07		3,334.40
Tax expenses - Current Tax	462.78		1,025.90	
- Deferred Tax	190.11	652.89	(153.15)	872.75
Profit after Tax Expenses		532.18		2,461.65
Balance brought forward		7,527.16		5,082.80
Other Comprehensive Income		6.40		(17.29)
Surplus carried forward		8,065.74		7,527.16

BUSINESS OPERATIONS

The effect of Covid-19 Pandemic on the Performance of your Company is evident in that the Net Revenue from operations stood at ₹ 62,723.54 Lakhs compared to ₹ 74,150.03 Lakhs in the Previous Year, a drop of 15.41% year-on-year. The Operating Profit before tax stood at ₹ 1,185.07 Lakhs as against ₹ 3,334.40 Lakhs in the Previous Year. The Net Profit for the year stood at ₹ 532.18 Lakhs against ₹ 2,461.65 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.

RESERVES

As on March 31, 2021 the reserves and surplus stood at ₹ 34,186.48 Lakhs as compared to ₹ 33,647.90 Lakhs as on March 31, 2020. 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, 2021 was ₹ 373.65 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

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

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

INDUSTRIAL RELATIONS

Industrial relations remained cordial during the year.

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

DIRECTORS

Your Director, Mr. D. Balaji (DIN : 08256342) retire by rotation and being eligible, offers himself for re-appointment. The Directors recommend Mr. D. Balaji for re-appointment.

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

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.

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, five Board Meetings were convened and held on 5th June, 2020, 22nd June, 2020, 12th August, 2020, 10th November, 2020 and 10th February, 2021 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 and Corporate Social Responsibility Committee held during the Financial Year 2020 – 21 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 policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2021, 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, 2021 and of the profit and loss of the Company for the year ended on that date;
- (iii) that the directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts had been prepared on a "going concern" basis.
- (v) that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

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

SUBSIDIARY COMPANIES

The Company does not have subsidiary.

CODE OF CONDUCT

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

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

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

PREVENTION OF INSIDER TRADING

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

STATUTORY AUDITORS

The Company's Statutory Auditors, M/s. P G BHAGWAT LLP, Chartered Accountants (Firm Registration Number: 101118W/W100682) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 25th September, 2017 for a term of five consecutive years to hold office from the conclusion of the 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company. Their appointment was subject to ratification by members at every subsequent Annual General Meeting held after the AGM held on 25th September, 2017.

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 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, Practicing Company Secretary, ACS 11392, PCS 8675 of M/s. Vaishnav Associates to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure – III and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

COST AUDIT

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

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of Audit Committee, have appointed Mr.K.Suryanarayanan, Cost Accountant (Registration Number 102347) as Cost Auditor to audit the cost accounts of the Company for the financial year 2021-22. 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 2021 will be made available in the Company's website 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. The Assessment is periodically examined by the Board. The requirement of mandatory constitution of Risk Management Committee for the year under review is not applicable to the Company.

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
2013-2014 to 2019-2020	No Dividend declared		N.A.	

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards.

BUSINESS RESPONSIBILITY REPORTING

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

CORPORATE GOVERNANCE AND MANAGEMENT'S DISCUSSION & ANALYSIS REPORTS

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

BO JINGEN
Managing Director

D. BALAJI
Executive Director

Place : Pune

Date : 17th June, 2021

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 2020-21.

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	3	3
2.	Mr. D. Balaji	Member, Executive Director	3	3
3.	Mr. Wu Xiaohui	Member, Whole-time Director	3	3

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/CSRPRJFY2122.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. NotApplicable
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 : NIL
6. Average net profit of the company as per section 135(5): ₹ 3,535.36 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 70.71 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 : Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 70.71 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
₹ 70.96 Lakhs *	Not Applicable			Nil	

* Note : The total spent amount includes administrative expenditure of ₹ 0.12 Lakhs for FY 2020 - 21.

- (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 ₹ 70.84 Lakhs
- (d) Amount spent in Administrative Overheads: ₹ 0.12 Lakhs
- (e) Amount spent on Impact Assessment, if applicable: Not applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 70.96 Lakhs
- (g) Excess amount for set off, if any

SI. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135 (5)	70.71
(ii)	Total amount spent for the financial year	70.96
(iii)	Excess amount spent for the financial year [(ii) - (i)]	0.25
(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)]	0.25

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

D. BALAJI
Executive Director

DILIP DINKAR KULKARNI
Chairman of CSR Committee

Place : Pune

Date : 17th June, 2021

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.	Distribution of food grains and essential items during Covid Lockdown	Poverty	Yes	Pune, Maharashtra	0.48	Direct	NA	NA
2.	Distribution of Smart Watches to Policemen to monitor Health Parameters	Health	Yes	Pune, Maharashtra	4.72	Direct		
3.	Distribution of Syringe pumps at Covid Care Centre	Health	Yes	Pune, Maharashtra	1.25	Direct		
4.	Distribution of Furnitures, Computers, UPS, Printer to Village Public Library, Govt. Primary School & Jr. College	Education	Yes	Pune, Maharashtra	4.95	Direct		
5.	Distribution of Sports Equipment to Promote Sports for underprivileged kids	Sports	Yes	Pune, Maharashtra	3.13	Direct		
6.	Installation of Voltage stabilizer for Village water filter	Health	Yes	Pune, Maharashtra	0.25	Direct		
7.	Installation of Water Heaters for Elderly Citizens.	Infrastructure, Sustainability	Yes	Chennai, Tamil Nadu	7.59	Direct		
8.	Distribution of Oximeter at Government Hospital, Covid Care Centre	Health	Yes	Rewari, Haryana	0.74	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
9.	Construction, Provided Hospital Bed and other items - Primary Health Centre	Health, Infrastructure	Yes	Rewari, Haryana	19.98	Direct	NA	NA
10.	Distribution of Pulse Oximeter, IV Stand, Cylinder regulator, Humidifying bottles, Water filter, Mattresses & Pillow at Government Hospital	Health, Infrastructure	Yes	Vanur Puducherry	2.62	Direct		
11.	Distribution of Various Medical Equipments at Government Hospital. (Laproscopy set, OT Table, Boyles Apparatus, etc.)	Health Infrastructure	Yes	Marakkanam, Puducherry	25.12	Direct		
Total					70.84			

Note : In addition to CSR contribution of ₹ 70.84 Lakhs, ₹ 0.12 Lakhs were spent towards administrative expenditure aggregating to total spend of ₹ 70.96 Lakhs during the year ended March 31, 2021.

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. Dvpt. Co., Ltd.	Jiangsu Kingfa Sci. & Tech. Advanced Material Co., Ltd	KINGFA SCI. & TECH. (MALAYSIA) SDN	Chengdu Kingfa Technology New Material Co., Ltd.	KINGFA Sci. & Tech. (Europe) GmbH	KINGFA Sci. & Tech. (USA)	KINGFA Thailand	GUANGDONG KINGFASCI. & TEC	Zhuhai Wantong Special Engineering Plastics Co., Ltd.
Nature of relationship	Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company	Subsidiary of Holding Company
(b) Nature of contracts/arrangements/transactions	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell	Buy / Sell
(c) Duration of the contracts / arrangements / transactions	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase / Sale of Materials 3,259.24 / 698.05	Purchase / Sale of Materials 45.24 / 53.48	Purchase / Sale of Materials 1,458.56 / 3.15	Purchase / Sale of Materials Nil / 29.97	Purchase / Sale of Materials 10.67 / Nil	Purchase / Sale of Materials 58.52 / Nil	Purchase / Sale of Materials Nil / 215.28	Purchase / Sale of Materials Nil / 222.81	Purchase / Sale of Materials 1,213.50 / Nil	Purchase / Sale of Materials Nil / Nil
(e) Date(s) of approval by the Board, if any:	Since these PPTs 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 22/06/2020 and approval obtained from the Board at its Meeting held on 22/06/2020.									
(f) Amount paid as advances, if any:	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place : Pune
Date : 17th June, 2021

BO JINGEN
Managing Director
D. Balaji
Executive Director

ANNEXURE - III

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2021

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

To,

The Members,

KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED,

Dhun Building, III Floor,

827, Anna Salai,

Chennai - 600 002.

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

Based on my verification of Kingfa Science & Technology (India) Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the Stock Exchanges;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Secretarial Standards on the Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.
- (vii) Other applicable acts :
 - Factories Act, 1948
 - Payment of Wages Act, 1936 and rules made thereunder;
 - The Minimum Wages Act, 1948;
 - Employees State Insurance Act, 1948
 - The Employees Provident Fund Act and Miscellaneous Provisions Act, 1952
 - The Payment of Bonus Act, 1956
 - Payment of Gratuity Act, 1972
 - Protection of Women Against Sexual Harassment at Workplace Act and Rules;
 - The Water (Prevention & Control of Pollution) Act, 1974;
 - The Air (Prevention & Control of Pollution) Act, 1981;
 - The Environment (Protection) Act, 1986 (Read with the Environment (Protection) Rules) 1986

- The Hazardous Wastes (Management, Handling And Transboundary Movement) Rules, 2008
- E waste (Management) Rules 2016

I further report that

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

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

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

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

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

VAISHNAV ASSOCIATES

Practicing Company Secretary

S.Vaishnav

ACS/FCS No.8675

C P No.: 11392

UDIN A011392C000795758

Place : Pune

Date : June 17, 2021

Annexure "A"

(To the Secretarial Audit Report of M/s.Kingfa Science & Technology (India) Limited for the financial year ended 31-03-2021)

To

The Members

Kingfa Science & Technology (India) Limited

The Secretarial Audit Report for the Financial Year ended 31 March 2021 is to be read along with this Annexure A

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

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

VAISHNAV ASSOCIATES

Practicing Company Secretary

S.Vaishnav

ACS/FCS No.8675

C P No.: 11392

UDIN A011392C000795758

Place : Pune

Date : June 17, 2021

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, 2021 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. Airline Jenetics solenoid valves are replaced with air leakage proof Asco Pneumatic Valve that prevent air leakages and increasing the air compressor efficiency that reduce power consumption in Puducherry Plant.
2. Optimised the extruder heater ON/OFF frequency by making the minimum ON/OFF band within 5 deg. from 10 deg. in Puducherry Plant.
3. FG unloader six numbers (10 KW) is DOL starter to convert Variable Frequency Drive (VFD). It's energy savings approx. 20% in Puducherry Plant.
4. Cooling tower circulation water pump 4 numbers (10 KW) is DOL starter to convert Variable Frequency Drive (VFD). It's energy savings approx. 20% in Puducherry Plant.
5. New "Strand Palletizer Baoli 200S" installed 11KW Motor which will save energy Consumption in Manesar Plant.
6. In the shop floor, tube lights and plant highway lights were replaced with LED lights resulting in reduction of electricity power in all Plants.
7. Products are redistributed among the line such that best throughput is achieved with the result of energy reduction per ton of production in all Plants.

(b) The Capital investment on energy conservation equipment - ₹ 27.46 Lakhs**(B) TECHNOLOGY ABSORPTION****(i) The efforts made by the Company towards 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 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, ease of assembly, environment friendly (energy consumption), processing flexibility among other requirements. Manufacturing methods like multiple controls and feeding options, blending and mixing techniques have enable us to 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. Our Customers have shown real appreciation for the same and are providing newer opportunities and challenges.

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

(a) Capital	-	126.87
(b) Recurring	-	175.92

Total - 302.79

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ in Lakhs)

Foreign Exchange Earnings	-	882.79
Foreign Exchange Outgo	-	18,893.98

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

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

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

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

Mr. Bo Jingen (Managing Director)	5.00:1
Mr. Wu Xiaohui (Whole-time Director)	4.67:1
Mr. D. Balaji (WTD / Executive Director)	8.48:1

(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 10%.

(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 31.03.2021.

(v) **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

D. Balaji
Executive Director

Place : Pune

Date : 17th June, 2021

ANNEXURE - V

BUSINESS RESPONSIBILITY REPORT

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

For the Financial Year Ended March 31, 2021

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L25209TN1983PLC010438
2. Name of the Company : Kingfa Science & Technology (India) Limited
(formerly Hydro S & S Industries Limited) (“the Company/we/our”)
3. Registered Address : Dhun Building, III Floor, 827, Anna Salai, Chennai – 600 002.
4. Website : www.kingfaindia.com
5. E-mail id : cs@kingfaindia.com
6. Financial Year reported : April 01, 2020 - March 31, 2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise) :

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

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
(a) Modified Polypropylene Compound (b) Engineering Plastic Compound (c) Personal Protective Equipment (PPE) like Mask and Gloves.
9. Total number of locations where business activity is undertaken by the Company:
(a) Number of International Locations (Provide details of major 5) : Nil
(b) Number of National Locations : The Company carries out business activities across India and has manufacturing facilities situated at Chakan and Jejuri in Pune, Puducherry, Manesar, Marketing Offices and Warehouses situated in auto hubs and industrial belts.
10. Markets served by the Company – Local / State / National / International : In addition to serving the Indian market, the Company exports to USA, South Africa, Thailand and China.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : ₹ 1,211.05 Lakhs
2. Total Turnover : ₹ 63,316.48 Lakhs
3. Total profit after taxes : ₹ 538.58 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2% of average net profit of the Company for last three financial years.
5. List of activities in which expenditure in 4 above has been incurred : Please refer to the Annual Report on CSR Activities attached as Annexure – I to the Director’s Report, forming part of the Annual Report.

SECTION C : OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR
 - (a) Details of the Director / Director responsible for implementation of the BR policy / policies
 1. DIN Number : 08256342
 2. Name : D.Balaji
 3. Designation : Executive Director

- (b) Details of the BR head

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

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	The Company has formulated the policies and adopted best practices in its own volition, while being sensitive to the interest of all stakeholders.								
3	Does the policy conform to any national / international standards? If yes please specify in brief	The policies are based on the respective Principles of NVG Guidelines and the relevant provisions of applicable law.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ Appropriate Board Director	Since all the policies are not required to be approved by the Board of Directors, the approval of the Board has been obtained wherever it is mandatory. Yes, however not all policies as it is not a mandatory requirement.								

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

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

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

5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The policies formulated and adopted by the Company are available on the website of the Company www.kingfaindia.com .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent applicable.								
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of all the policies is internally monitored. Audit / evaluation by external agencies is carried out wherever mandatory.								

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

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

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

The BR performance of the Company is periodically assessed by the BR Head during the year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Business Responsibility Report forms part of the Annual Report.

The same can be viewed on the website of the Company www.kingfaindia.com

SECTION E : PRINCIPLE - WISE PERFORMANCE**Principle 1**

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

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes it covers only the Company. However, the Company shall impress upon other entities in the value chain to follow such policy.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about Principle**

During the year under review, the Company did not receive any such complaint.

Principle 2 :

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

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The products are (a) Use of Recycle Input (b) In house waste generated is recycled within the Company. We make all efforts to ensure that we produce, in a safe and environmental friendly responsible manner.

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

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

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

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

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

measures to reduce the consumption of energy and water.

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

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

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

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

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

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

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

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

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

Principle 3

Business should promote the well being of all employees:

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

1. Please indicate the Total number of employees : 219
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis : 93
3. Please indicate the Number of permanent women employees : 9
4. Please indicate the Number of permanent employees with disabilities : NA
5. Do you have an employee association that is recognized by management : Kingfa Science & Technology (India) Ltd., Employees Union, Reg. No 1562/RTU/2008, 1/115, Mylam Road, V.Parangini Post, Vanur.
6. What percentage of your permanent employees is members of this recognized employee association? : 100% total strength is 19 worker, all of them Member of The Association.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year? : Nearly 30%

Principle 4

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

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

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

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

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

Principle 5

Business should respect and promote human rights

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

Yes, the policy extends only to the Company.

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

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

Principle 6

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

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

Yes, the policy extends only to the Company.

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

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

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

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

As on 31st March, 2021, the Company don't have such Mechanism.

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

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

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

Yes

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

Nil

Principle 7

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

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

- (a) All India Plastic Manufacturing Association (AIPMA)
(b) We are regular sponsor of Indian Plastic Association (IPA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development**

Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

Not Applicable

Principle 8

Business should support inclusive growth and equitable development

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

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

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

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

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

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

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

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

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

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

Principle 9

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

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

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

- connect with the Company's representatives i.e. through email and telephone. As on March 31, 2021, there was negligible percentage of unresolved customer complaints and Nil consumer cases.
- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**
- The Company adheres to the applicable laws & regulations regarding the display of the product label and the information related thereto.
- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
- No such case is pending against the Company as on end of the financial year.
- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?**
- No

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements, 2015 ("The Listing Regulations").

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

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

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

2) Board of Directors

Composition

The Board of Directors currently has a mix of Executive and Non-Executive Directors. The Board comprises a Managing Director, two Whole-time Directors (the Executive Directors) and three Non-Executive Directors. All three Non-Executive Directors are Independent Directors.

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

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

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

Meetings

During the year 2020 - 21, the Board met 5 times on 5th June, 2020, 22nd June, 2020, 12th August, 2020, 10th November,

2020 and 10th February, 2021. The last AGM was held on 29th September, 2020.

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, 2021.

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	5	Yes	-	-	1	-
Mr. Wu Xiaohui (DIN 06617977)	NI-EX	5	Yes	-	-	-	-
Mr. N.Subramanian (DIN 03602858)	IN-NE	5	Yes	2	1	4	2
Mr. Dilip Dinkar Kulkarni (DIN 07272118)	IN-NE	5	Yes	-	-	1	-
Ms. Nilima Ramrao Shinde (DIN 07646156)	IN-NE	5	Yes	-	-	2	-
Mr. D.Balaji (DIN 08256342)	NI-EX	5	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).

None of the Directors are related to each other.

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

Independent Directors

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

Board Procedure

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

- operating plans, capital budgets.
- quarterly results of the company.
- risks faced and steps taken to mitigate / minimize the risks, if any.
- minutes of meeting of audit committee and other committees.
- information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- significant developments in the industrial and human relations front.
- materially important show cause, demand and penalty notices and prosecutions, if any.
- fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- materially relevant defaults in financial obligations to and by the company or substantial non payment for goods sold by the company.
- foreign exchange exposure and steps taken by management to limit the risks of adverse exchange rate movement.

- any issue, which involves possible public or product liability claims of substantial nature, including any judgement order.
- details of any joint venture or collaboration agreement.
- transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- proposals for diversification, investment, 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.

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

3) Audit Committee

Terms of reference

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

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

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

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

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

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;

- iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Modified opinion(s) in the draft audit report;
 5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Reviewing and Monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Further, the Audit Committee shall mandatorily review the following information:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
 - Statement of deviations.
- Presently, it comprises three Non-Executive Directors - all of whom are independent. The Members of the Committee have exposure to Finance, Accounts, Company Law and General Business Practices.
- The Composition of the Audit Committee are as under:
- A) Mr. N.Subramanian – Chairman
 - B) Mr. Dilip Dinkar Kulkarni – Member
 - C) Ms. Nilima Ramrao Shinde - Member

Meetings

During the financial year 2020 - 21, four Audit Committee Meetings were held on 22nd June, 2020, 12th August, 2020, 10th November, 2020 and 10th February, 2021.

Attendance

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

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

4) Nomination and Remuneration Committee

Terms of reference

The Nomination and Remuneration (N&R) Committee has adopted a broad principles which, inter alia, deals with the manner of selection of Board of Directors and covers the areas as contemplated under Act and Listing Regulations.

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

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

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

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

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

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

Remuneration

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

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

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

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

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

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

Meeting and Attendance

During the financial year 2020 - 21, two meetings of the Nomination and Remuneration Committee were held on 12th August, 2020 and 10th February, 2021 and it was attended by all the four Members.

Remuneration policy

The Remuneration Committee determines and recommends to the Board, the quantum of remuneration including incentives and perquisites payable to Whole Time Directors / Directors of the Company as and when they come for review. The details of the policy is available on Company's 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, 2022 and consented to retire by rotation.

The term of office of Mr.Wu Xiaohui as Whole-time Director expires on February 26, 2022 and consented to retire by rotation.

The term of office of Mr.D.Balaji as Whole-time Director, designated as Executive Director expires on October 28, 2021 and consented to retire by rotation.

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

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

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

The Board of Directors increased the Sitting fees payable to the Independent Directors / Non - Executive Directors for every Meeting of the Board attended by them.

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 2020 - 21 together with sitting fees paid and the shareholding held by the Non Executive Directors as on 31st March, 2021 are as under :

Managing Director / Whole-time Directors

(₹ in Lakhs)

Name of Director	Salary	Perquisites	Commission	Performance Incentive	Total
Mr. Bo Jingen	20.35	6.69	-	55.00	82.04
Mr. Wu Xiaohui	16.70	3.30	-	-	20.00
Mr. D.Balaji	32.55	3.47	-	35.20	71.22

Non - Executive Directors

Name of Director	Sitting fees paid for Board and Committee Meetings (₹ in Lakhs)	Commission (₹)	Shares held in the Company (Nos.)
Mr. N.Subramanian	4.90	Nil	Nil
Mr. Dilip Dinkar Kulkarni	5.20	Nil	Nil
Ms. Nilima Ramrao Shinde	4.90	Nil	Nil

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

Performance Evaluation

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

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

5) Stakeholder Relationship Committee

Terms of Reference

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

The Composition of the Stakeholder Relationship Committee are as under:

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

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

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

Meetings

During the year 2020 - 21, the Stakeholder Relationship Committee met three times on 22nd June, 2020, 10th November, 2020 and 10th February, 2021.

Attendance

Name of Director	No. of Meetings Attended
Mr. N.Subramanian	3
Mr. Bo Jingen	3
Ms. Nilima Ramrao Shinde	3

The Company confirms that there were no share transfers pending for approval as on 31st March, 2021 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 2020 – 21 and there are no complaints pending to be resolved as on 31st March, 2021.

6) Corporate Social Responsibility Committee

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

Terms of Reference

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

Recommend the amount to be spent on CSR activities.

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

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

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company, www.kingfaindia.com. The Annual Report on CSR activities for the Financial Year 2020-21 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

Meeting and Attendance

The Committee met three times during the financial year 2020 – 21 on 12th August, 2020, 10th November, 2020 and 10th February, 2021.

Attendance

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

7) Independent Directors' Meeting

During the year under review, the Independent Directors met on 10th February, 2021 inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;

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

All the Independent Directors were present at this Meeting.

8) 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
31.03.2020	29.09.2020	11.30 a.m.	Meeting held through Video Conferencing / Other Audio Visual Means
31.03.2019	27.09.2019	10.30 a.m.	Raj Park Chennai, 'Opal Hall', 180, T.T.K.Road, Alwarpet, Chennai – 600 018.
31.03.2018	27.09.2018	10.00 a.m.	Raj Park Chennai, 'Ruby Hall', 180, T.T.K.Road, Alwarpet, Chennai – 600 018.

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

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

- Re-Appointment of Mr.Wu Xiaohui as Whole-time Director
- Re-Appointment of Mr.Dilip Dinkar Kulkarni as an Independent Non-Executive Director.

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

- Appointment of Mr.D.Balaji as Whole-time Director designated as Executive Director of the Company.
- Re-appointment of Mr. N.Subramanian as an Independent Non-Executive Director.
- Re-Appointment of Mr.Bo Jingen as Managing Director.

III. At the 34th Annual General Meeting held on 27th September, 2018.

- Authorisation to borrow money exceeding aggregate of the Paid up Capital and Free Reserves of the Company.

(C) Postal Ballot

During the year under review, the Company had passed the following Special Resolutions through electronic voting (remote e-voting) as per provisions of the Act, Rules and the MCA Circulars. The Company had engaged the services of NSDL to provide e-voting facility to its Members. The notice of postal ballot dated 05.06.2020 was accompanied with detailed instructions to enable the members to understand the procedure and manner in which remote e-voting to be carried out. The following Resolutions are deemed to have been passed on the last date of remote e-voting i.e. July 12, 2020.

Details of Voting Pattern :

S No.	Description of Resolutions	Total number of valid votes (E-Voting)	Number of valid votes cast in favour of the Resolution (E-Voting) and Percentage	Number of votes cast against the Resolution (E-Voting) and percentage
1.	Alteration of Objects Clause in the Memorandum of Association of the Company Company	9862648	9861173 99.985%	1475 0.015%
2.	Alteration of Objects Clause and Liability Clause of Memorandum of Association to align with the provisions of the Companies Act, 2013	9862648	9861173 99.985%	1475 0.015%

Mr.P.S.Srinivasan, Practising Company Secretary (C.P.No.3122) was appointed as Scrutinizer for conducting the aforesaid process of remote e-voting in accordance with the provisions of the Act, Rules and the MCA Circulars in a fair and transparent manner.

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

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

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

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

9) Disclosures

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

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

Prior omnibus approval obtained and a statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

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

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

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

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

Code of conduct for prevention of Insider Trading:

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

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

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

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

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

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

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

Disclosure of commodity price risks and commodity hedging activities

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

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

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

Certificate from Company Secretary in Practice

As required under SEBI Listing Regulations, the Company has received a Certificate from Ms. Shaswati Vaishnav, Practicing company Secretaries, 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 (Net of Goods Service tax) 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	2020-21
Statutory Auditors	
a. As Auditors	
Audit & Assurance Fees	6.50
Tax Audit Fees	-
GST Audit Fees FY-2017-2018	2.75
GST Audit Fees FY-2018-2019	9.00
b. Limited Review	1.50
c. Reimbursement of expenses	0.05
d. Certification & others	1.30

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.

10) 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.

11) General Shareholder Information

- a) **Registered Office** : Dhun Building, III Floor,
827, Anna Salai, Chennai - 600 002.
- b) **Annual General Meeting** :
Day
Date
Time
Venue
- c) **Financial Year** : 1st April to 31st March
- d) **Financial Calendar for 2021 – 2022:**

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

First Quarter Results (30th June, 2021)	on or before August 14, 2021
Second Quarter Results (30th September, 2021)	on or before November 14, 2021
Third Quarter Results (31st December, 2021)	on or before February 14, 2022
Fourth Quarter Results (31st March, 2022)	before end of May, 2022
Annual General Meeting (2021-2022)	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

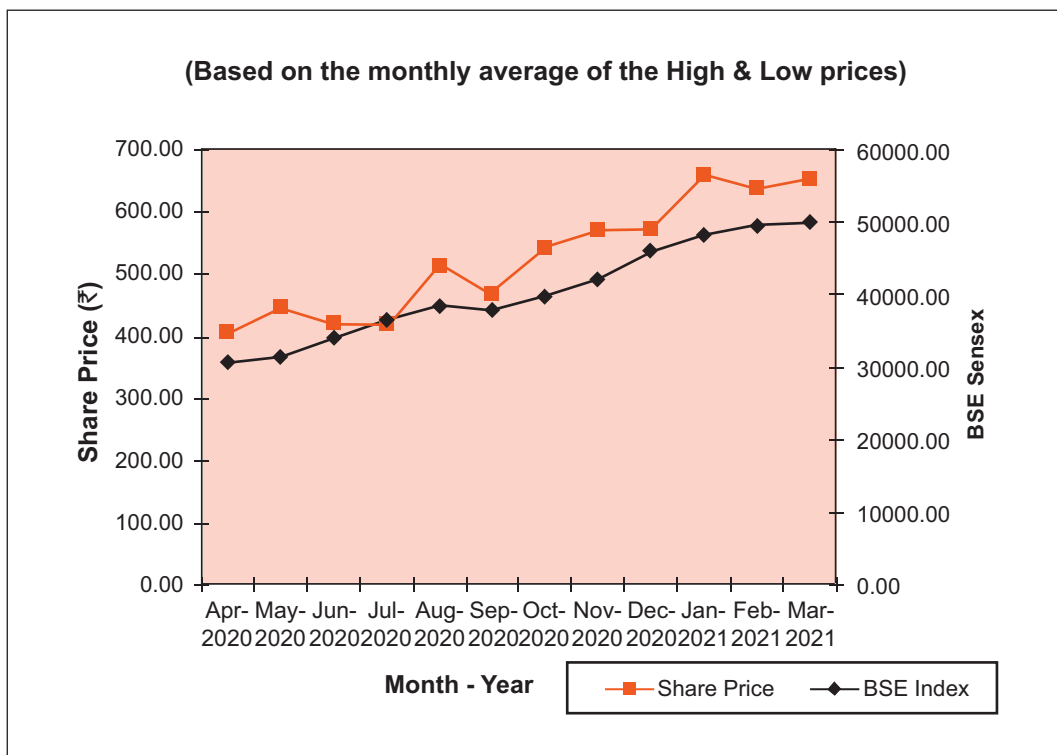
Demat ISIN No. for CDSL and NSDL is INE473D01015.

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	2020	460.00	354.25	478.90	350.00
May	2020	502.40	389.95	503.95	396.40
June	2020	481.80	360.00	482.30	360.10
July	2020	492.25	348.60	493.80	347.00
August	2020	576.00	450.75	600.00	451.20
September	2020	507.80	430.00	517.70	431.20
October	2020	616.00	468.00	617.25	468.05
November	2020	634.25	507.05	632.05	525.00
December	2020	625.00	522.05	625.00	525.05
January	2021	750.00	568.50	750.00	565.05
February	2021	722.80	554.55	724.65	550.00
March	2021	739.95	564.75	732.50	560.70

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

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

l) **Distribution of Shareholding and Shareholding Pattern as on 31.03.2021.**

i) **Distribution of Shareholding**

CATEGORY	SHAREHOLDERS		SHARES	
	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
Upto 2500	8133	98.64	1141046	9.42
2501 - 5000	64	0.78	226825	1.87
5001 - 10000	28	0.34	199750	1.65
10001 – 20000	9	0.11	110552	0.91
20001 – 30000	3	0.04	80557	0.67
30001 – 40000	0	0.00	0	0.00
40001 – 50000	2	0.02	91231	0.75
50001 – 100000	2	0.02	150448	1.24
100000 & above	4	0.05	10110052	83.48
TOTAL	8245	100.00	12110461	100.00

ii) Shareholding Pattern

CATEGORY	HOLDERS	SHARES	VOTING STRENGTH (PERCENTAGE)
Promoter	1	9082214	74.99
Non-Resident Individuals / OCBs	215	106088	0.88
Foreign Port Folio Investor – Corporate / Foreign National	3	766228	6.33
Bodies Corporate	77	45910	0.38
FIs/Mutual Funds/Banks	0	0	0.00
Resident Individuals	7894	2035031	16.80
Others	55	74990	0.62
Total	8245	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, 2021, 99.41% of the Company's total equity shares representing 1,20,41,488 shares were held in dematerialised form and the balance 0.55% representing 68,973 shares in the physical form.

n) Outstanding GDRs / ADRs / Warrants

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

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

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

p) Plant Locations

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

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

G 34, Addl. Jejuri Industrial Area - Modified Thermoplastics
Jejuri, Tal. Purandar, Pune – 412303.

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

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

q) Address for Correspondence

(i) Share related matters :

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

(ii) Other matters :

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

For and on behalf of the Board of Directors

BO JINGEN

D. BALAJI

Managing Director

Executive Director

Place : Pune

Date : 17th June, 2021

**CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CHAPTER IV OF THE
SECURITIES AND EXCHANGE BOARD OF INDIA
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To

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

I have examined the compliance of conditions of Corporate Governance by Kingfa Science & Technology (India) Limited for the year ended 31st March, 2021 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned regulations.

We further 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.

Place : Pune

Date : June 17, 2021

For VAISHNAV ASSOCIATES

Practicing Company Secretaries

Shaswati Vaishnav

ACS: 11392 CP No : 8675

UDIN A011392C000801005

**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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

Place : Pune

Date : June 17, 2021

For VAISHNAV ASSOCIATES

Practicing Company Secretaries

Shaswati Vaishnav

ACS: 11392 CP No : 8675

UDIN A011392C000796297

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, 2021 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 : 17th June, 2021

BO JINGEN
Managing Director

XIE DONGMING
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

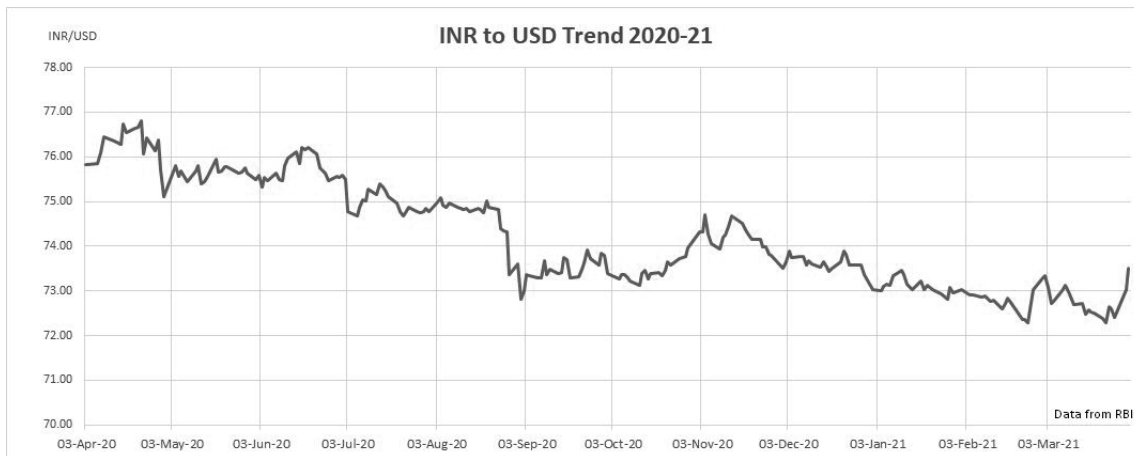
A) INTRODUCTION

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

B) ECONOMIC SCENARIO

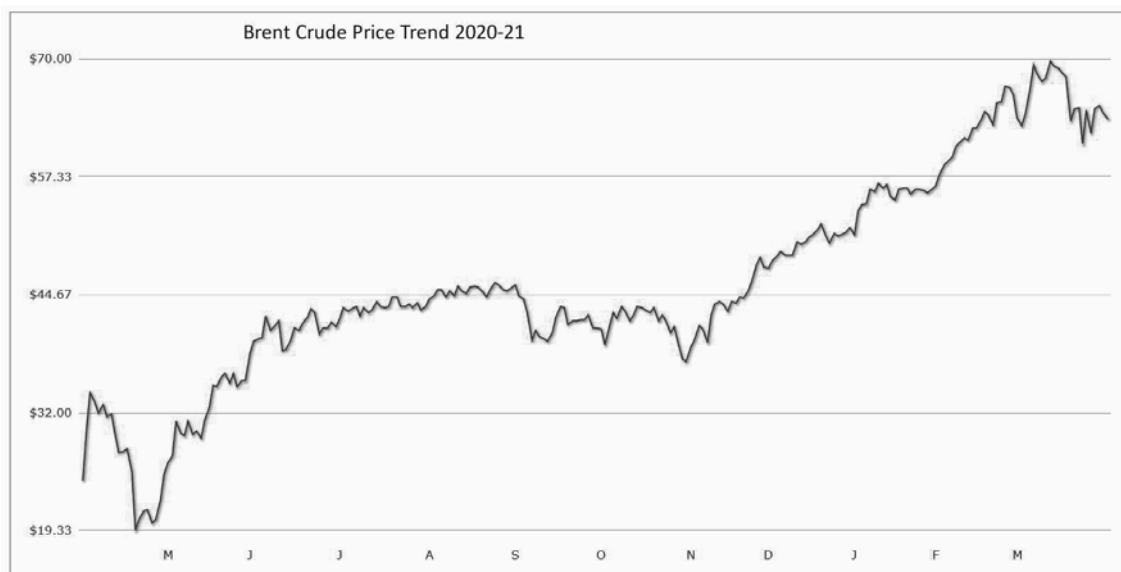
This year's economic situation was dominated by the Covid-19 pandemic almost for most of the year. The year started with the entire country locked down fully in Apr'20. In May'21 the industries started reviving with prior permissions granted for the essential items.

The exchange rate which went up beyond ₹ 76 / US\$ during the lockdown maintained at that range for the first two quarters. The INR hardened and maintained at around ₹ 73 / INR for most part of Q4. This was a relief to an extent for the importers who had gone through higher cost of imports in the first two quarters.



The crude prices dropped to all time low in the aftermath of the lockdown but gained back slowly to tread on a flat path till Nov'20. The gain in oil prices since Dec'20 gave rise to unprecedented run in the prices of petrochemical

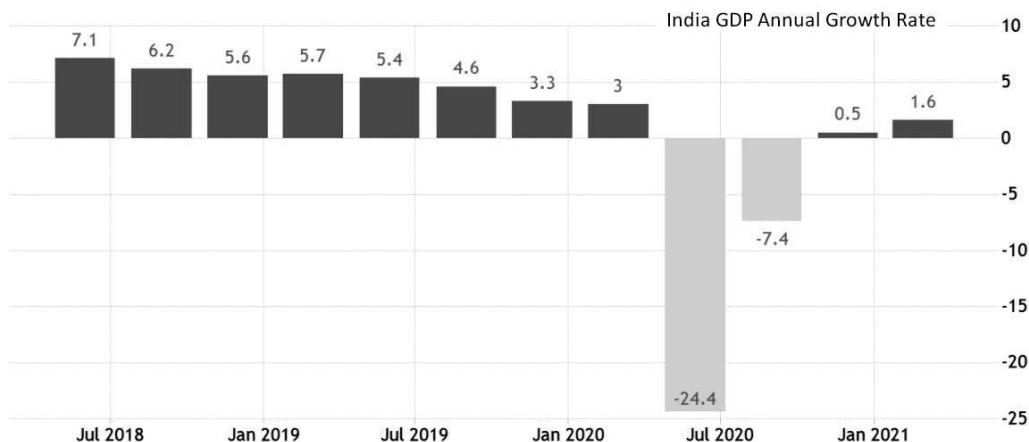
based output, especially the polymers, both commodity as well as specialty polymers causing concern for the end users and the industry alike.



The Covid induced lockdown was a dampener to Indian economy which had wriggled out of the demonetization and GST implementation related blues in the previous years.

The Indian economy expanded 1.6% year-on-year in Q4 2020-21, accelerating from an upwardly revised 0.5% growth in Q3 2020-21 and beating market forecasts of 1%. It was the 2nd straight quarter of growth since the country exit a pandemic-induced recession during the year.

The government also revised its GDP estimates for the first two quarters. According to the latest data, the GDP contracted by 7.3 per cent in Q2 2020-21 instead of the previous estimate of -7.5 per cent and by a sharp 24.4 per cent in Q1 2020-21 instead of the earlier reported -23.9 percent. The Q1 contraction is the worst in the history of the Indian economy.



SOURCE: TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

In order to support the industry, Government of India announced a slew of measures that include among others, relief to improve the liquidity, relief to MSMEs in the form of collateral free loans, equity infusion, revised investment limits to be qualified as MSME, and steps for MSMEs to get paid within 45 days, relief to NBFCs, power generating firms, real estates & EPC/ contractors and significant changes for the corporate affairs Production Linked Incentive (PLI) scheme worth up to ₹ 1.46 lakh crore for 10 key sectors in a bid to boost India’s manufacturing capabilities and enhancing exports, Incentives for the sectors such as white goods manufacturing, pharmaceutical, specialized steel, automobiles, telecom, textile, food products, solar photovoltaic and cell battery and a ₹ 3,000 Cr boost for project exports through lines of credit under the Indian Development and Economic Assistance Scheme. All

these are really what the industry needed in order to get a quick recovery from the pandemic.

C) INDUSTRY STRUCTURE AND DEVELOPMENTS

During the year under review, the lockdown brought in a halt / squeeze on people spending on things other than essential. The receding infections in Q3, brought in cheers during the festive season and almost all the sectors tried to catch up with recovered demand. The country witnessed manufacturing sector trying revive as quick as possible.

The manufacturing PMI came down to 27.4 in Apr’20, the lowest ever since PMI data collation started 15 years back. It improved marginally in May’20 to 30.8. The big boost during the festival season saw India PMI jumping to the highest ever level of 58.9 in Oct’20.



The year in discussion was bad for the automobile industry in that there was a degrowth in sales of all segments compared to the previous years.

The overall production came down by 14.04% compared to the previous year. Considering the drop of

14.75% in the previous year, the drop over the last two years is significant. This has halted the growth curve seen in the past several years in the Indian automotive industry. The production volume went back to the levels that were seen prior to 2014-15.

AUTOMOTIVE INDUSTRY IN INDIA PRODUCTION TREND

Category	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Passenger Vehicles	3,465,045	3,801,670	4,020,267	4,028,471	3,424,564	3,062,221
Commercial Vehicles	786,692	810,253	895,448	1,112,405	756,725	624,939
Three Wheelers	934,104	783,721	1,022,181	1,268,833	1,132,982	611,171
Two Wheelers	18,830,227	19,933,739	23,154,838	24,499,777	21,032,927	18,349,941
Quadricycle	531	1,584	1,713	5,388	6,095	3,836
Grand Total	24,016,599	25,330,967	29,094,447	30,914,874	26,353,293	22,652,108

Source: Siam.in

The auto sector is cyclical. The cyclicity varies from segment to segment. The commercial vehicle sales are linked to overall economic growth while that of tractors are linked the monsoon. Compared to these segments the passenger vehicles and two wheelers are less cyclical. A mix of factors such as rise in the cost of vehicles due to changes in emission and regulatory norms, higher lending rates and muffled disposable incomes led to a negligible sales growth over the last 5 years. To add to this misery, Covid hurt the economy.

The consolation is that the decision to buy a vehicle will just get postponed to the coming months as the recovery takes place. It is unlike the lost sale for consumables which cannot be made up.

D) COMPANY PERFORMANCE

As mentioned above with the Covid induced lock down affecting the manufacturing in every segment, the performance of the support industries feeding to the manufacturers were also hit badly.

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. In spite of the lock down, your company could obtain permission from the respective local authorities to run the compounding lines in order to feed the medical industry with essential high flow PP resin that go into the manufacture of Melt Blown PP which has the capacity to filter virus and forms essential part of the disposable Masks.

During the lockdown period, your company was busy in preparing the project report for commissioning manufacture of disposable masks and moved the government authorities for necessary permissions and approvals. With untiring effort, your company was successful in commissioning the manufacturing lines for masks in Jul'2020. The plant was commissioned with facility to manufacture, 3 Ply masks, 3 Ply masks with head band, Foldable masks with Ear loop as well as Head loop. Necessary certifications like BIS (IS 9473:2002) for India and CE (EN149:2001) for Europe were obtained within a short period to assure confidence to the users on the quality of masks manufactured by your company.

The timely commissioning of mask manufacturing helped your company to supply Masks to the hospital industry including Government agencies in this hour of need.

Raw material prices which slipped to very low level in the first two quarters started rising and hit the peak during Q4'21. This created an anomaly in the cash flow as the selling prices remained low as per lagging price mechanism that industries follow while the input cost went up. The relationship that your company maintained with key OEMs helped get some quick relief to sustain our operations and to manage this situation.

We continue to take support of our principals in creating multiple and alternate options to have a greater control on key RM prices. Inventory management both at RM and FG level continue to remain a big challenge demanding our full focus due to the fact that the stock levels built up based on prior ordering while the lockdown delayed consumption of the same. The delayed clearance from ports with the additional detention costs due to lock down added to the cost of imported RM.

2) Marketing Initiatives

As you are aware, your company has a sales and marketing team which is ever mobile and ready to pluck any opportunities that flies past. The travel restrictions imposed due to Covid delayed free movement and the restrictions in the user industry to meet visitors reduced the face-to-face interactions. Your company's sales and marketing team kept itself busy during the lock down pursuing leads in the PPE industry especially Masks so that your company can take advantage of the opportunities when the lockdown lifts.

Last year, just before the Covid induced lock down was imposed, your company had perfected development of the Melt Blown PP resin for making the Melt blown fabric used in the Masks. Your company successfully found users for the high flow PP resin for melt blown fabric/film manufacturing and made sale to both domestic and overseas customers. As melt blown film technology is relatively a new area for the industry, your company organized technical lectures on line and invited the industry people to make use of the same. Necessary support was taken from the HQ for the flow of technical information.

Similarly your company organized webinars through industry associations like Indian Plastics Institute to keep in touch with existing and potential customers during the lock down and utilized the same for educating the customers. This helped continue the engagement with our customers when the opportunity for direct interactions were limited by the lock down.

The technical and marketing team together successfully identified opportunities for Engineering Plastics in both Auto and Non-Auto sectors and made entries when the industries opened up. Such new initiatives have created opportunities for making Kingfa a dominant player in the Engineering Plastics space as well.

During the year, your company successfully deployed the approvals that Kingfa has in China for Engineering Plastics to India OEMs that will help in utilizing the new capacity created at our Chakan plant.

3) Human Resources & Industrial Relations

The travel restrictions imposed due to Covid had the power to dampen the spirits of any team, but our team kept itself busy during the lock down.

The team was kept engaged through daily online interactions and was encouraged to pursue learning new skills and topics which will help in their job as well as personality development.

Last year we mentioned that we have embarked on a program to relocate our front-end team at overseas locations to give them exposure to overseas markets. During the year, in spite of the lock down restrictions, we have successfully relocated our persons in South Africa and Thailand.

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 2021.

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.

Our construction of Global Scale Manufacturing and Contemporary Design and Development Center at Chakan, Pune was supposed to be completed in full during the year was delayed due to Covid and expected to be completed in the coming year in full. This facility has latest facilities for new product development and would enable your company to develop material and formulations within a short period. The new lab that is being set up at Chakan has plans to have NABL accreditation that will enhance the

reliance on Kingfa's test results by the customers and OEMs alike.

Relocation of our marketing personnel at South Africa and Thailand has started yielding results with the teams finalizing deals for commercial supplies. We are pleased to inform that the first large scale commercial supplies to South Africa left our shores in Dec'20 and continues.

We have earlier shared information about new auto companies setting shops in India. Your company made sure that Kingfa products are used for the new vehicles from day one having successfully completed the technical requirements and commercials.

Your company has been active now to take approval for India made products in Engineering Plastics domains with MNC companies operating in India, in both auto and non-auto space. Virtual audits are taking place to complete plant approvals for the same, not waiting for people movement to have on-site audits. This will facilitate production of Engineering plastics like PA6, PA66, BPT, ABS, PC and others in full product ranges to be produced at our Chakan plant.

E) RISKS AND CONCERNS AND THREATS

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

Business risks

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

Financial Risks

Financial risks are real and permanent and usual part of business and the company always views the same seriously and continuously. Inventory and receivables are continuously reviewed and working capital is managed tightly and ensure optimal cash flow. We apply

the lean principle in both while being adaptive to the market swings to get the best benefit out of the customers demand swing. With 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 should soon be exporting to Europe & East Asia. 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 decreased by 15.41% over the previous year. As the key prices of RM like PP trended lower during the year some of the selling prices had to be reduced in line with the pricing agreements in place.

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

Input costs

There was an overall decrease in the input costs during the year. A combination of sourcing action, Formulation rationalization and Optimization coupled with price

softness helped us achieve this. Production process improvement and planning was utilized to reduce our manufacturing costs significantly.

Financial costs

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

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

H) OUTLOOK -

- a) Only if the trend in increasing offtake of vehicles is sustained will the volume of tonnage increase materialise. Such increased volumes and management of supply chain and logistics should help in bettering margins during the current year subject of course to the price behaviour of Polypropylene/other resins and other crude oil based inputs.
- b) New commercial vehicles call for increased usage of PP compounds with enhanced performance and lesser weight to Volume ratio on interior parts and your Company is already working with major companies in this segment to benefit from this approach.
- c) Control of receivables and inventory and improved process efficiency, should also contribute to the reduction of working capital requirement leading to a reduction in interest costs.
- d) Company's strategy is to broadbase its product offerings into other segments of manufacturing, viz, Electrical, Powertools, Appliances, Batteries and other Non-auto segments through aggressive marketing and also offer products higher in the value chain like Engineering Plastics.

The overall outlook looks promising with the country coming out of the Covid blues.

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	2020-21	2019-20
(i) Debtors Turnover :	3.07	3.65
(ii) Inventory Turnover :	4.12	5.69
(iii) Interest Coverage Ratio :	4.75	10.90
(iv) Current Ratio:	1.47	1.65
(v) Debt Equity Ratio (%):	7%	5%
(vi) Operating Profit Margin (%) :	2.39%	4.96%
(vii) Net Profit Margin (%) :	0.85%	3.32%

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, 2021, received from the members of the Board and Senior Management Team of the Company, a declaration of compliance with the code of conduct as applicable to them.

BO JINGEN
Managing Director

D.BALAJI
Executive Director

Place : Pune

Date : 17th June, 2021

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, 2021, 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 IndAS 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, 2021, 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 Matter

We draw your attention to Note No.32 to the financial statement, which describes uncertainty of impact due to COVID-19 pandemic on Company's financial performance, which is dependent on future developments

Our audit opinion is not modified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management and Discussion Analysis, Shareholder Information and Director's report, but does not include the IndAS 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.

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 outlined in Note 6, there were trade receivables as at 31 March 2021 more than 180 days past dues. The collectability of the Companies trade receivables and the valuation of the allowance for impairment of the trade receivables is a key audit matter due to the judgement involved.</p>	<ul style="list-style-type: none"> - We have evaluated and tested the Company's process for trade receivables including the provisioning and collection process. - We tested on sample basis that trade receivables were subsequently collected. - 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 impairment of trade receivables. 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 considered the historical accuracy of forecasting the allowance for impairment of trade receivables.
<p>Valuation of Inventory</p> <p>At the 31 March 2021 the value of inventory amounted to ₹ 14,295.72 lakhs representing 40.39% of total equity and 21.30% of total assets. Inventories have been considered key audit matter due to the size of the balance, nature of the product, price volatility of raw material and finished product, process of manufacture and management judgements involved. Refer note 31.4.11 to the Ind AS Financial Statements for accounting policy for valuation of inventories.</p>	<ul style="list-style-type: none"> - We have evaluated and tested the design of internal controls relating to the process of inventory recording and valuation. - We have conducted physical verification of inventory on a sample basis at the year-end in order to test the assertion of existence. - 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. - We have conducted cut off procedures on a test check basis to ensure completeness of inventory recorded in the books of account. - We have tested on a sample basis compliance of the cost formulae as specified in the accounting policy adopted by the company.

Key Audit Matters	How our audit addressed the key audit matters
<p>Completeness and Valuation of Property, plant and equipment</p> <p>As at 31 March 2021, the capital WIP is ₹ 12,320.17 Lakhs which is 18.36% of the total assets of the company. Major WIP is consist of Chakan project.</p>	<ul style="list-style-type: none"> - We have tested on sample basis the capitalisation done by the Company during the year to assure the completeness and valuation assertion by verifying the date of capitalisation, amount of capitalisation, classification under appropriate category of Property, Plant and Equipment - We have test checked on sample basis additions to capital work in progress. - We have performed Perform analytical procedures on depreciation and amortization expense.

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, 2016 ("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.
 - 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.
 - h) With respect to the other matters to be included in the 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 32.5.1 to the Financial Statements;

- (ii) The Company has long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682

Purva Kulkarni

Partner

Membership Number: 138855

UDIN: 21138855AAAAEK5003

Pune

June 17, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of Kingfa Science & Technology (India) Limited on the standalone Ind AS financial statements as of and for the year ended 31 March 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have not been physically verified by the Management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties, as disclosed in Note 1 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Profession Tax, the Company is generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2021, for a period of more than six months from the date they became payable are as follows:

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

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax, Goods and Service Tax, as at 31 March 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Act and VAT Laws	Sales Tax	29.83	FY 2014-15	Joint Excise and Taxation Commissioner Appeal
	Sales Tax (VAT)	84.47	FY 2014-15 and FY 2015-16	Joint commissioner (Appeal) of State Tax
	Sales Tax (CST)	620.01	FY 2014-15 and FY 2015-16	Deputy commissioner of state tax
	Transit pass issue	14.57	FY 2005-06 to FY 2014-15	First Appellate Authority
Central Excise Act, 1944	Excise Duty	4.17	FY 2012-13	Assistant Commissioner of Central Excise
	Excise Duty	8.06	FY 2009-15 and FY 2016-17	Commissioner (Appeals) of Central Excise
Finance Act, 1994	Service Tax	5.35	FY 2015-16	Commissioner (Appeals) of Service Tax
	Service Tax	23.97	FY 2017-18 and 2018-19	Commissioner (Appeals), GST and Central Excise
	Service Tax	6.23	FY 2015-16 to June 2017	Commissioner (Appeals), GST and Central Excise

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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 such related party transactions have been disclosed in the financial

- statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 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. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For P G BHAGWAT LLP

Firm Registration Number : 101118W/W100682

Chartered Accountants

Purva Kulkarni

Partner

Membership Number 138855

UDIN:21138855AAAAEK5003

Pune

June 17, 2021

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members of Kingfa Science & Technologies (India) Limited on the standalone Ind AS financial statements for the year ended 31 March 2021

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of Kingfa Science & Technologies (India) Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone Ind AS 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 with reference to financial statements 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 with reference to financial statements 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal financial controls with reference to financial statements

A Company's internal financial controls with reference to 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 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future

periods are subject to the risk that the internal financial controls with reference to 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, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal controls with reference to financial statements 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

Firm Registration Number : 101118W/W100682

Chartered Accountants

Purva Kulkarni

Partner

Membership Number: 138855

UDIN : 21138855AAAAEK5003

Pune

June 17, 2021

Balance Sheet as at 31 March 2021

₹ in Lakhs

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
I. Non-current assets		25,887.70	23,467.92
(a) Property, plant and equipment	1	12,853.78	10,671.08
(b) Capital work-in-progress	1	12,320.17	11,454.06
(c) Intangible assets	1	2.02	4.60
(i) Other financial assets	2	47.53	7.58
(e) Current tax(net)	3	296.28	464.87
(f) Other non-current assets	4	367.92	865.73
II. Current assets		41,215.93	36,162.07
(a) Inventories	5	14,295.72	11,108.77
(b) Financial assets			
(i) Trade receivables	6	21,190.45	19,674.22
(ii) Cash and cash equivalents	7.a	373.66	228.91
(iii) Bank balance other than (ii) above	7.b	2,021.64	2,054.73
(iv) Other financial assets	8	845.05	967.21
(c) Other current assets	9	2,489.41	2,128.23
Total Assets		67,103.63	59,629.99

Balance Sheet as at 31 March 2021

₹ in Lakhs

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
EQUITY AND LIABILITIES			
Equity		35,397.53	34,858.95
(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	8,031.07	7,492.49
Liabilities			
I. Non-current liabilities		3,257.19	2,061.05
(a) Financial liabilities			
(i) Borrowings	12	2,437.50	1,815.96
(ii) Other financial liabilities	13.a	4.50	4.50
(iii) Lease liability	13.b	390.50	6.90
(b) Deferred tax liabilities (net)	14	310.34	118.08
(c) Government grants	15	114.35	115.61
II. Current liabilities		28,448.92	22,709.99
(a) Financial liabilities			
(i) Borrowings	16	1,776.26	2,694.22
(ii) Trade and other payables			
– total outstanding dues of			
micro enterprises and small enterprises		-	-
--total outstanding dues of creditors			
other than micro enterprises			
and small enterprises	17	21,760.28	19,066.05
(iii) Other financial liabilities	18.a	4,684.53	665.58
(iv) Lease liabilities	18.b	70.62	90.98
(b) Other current liabilities	19	99.03	150.19
(c) Short-term provisions	20	58.20	42.97
Total Equity and Liabilities		67,103.63	59,629.99

Significant accounting policies 31

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

As per our attached report of even date

For and on behalf of the board of directors

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

Chartered Accountants

Managing Director

Executive Director

Firm Registration

DIN : 0006617986

DIN : 08256342

Number : 101118W / W100682

PURVA KULKARNI**XIE DONGMING****NIRNOY SUR**

Partner

Chief Financial Officer

Company Secretary

Membership Number : 138855

Pune : 17 June 2021

Statement of profit and loss for the year ended 31 March 2021

			₹ in Lakhs
Particulars	Note No.	2020-21	2019-20
Income			
Revenue from operations	21	62,723.54	74,150.03
Other income	22	592.94	256.18
Total Income		63,316.48	74,406.21
Expenses			
Cost of raw materials and components consumed	23	51,235.94	57,860.76
Purchase of traded goods	24	2,096.74	3,580.10
Changes in inventories of finished goods, work-in-progress and traded goods	25	(990.84)	(684.45)
Employee benefits expense	26	1,662.40	1,542.39
Finance costs	27	330.97	354.77
Depreciation and amortisation expense	28	1,079.17	895.62
Other Expenses	29	6,717.03	7,522.62
Total expenses		62,131.41	71,071.81
Profit before exceptional items and tax		1,185.07	3,334.40
Exceptional items		-	-
Profit before tax		1,185.07	3,334.40
Tax expense		652.89	872.75
Current tax	30	462.78	1,025.90
Deferred tax	30	190.11	(153.15)
Profit for the year		532.18	2,461.65
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		6.40	(17.29)
Income tax effect on above		8.56	(23.11)
		(2.16)	5.82
Total other comprehensive income for the year, net of tax [A]		6.40	(17.29)
Total comprehensive income for the year, net of tax		538.58	2,444.36
Earnings per equity share [nominal value per share Rs.10/- (31 March 2020: Rs.10/-)]			
Basic		4.39	20.33
Diluted		4.39	20.33
Significant accounting policies	31		

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

As per our attached report of even date

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

Chartered Accountants

Firm Registration

Number : 101118W/W100682

PURVA KULKARNI

Partner

Membership Number : 138855

Pune : 17 June 2021

For and on behalf of the board of directors

BO JINGEN

Managing Director

DIN : 0006617986

XIE DONGMING

Chief Financial Officer

D. BALAJI

Executive Director

DIN : 08256342

NIRNOY SUR

Company Secretary

Statement of Cash Flow for the year ended 31 March 2021

Particulars	₹ in Lakhs	
	2020-21	2019-20
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	1,185.08	3,334.40
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
Depreciation and Amortisation	1,079.17	895.62
Provision for doubtful debts and advances (net)	253.06	609.63
Loss on sale of Property, Plant & Equipment	0.38	-
Net gain / (Loss) on ECB Scheme	(58.45)	155.85
Loss / (Profit) on Revalorisation on Imports	182.77	1,193.96
Loss / (Profit) on Revalorisation on Exports	7.12	(109.52)
Finance cost	316.25	336.94
Interest on lease liability	14.73	17.84
	1,795.03	3,100.32
Less:		
Gain on reversal of Lease liability	-	3.55
Interest received	109.23	246.75
	109.23	250.30
Operating Profit before working capital changes	2,870.87	6,184.42
Working Capital Adjustments		
(Increase) / Decrease in Government Grant	(1.26)	(1.37)
(Increase) / Decrease in Trade and Other Receivables	(2,034.56)	930.25
(Increase) / Decrease in Inventories	(3,186.95)	(852.53)
Increase / (Decrease) in Trade and other Payables	2,432.78	(1,457.98)
Increase / (Decrease) in Provisions	23.79	1.69
	(2,766.20)	(1,379.94)
Net Cash generated from operations	104.67	4,804.48
Direct taxes paid	(294.19)	(1,770.20)
NET CASH FLOW FROM OPERATING ACTIVITIES	(189.52)	3,034.28
CASH FLOW FROM INVESTING ACTIVITIES		
Add :		
Sale of Property, Plant and Equipment	0.85	-
Interest received	114.75	260.91
	115.60	260.91
Less :		
Purchase of Property, Plant and Equipment	(1,507.16)	(6,553.10)
	(1,507.16)	(6,553.10)
NET CASH GENERATED FROM INVESTING ACTIVITIES	(1,391.56)	(6,292.19)

Statement of Cash Flow for the year ended 31 March 2021

Particulars	₹ in Lakhs	
	2020-21	2019-20
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings	2,082.03	2,694.22
Interest paid (finance cost)	(220.66)	(368.49)
Payment of lease	(120.81)	(131.32)
Interest on Lease liability	(14.73)	(17.84)
NET CASH USED IN FINANCING ACTIVITY	1,725.83	2,176.57
Net increase / (decrease) in cash and cash equivalents	144.75	(1,081.34)
Opening Cash and Cash equivalents	228.91	1,310.24
Closing Cash and Cash equivalents (Refer Note 7a)	373.65	228.91

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

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

Chartered Accountants

Firm Registration

Number : 101118W/W100682

BO JINGEN

Managing Director

DIN : 0006617986

D. BALAJI

Executive Director

DIN : 08256342

PURVA KULKARNI

Partner

Membership Number : 138855

Pune : 17 June 2021

XIE DONGMING

Chief Financial Officer

NIRNOY SUR

Company Secretary

Statement of changes in Equity for the year ended 31 March 2021

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 01 April 2020	12,110,461	1,211.05	
Issue/Reduction, if any during the year	-	-	
As at 31 March 2021	12,110,461	1,211.05	

Particulars	Reserves and Surplus					Total equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
At as 01 April 2020	67.18	87.09	24,878.38	1,122.76	7,492.49	33,647.90
Profit/(Loss) for the year	-	-	-	-	532.18	532.18
Other comprehensive income for the year	-	-	-	-	6.40	6.40
As at 31 March 2021	67.18	87.09	24,878.38	1,122.76	8,031.07	34,186.48

₹ in Lakhs

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

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

BO JINGEN
Managing Director
DIN : 0006617986

D. BALAJI
Executive Director
DIN : 08256342

PURVA KULKARNI
Partner
Membership Number : 138855

XIE DONGMING
Chief Financial Officer

NIRNOY SUR
Company Secretary

Pune : 17 June 2021

Notes to the Financial Statements

Note 1: Property, plant and equipment, Intangible assets and Capital work in progress

Fixed Assets	₹ in Lakhs												
	Land Freehold	Right to use Land	Buildings	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Computers	Right to use Building	Total	Intangible Assets Software	Grand Total	Capital work in progress
Gross Block													
As At 01 April 2020	31.62	4,299.92	3,655.01	6,832.18	89.83	107.98	85.93	139.98	142.95	15,385.40	33.26	15,418.66	11,454.06
Additions	-	-	-	2,717.64	28.62	20.90	7.85	16.19	469.32	3,260.52	-	3,260.52	3,597.40
Deductions/Transfer	-	-	-	-	-	(19.77)	-	-	-	(19.77)	-	(19.77)	(2,731.29)
As At 31 March 2021	31.62	4,299.92	3,655.01	9,549.82	118.45	109.11	93.78	156.17	612.27	18,626.15	33.26	18,659.41	12,320.17
Depreciation													
Upto 01 April 2020	-	155.81	659.15	3,370.44	85.96	94.52	79.02	126.42	76.02	4,647.34	28.66	4,676.00	-
For The Year	-	45.13	107.23	809.31	3.82	9.46	4.74	11.45	85.44	1,076.58	2.58	1,079.17	-
Deductions	-	-	-	-	-	(18.54)	-	-	-	(18.54)	-	(18.54)	-
As At 31 March 2021	-	200.94	766.38	4,179.75	89.78	85.44	83.76	137.87	161.46	5,705.38	31.24	5,736.63	-
Provision for Impairment Loss													
Upto 01 April 2020	-	3.82	59.04	4.13	-	-	-	-	-	66.99	-	66.99	-
For The Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-
As At 31 March 2021	-	3.82	59.04	4.13	-	-	-	-	-	66.99	-	66.99	-
Net Block													
As At 31 March 2020	31.62	4,140.28	2,936.83	3,457.60	3.87	13.47	6.92	13.55	66.93	10,671.08	4.60	10,675.68	11,454.06
As At 31 March 2021	31.62	4,095.15	2,829.60	5,365.93	28.66	23.68	10.02	18.29	450.80	12,853.78	2.02	12,855.80	12,320.17

Notes:

- Gross block is at Cost except leasehold land which is net of amount written off.
- For Depreciation and amortisation refer accounting policy (Note 31.4.3).
- Capital work in progress : Capital work-in-progress comprises cost of assets that are not yet installed and ready for their intended use at the balance sheet date. Capital work in progress as on 31 March 2021 mainly comprises of Chakan Project.
- Company has made a provision for impairment loss of Rs. 66.99 Lakhs during the FY-2018-19 for asset relating to pudukkottal land, building, plant and machinery. Since operations at Pudukkottai have been discontinued.
- The information relating to Gross block, accumulated Depreciation, and Impairment has been disclosed as an additional information since the company has adopted deemed cost exemption under Ind AS 101, on first time adoption.
- Disclosures for borrowing cost capitalized as per Ind AS 23
 - The amount of borrowing costs capitalised during the financial year 2020-21 is Rs. 249.23 Lakhs (b) The initial interest rate is 8.5% p.a. subject to reset half yearly "

Notes to the Financial Statements

Note 2 : Other financial assets (non current)

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	32.03	7.58
Deposits with original maturity of more than twelve months	15.50	-
Total	47.53	7.58

1. Security Deposit

Break-up for security deposit

Secured, considered good	-	-
Unsecured, considered good	32.03	7.58
Doubtful	-	-
Security deposit which have significant increase in credit risk	-	-
Security deposit - credit impaired	-	-
Total	32.03	7.58

2. Other financial assets are measured at amortised cost

3. Deposits with original maturity of more than twelve months includes security against guarantee of Rs.15.50 Lakhs (FY-2019-20 - NIL)

Note 3 : Current tax(net)

Tax paid in advance(net of provision)	296.28	464.87
Total	296.28	464.87

Note 4 : Other non-current assets

Capital advances		
Unsecured considered good	308.97	813.55
Unsecured considered doubtful	4.84	23.68
Less: Allowance for credit loss	(4.84)	(23.68)
	308.97	813.55
Balance with Government authorities	58.95	52.18
Total	367.92	865.73

1. Movement of impairment Allowance

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

Note 5 : Inventories

Particulars	₹ in Lakhs	
	As at 31 March 2021	As at 31 March 2020
Raw materials	7,871.81	5,665.05
Raw materials and components	7,513.26	5,665.05
Raw materials in transit	358.55	-
Work-in-progress	113.55	137.80
Finished goods	5,294.93	4,669.58
Finished goods in transit	-	-
Traded goods	870.45	480.71
Stores and spares	144.98	155.63
Total	14,295.72	11,108.77

1. Inventories written down to net realisable value during the year ended 31 March 2021 ₹ 318.78 Lakhs (₹ 76.30 Lakhs in 31 March 2020) were recognised in the statement of profit and loss during the year.

Note 6 : Trade receivables

Trade Receivables		
Trade receivables	21,190.45	19,674.22
Break-up for security details		
Secured, considered good	-	-
Unsecured, considered good	21,190.45	19,674.22
Doubtful	216.53	670.64
Impairment Allowance (allowance for bad and doubtful debts)	(216.53)	(670.64)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	21,190.45	19,674.22

- Trade receivables are measured at amortised cost.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade or other receivables due from firms or private companies respectively in which any director is a partner, a director or member ₹ NIL (₹NIL in 31 March 2021). Refer Note 31.5.6 for terms and conditions related to Related party receivables.
- Movement of impairment Allowance (allowance for bad and doubtful debts)

Opening Balance	670.65	407.99
Provided During the year	253.07	609.64
Amounts written off	(707.17)	(346.98)
Amount written back	-	-
Closing Balance	216.55	670.65

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

Note 7.a : Cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31 March 2021	As at 31 March 2020
Balance with Bank	372.54	226.80
Current accounts and debit balance in cash credit accounts	372.54	226.80
Cash on hand	1.11	2.11
Bank Balance in Fixed Deposits (which is less than three months of maturity)	-	-
Total	373.65	228.91

Note 7.b : Other bank balances

Unpaid dividend accounts	-	-
Deposits with original maturity of more than three months but less than 12 months	2,021.64	2,054.73
Total	2,021.64	2,054.73

1. Refer Note 31.4.12 for further details on cash and cash equivalent
2. Deposits with original maturity of more than three months but less than twelve months includes security against guarantee of ₹ 5 Lakhs (FY-2019-20 - NIL)

Note 8 : Other financial assets (Current)

Security deposits	561.72	571.88
Discount Receivable	198.72	300.92
Others	84.61	94.41
Total	845.05	967.21

1. Other financial assets are measured at amortised cost
2. Others includes interest receivable on fixed deposit and advances to employees
3. Break-up for security deposit

Security Deposit

Secured, considered good	-	-
Unsecured, considered good	561.72	571.88
Doubtful	-	-
Security deposit which have significant increase in credit risk	-	-
Security deposit - credit impaired	-	-
Total	561.72	571.88

Note 9 : Other current assets

Advance to suppliers	1,239.84	1,943.35
Balance with Government authorities	988.72	-
Prepaid expenses	25.46	11.18
Advance Tax (Net of provisions)	-	-
Others	235.39	173.70
Balance with Government authorities	-	-
Total	2,489.41	2,128.23

Note 10 : Share capital

Particulars	No. of shares	₹ in Lakhs
Authorised equity share capital (Shares of ₹10 each)		
As at 01 April 2020	18,000,000	1,800.00
Increase/(decrease) during the year	-	-
As at 31 March 2021	18,000,000	1,800.00
Authorised 16% Cumulative Redeemable Preference Shares (Shares of ₹100 each)		
At 1 April 2020	300,000	300.00
Increase/(decrease) during the year	-	-
At 31 March 2021	300,000	300.00
Issued, subscribed and fully paid up equity share capital (Shares of ₹10 each)		
As at 01 April 2020	12,110,461	1,211.05
Increase/(decrease) during the year	-	-
As at 31 March 2021	12,110,461	1,211.05
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 2021- 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 01 April 2020		
No. of Shares	9,082,214	765,100
% of Shareholding	74.99%	6.32%
As at 31 March 2021		
No. of Shares	9,082,214	765,100
% of Shareholding	74.99%	6.32%

5. The Company has issued Right Issue as under :

“During the year ended on 31 March 2018, the Company had invited its shareholders to subscribe to a right issue of 19,99,893 equity shares at an issue price of ₹ 750 each share, with such shares to be issued on and rank for dividend after the closer of the issue. The issue was fully subscribed in the previous year.”

Note 11 : Other Equity

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
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	7,492.49	5,082.80
Retained Earning (IND-AS)	-	(34.67)
Less : Transferred to Capital Redumption Reserve	-	-
Add : Profit/(loss) for the year	532.18	2,461.65
Add : Other Comprehensive income / (Loss)	6.40	(17.29)
Less : Appropriations		
Transferred to General reserve	-	-
Final dividend	-	-
Tax on proposed dividend	-	-
Closing Balance	8,031.07	7,492.49
Share application money pending allotment		
Opening Balance	-	-
Add : Received during the year	-	-
Less : Allotment of shares	-	-
Closing Balance	-	-
Total	34,186.48	33,647.90

1. The Capital Reserve includes subsidies received from Maharashtra and Tamil Nadu Government.
2. The Capital Redemption Reserve was created for the purpose of redemption of preference shares and can be utilised to issue fully paid bonus share to the members of the Company.
3. In the financial year 2017-18 securities premium is received against issue of right equity shares.
4. Under the erstwhile Companies Act,1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

Note 12 : Borrowings (Non Current)

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured loans		
Secured loans from NBFC		
Loan for purchase of vehicles		
Unsecured loans	2,437.50	1,815.96
Loan from Related Party under ECB Scheme	-	1,815.96
From bank	2,437.50	-
Total	2,437.50	1,815.96

- Borrowings are measured at amortised cost.
- The Company has availed External Commercial Borrowing (ECB) from its holding company, Kingfa Sci. & Tech. Co. Ltd. of USD 24 Lakhs (PY USD 24 Lakhs) at the rate of LIBOR + 3.50% as per ECB loan agreement executed on 18th November 2013. As per the agreement, the loan is repayable in full as on July'2021.
- The company has taken Long Term Borrowings of Rs.3,000 Lakhs on 3rd April 2020 at initial rate 8.5% subject to reset half yearly. Out of that, Rs.562.50L disclosed as 'Current maturities of long term debt' due in FY-2021-22 and Rs.2,437.50L as non-current borrowings.
- For explanations on the company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 31.5.9

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

Earnest Money Deposits	4.50	4.50
Total	4.50	4.50

- Other financial liabilities are measured at amortised cost.
- For explanations on the company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 31.5.9

Note 13.b : Lease Liabilities

Lease liability	390.50	6.90
Total	390.50	6.90

Note 14: Deferred tax liability (Net)

Deferred Tax Assets	78.47	194.01
Others : Employee benefits expenses, provision for doubtful debts, MAT Credit, etc.	78.47	194.01
Deferred Tax Liability	388.81	312.09
Depreciation	388.81	312.09
Total	310.34	118.08

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

Opening balance as of 1 April	118.09	295.68
Tax income/(expense) during the year recognised in profit or loss	(190.11)	153.15
Tax income/(expense) during the year recognised in OCI	(2.16)	5.82
Tax income/(Expense) during the year recognised in retained earning	-	18.62
Closing balance as at 31 March	310.36	118.09

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

Note 15 : Other non-current liabilities

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Government grant	114.35	115.61
Total	114.35	115.61

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

2. Government grant :

As at 1 April	115.61	116.98
Availed during the year	-	-
Released to statement of profit and loss	1.26	1.37
As at 31 March	114.35	115.61

Note 16 : Borrowings (Current)

Secured loans from bank	776.26	2,694.22
Cash Credit	776.26	2,694.22
Unsecured loans	1,000.00	-
From Related Party under ECB Scheme	-	-
From Bank	1,000.00	-
Total	1,776.26	2,694.22

1. Borrowings are measured at amortised cost.

2. Company's fund and non fund based working capital facilities of Rs.7,500 Lakhs from The Hongkong and Shanghai Banking Corporation Limited (the HSBC Bank) are secured by corporate guarantee of Kingfa Sci. & Tech. Company Limited (the holding company).

3. Short term loan of Rs.10 Crores taken from HSBC bank for 90 Days tenor starts from 12th March 2021, at 7.45% (3 months MCLR + 0.3%).

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

Note 17 : Trade and other payables

Trade payables

- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	21,760.28	19,066.05
Total	21,760.28	19,066.05

1. Trade and other payables are measured at amortised cost

2. 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.

3. For related parties, refer to Note 31.5.6

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

Note 18.a : Other financial liabilities (Current)		₹ in Lakhs	
Particulars	As at 31 March 2021	As at 31 March 2020	
Current maturities of long term debt	2,320.02	-	
Interest accrued	146.18	65.33	
Payable for capital purchases	-	-	
Employee benefits payable	38.03	80.52	
Capital Payables	1,699.31	53.74	
Retention Money	480.99	465.99	
Total	4,684.53	665.58	

1. Other financial liabilities are measured at amortised cost
2. For explanations on Company's Foreign currency risk and liquidity risk management processes, refer to Note 31.5.9

Note 18.b : Lease liabilities			
Lease liability	70.62	90.98	
Total	70.62	90.98	

Note 19 : Other Current liabilities			
Other payables	99.03	150.19	
Statutory dues including provident fund and tax deducted at source	60.83	150.19	
Payable to employees	11.75	-	
Advance from Customer	26.45	-	
Total	99.03	150.19	

Note 20 : Short-term provisions			
Provision for employee benefits			
Provision for gratuity	9.66	5.79	
Provision for leave encashment	48.54	37.18	
Total	58.20	42.97	

1. Employee benefits obligations
 - a. Gratuity

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

- b. Compensated absences

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

Note 21 : Revenue from operations			
Revenue from contracts with customers			
Particulars	2020-21	2019-20	
Sale of products	62,723.54	74,150.03	
Other operating revenue	-	-	
Sale of scrap	-	-	
Total	62,723.54	74,150.03	

a) Contracts with customer

Particulars	₹ in Lakhs	
	2020-21	2019-20
Revenue recognised from contracts with customers	62,723.54	74,150.03
Disaggregation of revenue		
- Poluproplyne	61,742.19	74,150.03
- Mask	981.35	-

b) Details of contracts balances:

The following table provides information about trade receivables and contract liabilities from contracts with customers:

Trade receivable	21,190.45	19,674.22
Contract liabilities	26.45	-

The contract liabilities primarily relate to the advance consideration received from customers and claims payable to customers, for which revenue is recognised as and when control in promised goods is transferred.

c) Performance obligations

The company satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract and do not contain any financing component. The payment is generally due within 30-90 days. There are no other significant obligations attached in the contract with customer.

d) Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end.

e) Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

f) Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages which is adjusted with revenue and price revision as and when accepted by the customer as per the agreed mechanism for change in price of raw material.

g) Cost to obtain contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

Note 22 : Other Income

	₹ in Lakhs	
Particulars	2020-21	2019-20
Interest	109.23	246.75
On Bank Deposits	75.80	210.18
On others	33.43	36.57
Gain on Exchange difference	341.35	-
Provision no longer required written back	97.15	-
Miscellaneous income	45.21	9.43
Total	592.94	256.18

Note 23 : Cost of raw materials and components consumed

Raw materials and components consumed	51,235.94	57,860.76
Total	51,235.94	57,860.76
Raw material at the beginning of the year	5,665.05	5,096.49
Add: Purchases	53,442.70	58,429.32
Less Raw material at the end of the year	7,871.81	5,665.05
Total	51,235.94	57,860.76

Note 24 : Purchases of Traded goods

Polymers	2,096.74	3,580.10
Total	2,096.74	3,580.10

Note 25 : Changes in inventories of finished goods, work-in-progress and traded goods

Opening inventory	5,288.09	4,603.64
Work-in-process	137.80	123.15
Finished goods	4,669.58	3,882.18
Traded goods	480.71	598.31
Closing Inventory	6,278.93	5,288.09
Work-in-process	113.55	137.80
Finished goods	5,294.93	4,669.58
Traded goods	870.45	480.71
(Increase)/decrease in inventory	(990.84)	(684.45)
Total	(990.84)	(684.45)

Note 26 : Employee benefits expense

Salaries, wages, bonus, etc.	1,433.19	1,330.36
Contribution to provident and other funds	104.67	100.36
Welfare and training expenses	124.54	111.67
Total	1,662.40	1,542.39

Note 27 : Finance costs

	₹ in Lakhs	
Particulars	2020-21	2019-20
Interest and bill discounting charges	72.19	94.17
Interest on Working Capital	94.40	87.45
Interest on Lease Liability	14.73	17.84
Interest expense - others	74.74	27.48
Other bank charges	74.91	127.83
Total	330.97	354.77

Note 28 : Depreciation and amortization expense

Depreciation and amortization expense	1,079.17	895.62
Depreciation on Tangible assets	946.02	749.91
Amortization on Intangible assets	2.58	5.77
Amortization of Leasehold land	45.13	45.25
Amortization of right to use	85.44	94.69
Total	1,079.17	895.62

Note 29 : Other expenses

Manufacturing expenses	2,478.87	2,488.39
Stores and spares material consumed	154.17	229.02
Power and fuel	1,588.98	1,715.69
Repairs to machinery	64.99	54.59
Wages	670.73	489.09
Selling expenses	2,196.48	2,216.87
Freight and forwarding	1,870.54	1,534.80
Advertisement and publicity	72.88	72.44
Provision for doubtful debts (net) and Bad debts written off	253.06	609.63
Administration expenses	2,041.68	2,817.36
Rent	101.88	92.84
Rates and taxes	369.40	119.66
Insurance	45.37	39.75
Repairs to building	17.20	10.11
Other repairs and maintenance	116.40	128.93
Travelling and conveyance	355.99	575.82
Communication expenses	126.29	76.16
Printing and stationery	34.42	23.03
Professional charges	172.27	82.88
Auditor's remuneration	24.93	15.79
Donations	5.00	0.13
Spend on CSR activities	70.96	107.52
Directors' Sitting Fees	15.00	12.80
Miscellaneous expenses	581.35	322.96
Loss on Exchange difference	-	1,208.98
Loss on assets sold, demolished, discarded and scrapped	0.38	-
Provision for Bad and Doubtful advances	4.84	-
Total	6,717.03	7,522.62

For auditor's remuneration refer note 31.5.4

For CSR activity expenditure refer note 31.5.12

Note 30 : Income Tax

	₹ in Lakhs	
Particulars	2020-21	2019-20
Current tax	462.78	1,025.90
Current income tax	462.78	1,025.90
Deferred tax	190.11	(153.15)
Relating to origination and reversal or temporary difference	190.11	(153.15)
Income tax expense reported in the statement of profit and loss	652.89	872.75
Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the year	(2.16)	5.82
Net loss/(gain) on actuarial gains and losses	(2.16)	5.82
Deferred tax charged to OCI	(2.16)	5.82
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 2021 and 31 March 2020.		
Current tax		
Accounting profit before income tax expense	1,185.07	3,334.40
Tax @ 25.17% (31 March 2020 : 25.17%)	298.28	839.20
Tax effect of adjustments in calculating taxable income:	112.50	33.55
Corporate Social Responsibility expenses/Donations (net)	19.12	27.09
Expenditure debited to P&L, not allowed in income tax	-	18.88
Other Disallowances / (allowances)	93.38	(12.42)
At the effective income tax rate of 34.66% (31 March 2020 : 26.17%)	410.78	872.75
Income tax for the previous year	242.11	-
Income Tax for the period	652.89	872.75

NOTE 31: NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2021**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 recognised stock exchanges in India i.e. BSE Limited and National Stock Exchange of India Limited.

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, fibre 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 17 June 2021.

2. Basis of preparation of Financial Statements

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.

3. Significant accounting judgments, estimates and assumptions

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

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

(a) Judgements

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

1. Legal Contingencies

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

2. Segment Reporting

IND-AS 108 Operating Segments requires Management to determine the reportable segments for the

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

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

3. Leases

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

(b) Estimates and assumptions

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

1. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and benefit increases are based on expected future inflation rates. Further details about employee benefit obligations are given in Note 4.15.

2. Impairment of Financial Assets

The impairment provisions for financial assets disclosed under note 4.8.a(v) are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Deferred Tax

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

4. Significant Accounting Policies

4.1. Current Vs Non-Current Classification

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

An asset is current when it is :

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

All other assets are classified as non - current.

A liability is current when it is:

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

All other liabilities are treated as non - current.

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

4.2. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

4.3. Property, Plant and Equipment

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

Property, plant and equipment; and construction in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

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

Depreciation and Amortization

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

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

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

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

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

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

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

4.4. Investment properties

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

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

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

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

4.5. Intangible Assets

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

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

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

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

Intangible assets with finite useful lives are amortized by using Written down value over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset 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.

(ii) Subsequent measurement of financial assets

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

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

A financial asset is measured at amortized cost if:

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

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

- Financial assets at fair value through other comprehensive income

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

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

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

- Financial assets at fair value through profit or loss

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

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

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

(iii) Derecognition of financial assets

A financial asset is derecognized when:

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

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

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

(iv) Reclassification of financial assets

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

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

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

(v) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

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

(ii) Subsequent measurement of financial liabilities

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

• Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IndAS 109.

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

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

• Loans and Borrowings at amortized Cost

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption

amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

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

(iii) Derecognition of financial liabilities

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

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

4.9. Foreign Currency Transactions

Functional and presentation currency

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

a. Initial Recognition

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

b. Conversion

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

c. Exchange Differences

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

4.10. Leases

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

a. Company as a lessee

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

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

Right to use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement

date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease liability

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

b. Company as a Lessor

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

4.11. Inventories

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

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

4.12. Cash and cash equivalents

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

4.13. 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.

4.14. 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.

4.15. 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.

4.16. 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.

4.17. Revenue Recognition

- a. The Company manufactures and sells thermoplastic compounds. Sales are recognized when control of the products has been transferred, when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Sales are stated net of discounts, rebates and returns. It also excludes Goods and Service Tax.

- b. Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.
- c. Interest income from - debt instruments is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.18. 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

4.19. 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.

4.20. 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.

4.21. 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.

4.22. Segment Reporting

The business of the Company falls under a single primary segment i.e. "Reinforced Polypropylene" for the purpose of Ind AS 108.

5. Additional Notes to the Financial Statements**5.1. Contingent Liabilities**

	As at 31 Mar 2021	As at 31 Mar 2020
		(₹ in Lakhs)
(A) Contingent Liabilities not provided for		
a. Disputed Sales Tax Demands	752.57	44.41
b. Disputed Income Tax Demands	0.00	33.66
c. Disputed Excise duty and Service tax Demands	55.84	55.84
d. Export obligation for capital goods imported against EPCG license.	3634.13	3,540.19
5.2. Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	894.01	1,008.51
5.3. Aggregate amount of Letters of Credit outstanding	4126.55	3,385.45

5.4. Payment to Auditors (Net of Goods Service Tax)

		(₹ in Lakhs)	
Sr. No.	Particulars	2020-21	2019-20
A	Statutory Auditors		
	a. As Auditors		
	Audit & Assurance Fees	6.50	6.50
	Tax Audit Fees	-	-
	GST Audit Fees FY- 2017-2018	2.75	4.25
	GST Audit Fees FY- 2018-2019	9.00	0.00
	b. Limited Review	1.50	1.50
	c. Reimbursement of expenses	0.05	0.57
	d. Certification & others (Group Reporting)	1.30	1.30
	TOTAL (A)	21.10	14.12
B	Cost Auditors		
	a. As auditors	3.33	1.25
	b. In other capacity		
	Certification fees/XBRL	0.50	0.25
	Reimbursement of expenses	0.00	0.17
	TOTAL (B)	3.83	1.67
	Grand Total (A+B)	24.93	15.79

5.5 Provision for Employee

A. Defined contribution plan : The company has recognised following amount in the statement of profit and loss.

Particular	March 31, 2021	March 31, 2020
Contribution to employee superannuation fund	1.54	4.81
Contribution to providend fund	74.47	68.50
Total	76.01	73.31

B. Defined Benefit Plan :

The Company has following post employment benefit with are in the nature of defined benefit plan

- Gratuity
- Leave Encashment

March 31, 2021 : Changes in defined benefit obligation and plan assets										₹ in lakhs		
	Cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income					March 31, 2021	
	April 1, 2020	Service Cost	Net Interest Expense	Sub-total included in statement of profit and loss (Note 26)	Benefit paid	Return on plan assets excluding amount recognised in interest income	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		Contributions by employer
Gratuity												
Defined benefit obligation	(171.29)	(27.28)	(10.15)	(37.43)	30.23	-	(1.84)	14.62	12.78	-	(165.70)	
Fair value of plan assets	165.49	-	10.29	10.29	(30.23)	(4.22)	(1.08)	-	(5.29)	15.79	156.04	
Benefit liability	(5.79)	(27.28)	0.14	(27.14)	-	(4.22)	(1.08)	14.62	7.49	15.79	(9.66)	
Leave Encashment												
Defined benefit obligation	(71.11)	(11.78)	(4.35)	(16.14)	8.29	-	(2.22)	-	(2.22)	-	(81.18)	
Fair value of plan assets	34.13	-	2.12	2.12	(8.29)	(0.41)	(0.19)	-	(0.60)	5.27	32.64	
Benefit liability	(36.98)	(11.78)	(2.23)	(14.02)	-	(0.41)	(0.19)	(2.22)	(2.82)	5.27	(48.54)	
Total benefit liability	(42.77)	(39.06)	(2.10)	(41.16)	-	(4.62)	(1.27)	14.62	4.67	21.06	(58.20)	

March 31, 2020 : Changes in defined benefit obligation and plan assets										₹ in lakhs		
	Cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income					March 31, 2020	
	April 1, 2019	Service Cost	Net Interest Expense	Sub-total included in statement of profit and loss (Note 26)	Benefit paid	Return on plan assets, excluding amount recognised in interest income Gain / (Loss)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		Contributions by employer
Gratuity												
Defined benefit obligation	(127.90)	(20.39)	(8.98)	(29.37)	9.78	-	(6.49)	(17.32)	(23.81)	-	(171.29)	
Fair value of plan assets	131.14	-	9.43	9.43	(9.78)	0.70	(0.89)	-	(0.19)	34.90	165.49	
Benefit liability	3.24	(20.39)	0.45	(19.94)	-	0.70	(6.49)	(17.32)	(24.00)	34.90	(5.79)	
Leave Encashment												
Defined benefit obligation	(51.15)	(8.78)	(3.69)	(12.48)	1.10	-	(8.58)	-	(8.58)	-	(71.11)	
Fair value of plan assets	32.99	-	2.37	2.37	(1.10)	0.03	(0.15)	-	(0.12)	-	34.13	
Benefit liability	(18.17)	(8.78)	(1.33)	(10.11)	-	0.03	(8.58)	-	(8.70)	-	(36.99)	
Total benefit liability	(14.93)	(29.17)	(0.88)	(30.05)	-	0.73	(15.07)	(17.32)	(32.70)	34.90	(42.77)	

The major categories of plan assets of the fair value of the total plan assets of Gratuity and Leave Encashment are as follows:

Particulars	₹ in lakhs	
	Year ended March 31, 2021	Year ended March 31, 2020
Special Deposit Scheme	-	-
(%) of total plan assets	-	-
Insured managed funds	188.68	199.63
(%) of total plan assets	100%	100%
Others	-	-
(%) of total plan assets	-	-

The principal assumptions used in determining above defined benefit obligations (Gratuity) for the Company's plans are shown below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.30%	6.50%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.50%	7.30%
Expected average remaining working lives (in years)	6.22	6.23
Withdrawal rate (based on grade and age of employees)	15.00%	15.00%

The principal assumptions used in determining above defined benefit obligations (Leave Encashment) for the Company's plans are shown below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.30%	6.50%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.50%	7.30%
Expected average remaining working lives (in years)	6.22	6.23
Withdrawal rate (based on grade and age of employees)	15.00%	15.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity		₹ in lakhs	
(increase) / decrease in defined benefit obligation (Impact)			
Particulars	Sensitivity level	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	0.5% increase	4.52	4.11
	0.5% decrease	-4.76	-4.33
Future salary increase	0.5% increase	-3.89	-3.47
	0.5% decrease	3.73	3.33
Attrition rate	5% increase	0.38	0.30
	5% decrease	-0.40	-0.31

Leave Encashment		₹ in lakhs	
(increase) / decrease in defined benefit obligation (Impact)			
Particulars	Sensitivity level	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	0.5% increase	1.86	1.39
	0.5% decrease	-1.95	-1.45
Future salary increase	0.5% increase	-1.53	-1.12
	0.5% decrease	1.47	1.08
Attrition rate	5% increase	-1.52	-1.31
	5% decrease	1.56	0.86

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, 2021	Year ended March 31, 2020
Within the next 12 months (next annual reporting period)		
Gratuity	22.42	29.46
Leave Encashment	10.39	14.20
Between 2 and 5 years		
Gratuity	102.17	111.88
Leave Encashment	35.57	31.49
Beyond 5 years		
Gratuity	152.97	122.85
Leave Encashment	28.27	18.61
Total expected payments	351.79	328.49

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity	8.63	7.92
Leave Encashment	5.42	4.52

The followings are the expected contributions to planned assets for the next year:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity	16.00	35.00
Leave Encashment	-	-

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 & Tech. Co. Ltd
2	Fellow Subsidiaries	Shanghai Kingfa Science and Tech Co Ltd
		JaingsuKingfa Science & Tech Advance Material Co Ltd
		Hong Kong Kingfa Development Co Ltd
		Tianjin Kingfa Advanced Materials Co Ltd
		Kingfa Science & Tech (Europe) Gmbh
		Kingfa Science & Technology Inc. (USA)
		Zhuhai Wantong Special Engineering Plastics Co., Ltd.
		Kingfa Science & tech. (Thailand) Co. Ltd.
		Kingfa Science & tech. (Malaysia)Sdn. Bhd.
		Chengdu Kingfa Technology New Material Co., Ltd.
		Guangdong Kingfa Technology Co., Ltd.

ii) Key Management Personnel

Sr. No.	Name
A	Mr. Bo Jingen, Managing Director
B	Mr. Wu Xiaohui, Whole-time Director
C	Mr. Balaji D, Whole-time Director
D	Mr. Xie Dongming, Chief Financial Officer
E	Mr. Nirnoy Sur, Company Secretary

(B) Transactions with Related Parties

(₹ in Lakhs)

Sr. No.	Nature of the transaction / relationship / major parties	2020-21		2019-20	
		Amount	Amount	Amount	Amount
1	Gross Sales				
	Holding Company	698.05		15.05	
	Kingfa Science & Technology Co. Ltd		698.05		15.05
	Fellow Subsidiaries	524.69		237.79	
	Shanghai Kingfa Science and Tech Co Ltd		53.48		1.85
	Jiangsu Kingfa Technology Co., Ltd.		3.15		216.77
	Kingfa Science & Technology Inc.(USA)		215.28		
	Kingfa Science & Tech. (Malaysia) Sdn. Bhd.		29.97		
	Kingfa Sci.&Tech (Thailand).Co.,Ltd		222.81		19.17
	Total	1,222.74	1,222.74	252.84	252.84

2	Material Purchases Net of Discount				
	Holding Company	2,303.83		2,850.23	
	Kingfa Science & Technology Co. Ltd.		2,303.83		2,850.23
	Fellow Subsidiaries	1,777.68		1,059.11	
	Shanghai Kingfa Science and Tech Co Ltd		45.24		33.63
	Jaingsu Kingfa Science & Tech Advance Material Co Ltd		1,158.56		920.22
	Chengdu Kingfa Technology Co., Ltd.		10.67		0.00
	Tianjin Kingfa Advanced Materials Co Ltd		0.00		67.20
	Zhuhai Wantong Special Engineering Plastics Co., Ltd.		0.00		26.16
	Kingfa Sci. & Tech. (Europe), Gmbh		58.52		11.90
	Guangdong Kingfa Technology Co., Ltd.		504.69		0.00
	Total	4,081.51	4,081.51	3,909.34	3,909.34
3	Capital Purchases Net of Discount				
	Holding Company	955.41		0.00	
	Kingfa Science & Technology Co. Ltd.		955.41		0.00
	Fellow Subsidiaries	708.81		0.00	
	Guangdong Kingfa Technology Co., Ltd.		708.81		0.00
	Total	1,664.22	1,664.22	0.00	0.00
4	Interest on ECB				
	Holding Company	67.81		93.91	
	Kingfa Science & Technology Co. Ltd.		67.81		93.91
5	Rendering of Services from				
	Key Management Personnel	219.91		129.05	
	Mr. Bo Jingen		82.04		22.86
	Mr. Wu Xiaohui		20.00		21.34
	Mr. XieDongming		25.58		19.05
	Mr. Nirnoy Sur		21.07		20.70
	Mr. Balaji D		71.22		45.10

		As at 31 March 2021		As at 31 March 2020	
	Outstanding				
1	Accounts Payable				
	Holding Company	9,471.51		10,352.63	
	Kingfa Science & Technology Co. Ltd		9,471.51		10,352.63
	Fellow Subsidiaries	3,141.95		1,229.51	
	Shanghai Kingfa Science and Tech Co Ltd		79.37		35.86
	Jaingsu Kingfa Science & Tech Advance Material Co Ltd		1,777.71		1,153.19
	Hong Kong Kingfa Development Co Ltd		1.05		1.08
	Kingfa Sci. & Tech. (Europe)		57.31		11.90
	Zhuhai Wantong Special Engineering Plastics Co., Ltd.		5.05		27.48
	Chengdu Kingfa Technology Co., Ltd.		10.71		0.00
	Guangdong Kingfa Technology Co., Ltd.		1,210.75		0.00
	Total	12,613.46	12,613.46	11,582.14	11,582.14

2	Accounts Receivable				
	Holding Company	239.61		6.23	
	Kingfa Science & Technology Co. Ltd		239.61		6.23
	Fellow Subsidiaries	294.71		248.42	
	Shanghai Kingfa Science and Tech Co Ltd		17.00		(1.13)
	Kingfa Science & Technology,(USA)		159.82		229.18
	Jiangsu Kingfa Technology New Material Co., Ltd.		3.02		0.05
	Kingfa Sci.&Tech(Thailand).Co.,Ltd		114.87		20.32
	Total	534.32	534.32	254.65	254.65
3	Loan outstanding				
	Holding Company	1,757.51		1,815.96	
	Kingfa Science & Technology Co. Ltd		1,757.51		1,815.96
	Total	1,757.51	1,717.51	1,815.96	1,815.96
4	Interest Payable				
	Holding Company	125.67		93.91	
	Kingfa Science & Technology Co. Ltd		125.67		93.91
	Total	125.67	125.67	93.91	93.91

Terms and conditions of transactions with related parties

Transactions entered into with related party 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. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: ₹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	2020-21	2019-20
Profit for the year after taxation (₹ in Lakhs)	532.18	2,461.65
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 ₹)	4.39	20.33

Earnings per share are calculated in accordance with Accounting Standard (Ind AS 33) "Earnings Per Share".

5.8. Fair value disclosures for financial assets and financial liabilities

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 2021 and 31 March 2020.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity 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 2021 and 31 March 2020.

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 2021	As at 31st March 2020
Long Term Fixed Interest Loans		
Short Term Fixed Interest Loans	-	-
Long Term Floating Interest Loans	4,757.51	1,815.96
Short Term Floating Interest Loans	1,000.00	-

b. Interest Rate Sensitivity

(₹ in Lakhs)

Financial Year	Change in Interest rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2021	+50 bps	15.61	15.61
	-50 bps	(15.61)	(15.61)
March 31, 2020	+50 bps	15.87	15.87
	-50 bps	(15.87)	(15.87)

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 Foreign Currencies

Nature of Exposure	Currency	31-Mar-21	31-Mar-20
Receivable	USD	7,42,675	2,32,389
	CNY	525	35,430
	EUR	0	4,500
Payable	USD	1,96,68,376	1,72,45,685
	EUR	0	1,71,289
	CNY	1,21,34,558	11,03,601
Cash and cash equivalent	USD	877	875
	CNY	0	2

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, EUR&CNY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. 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, 2021	+7%	13.25	13.25
	-7%	(13.25)	(13.25)
31 March 2020	+7%	901.07	901.07
	-7%	(901.07)	(901.07)

Financial Year	Change in CNY rate	Effect on profit before tax	Effect on pre-tax equity
31 March 2021	+7%	8.49	8.49
	-7%	(8.49)	(8.49)
31 March 2020	+7%	8.43	8.43
	-7%	(8.43)	(8.43)

Financial Year	Change in EURO rate	Effect on profit before tax	Effect on pre-tax equity
31 March 2021	+7%	0.00	0.00
	-7%	(0.00)	(0.00)
31 March 2020	+7%	10.02	10.02
	-7%	(10.02)	(10.02)

iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of and therefore require a continuous supply of polypropylene. 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 financing 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.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made as per the approved investment policy. Investment limits are set to minimise the concentration of risks and therefore mitigate financial loss if any.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of underlying businesses, company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecast of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at the local level in the operating companies of the group in accordance with the practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

- (i) The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years	Total
Year ended 31 March, 2021						
Interest bearing borrowings	776.26	1,000.00	2,320.01	2,437.50	-	6,533.77
Other financial liabilities	38.03	111.99	49.99	470.49	-	670.50
Trade payables	-	11,861.68	4,347.15	5,551.41	-	21,760.24
Derivatives						
	814.29	12,973.67	6,717.16	8,459.40	-	28,964.52
Year ended 31 March, 2020						
Interest bearing borrowings	2,694.22	-	-	1,815.96	-	4,510.18
Other financial liabilities	125.83	20.01	-	470.49	-	616.33
Trade payables	-	12,895.27	6,170.78	-	-	19,066.05
Derivatives						
	2,820.05	12,915.28	6,170.78	2,286.45	-	24,192.56

(ii) Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 March 2021 and 31 March 2020.

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents	373.66	228.91
Current borrowings	(1,776.26)	(2,694.22)
Non-current borrowings	(4,757.51)	(1,815.96)
Net Debt	(6,160.11)	(4,281.27)

Particulars	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
Net debt as on 1 April 2020	228.91	(2,694.22)	(1,815.96)	(4,281.27)
Cash flows	144.74	917.97	(2,941.55)	(1,878.84)
Net debt as on 31 March 2021	373.65	(1,776.25)	(4,757.51)	(6,160.11)

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 2021 and 31 March 2020.

5.11. Leases**Company as a lessee**

The Company applies Ind AS 116 for the first time at 1st April 2019. In compliance with the transition regulations, the Company adopted the modified retrospective method and did not adjust the prior-year figures and has presented the not significant accumulated transitional effects in retained earnings.

The Company as lessee uses the following practical expedients at the date of initial application:

- The lease liability is measured at the present value of the outstanding lease payments only for leases according to IND AS 17 which are discounted using incremental borrowing rate at 1st April 2019. The weighted average incremental borrowing rate was 8.5% (For FY-2019-20 was 10%). The respective write of use asset is generally recognized at an amount equal to a lease liability.
- An impairment review is not performed. Instead, a right-of-use asset is adjusted by the amount of any provision for onerous leases recognized in the Balance Sheet as at 31st March 2019.
- Regardless of their original lease term, leases for which the lease term ends at the latest on 31 March 2021 are recognized as short-term leases.
- At the date of initial application, the measurement of a right-of-use asset excludes the initial direct costs.
- Information in hindsight is given due consideration when determining the lease term if the contract contains options to extend or terminate the lease.
- The difference between the lease commitment disclosed under IND AS 17 as at 31st March 2019 and the lease liability recognized in the balance sheet as at 1st April 2019 are in respect of discounting of such lease payments.

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

Particulars	Rs in Lakhs	
	2020-21	2019-20
Initial measurement of right-of-use assets including reclassification under INDAS 116	469.32	180.29
De-recognition of balance right-of-use asset due to termination of lease contract during the year	0.00	18.67
Initial measurement of lease liability	469.32	233.58
De-recognition of balance lease liability due to termination of lease contract during the year	0.00	22.22
Amount credited to profit and loss account in result of termination of lease contract during the year	0.00	3.55
Depreciation charged on right-of-use asset	85.44	94.68
Interest expense on lease liability	14.73	17.84
Expense for short term leases/ low value leases	101.88	92.84
Cash outflow for leases	120.81	131.32
Carrying amount of right-of-use asset at the end of period	450.80	66.93
Carrying amount of lease liability at the end of period	461.12	97.88

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)

1	Gross amount required to be spent by the company during the year	70.71
2	Amount spent during the year 2020-21	70.96

NOTE 32: Impact of COVID-19

1. Uncertainty relating to global health pandemic

The outbreak of novel Corona Virus (Covid-19) has impacted the business operations of the Company by way of interruption in production activities, supply chain and availability of manpower. Also as demand from Automotive Industry has been reduced significantly company sale has been impacted adversely.

From predominance of Automotive sector Company also looking into opportunities into non-automotive sector, such as raw material requirements of health and allied services.

a. Ability to maintain operations including the factories / units / office spaces functioning and closed down :

Company has taken all precaution and safety while starting the operations with limited manpower; the Company is adhering to the guidelines as specified by the Government of India and respective state government.

b. Schedule, if any, for restarting the operations :

Since the Company's operations are functional with limited manpower, this question does not arise.

c. Steps taken to ensure smooth functioning of operations :

The Company has put in place strict monitoring process for covid-19 ensuring the Thermal screening of all employees and visitors, sanitizing the premises and vehicles on regular basis, maintaining social distancing at all work places, implemented wearing of mask and regular cleaning of hand for all employees and visitors, regular update of the health of all the employee and their families, requesting all employees to have AarogyaSetu App.

d. Estimation of the future impact of CoVID-19 on its operations ;

The Company is presently running its operations with reduced capacity and with limited manpower. The regular demand of the company is missing; this is resulting into reduced sale to the Company during the current quarter which may continue for the next few quarters also.

As part of Companies Vision and Mission and also as per corporate strategy, the Company constantly evaluates various opportunities improving the operations and business of the Company. As and when any proposal of business and operations are considered by the Board of Directors of the warranting disclosures, the Company shall comply with the obligations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation").

e. Details of impact of CoVID-19 on Company (capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain, demand of its products/services)

As regular demand of Companies product missing due to suspension of operation, it may impact the profitability for the current quarter. The Company is currently in comfortable liquidity position to meet its financial and other commitments. Company will continue to monitor the liquidity situation and if required, take appropriate steps to augment it further. Also, companies import clearance got affected due to continuous lock down, supply chain of the company also impacted.

In order to mitigate some of the impact, company has taken various initiatives to manage its costs across the organization and also took cost reduction measure.

f. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business:

At present, we do not anticipate that any contract/arrangements will have significant material impact on the business in case of non-fulfillment of obligations by any party.

NOTE 33 : Standards issued but not yet effective:

Following exposure drafts have been issue by the Institute of Chartered Accountants of India :

1. Amendment to Ind AS 116, "Leases" - Covid-19-Related Rent Concessions beyond 30 June 2021

On 24 July 2020, the MCA issued the Companies (Indian Accounting Standard) Amendment Rules, 2020 which amended Ind AS 116 to provide relief for lessees in accounting for eligible rent concessions upto 31 July 2021 that are a direct consequence of COVID-19. The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to extend the relief for lessees in accounting for eligible rent concessions upto 31 July 2022.

2. Amendment to Ind AS 116, "Leases" - Interest Rate Benchmark Reform: Phase 2

The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to include a practical expedient in respect of all lease modifications that change the basis for determining future lease payments as a result of interest rate benchmark reform.

3. Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" – Onerous Contracts

The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

4. Amendments to Ind AS 16, "Property, Plant and Equipment" – Proceeds before Intended Use

The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

5. Amendments to Ind AS 103, "Business Combinations" – Reference to the Conceptual Framework

The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes amendments to change out updated reference to "Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards" and update it with reference to "Conceptual Framework for Financial Reporting under Indian Accounting Standards". It also proposes certain consequential amendments.

6. Amendments to 101, "First-time Adoption of Indian Accounting Standards" – Subsidiary as a First-time Adopter

The exposure draft on amendments to Ind AS 101 issued by the Institute of Chartered Accountants of India proposes amendments to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

7. Amendments to 41, "Agriculture" – Taxation in Fair Value Measurements

The exposure draft on amendments to Ind AS 41 issued by the Institute of Chartered Accountants of India proposes amendments to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS's.

8. Amendments to Ind AS 109, "Financial Instruments" and Ind AS 107, "Financial Instruments: Disclosures" - Interest Rate Benchmark Reform: Phase 2

The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to assist entities in providing useful information about the effects of the transition to alternative benchmark rates and support preparers in applying the requirements of IndAS's when changes are made to contractual cash flows or hedging relationships as a result of the transition to an alternative benchmark interest rate.

9. New Indian Accounting Standard (Ind AS) 117, Insurance Contracts

The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts.

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2021 as at the date of approval of these financial statements. On issue of the amendment by MCA, the Company would evaluate the impact of the change in the standalone 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 M/S. P. G. BHAGWAT LLP

Chartered Accountants

Firm Registration

Number : 101118W/W100682

BO JINGEN

Managing Director

DIN : 0006617986

D. BALAJI

Executive Director

DIN : 08256342

PURVA KULKARNI

Partner

Membership Number : 138855

XIE DONGMING

Chief Financial Officer

NIRNOY SUR

Company Secretary

Pune : 17 June 2021

'Intentionally Kept Blank'

KINGFA
金发科技(印度)有限公司
KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED

(formerly Hydro S & S Industries Limited)

CIN : L25209TN1983PLC010438

Registered Office : Dhun Building, III Floor, 827, Anna Salai, Chennai – 600 002

Phone : 044 - 28521736, Fax : 044 – 28520420, E – mail : cs@kingfaindia.com, Website : www.kingfaindia.com

NOTICE
37TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 37TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 29, 2021 AT 11.30 A.M. (IST) THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS :

Item No. 1: Adoption of Audited Financial Statements of the Company for the Financial Year ended March 31, 2021

“RESOLVED THAT Audited Financial Statements of the Company for the Financial Year ended 31st March 2021 along with Directors’ Report, Independent Auditors’ Report thereon be and is hereby received, considered, approved and adopted.”

Item No. 2: Re-appointment of Mr. D. Balaji

“RESOLVED THAT Mr. D. Balaji (DIN : 08256342), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

SPECIAL BUSINESS:

Item No.3: To appoint Mr. Wu Xiaohui as Non-Executive Non-Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Wu Xiaohui (DIN: 06617977), be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force), Mr. Wu Xiaohui, be paid such sitting fees for attending Meetings of the Board and/or Committee(s) thereof, as the Board may approve from time to time and subject to such limits prescribed or as may be prescribed from time to time and reimbursement of expenses incurred for participation in the Board and/or Committee Meetings.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

Item No.4: APPROVAL FOR PAYMENT OF COMMISSION TO INDEPENDENT DIRECTORS AND NON-EXECUTIVE DIRECTORS OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 197 read along with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the ‘Act’) a sum not exceeding such limits prescribed or as may be prescribed from time to time under the Companies Act, 2013 and the Rules made thereunder and other applicable laws and regulations, calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them including Independent Directors and Non-Executive Directors (other than the Managing Director and Whole-time Directors, if any) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors of the Company and on approval of Members of the Company passed as Special Resolution.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term mentioned above, the Independent Directors and Non-executive Directors shall be paid

remuneration by way of Commission as set out above, as may be decided by the Board of Directors and Members of the Company, notwithstanding that it may exceed the limits prescribed under the Companies Act, 2013 and the Rules made thereunder and subject to such restrictions, if any, as may be set out in the applicable provisions of and Schedule V to the Act, from time to time.”

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and is/are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.”

Item No.5: To approve the material related party transaction(s) with Guangdong Kingfa Sci. & Tech. Co., Ltd., China

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED that approval of the Members of the Company be and is hereby accorded for material related party transaction(s) for Trading, Purchase, Sale of materials and goods by the Company from / to Guangdong Kingfa Sci. & Tech. Co., Ltd., China in the ordinary course of business and at arm's length basis for an estimated amount of ₹ 300 Crores for the Financial Year 2021-22.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board) or any of the Directors, the Company Secretary or duly authorized officer of the Company be and are hereby severally authorised to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time without requiring any further approval of the Members of the Company, to give effect to the above resolution.”

Item No.6: Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and as approved by the Board of Directors of the Company, remuneration of ₹ 2,25,000/- (plus applicable taxes and re-imbursalment of out of pocket expenses incurred in connection with the audit) to be paid to Mr.K.Suryanarayanan, Cost Accountant (Registration No. 102347), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2022, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) and / or Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board of Directors
for **Kingfa Science & Technology (India) Limited**

Place : Pune

NIRNOY SUR

Date : August 12, 2021

Company Secretary

NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, social distancing is a norm to be followed. Accordingly, the Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, followed by General Circular No. 20/2020 dated May 5, 2020 read with General Circular No.02/2021 dated January 13, 2021 (collectively referred to as “MCA Circulars”) has permitted the holding of the annual general meeting through Video Conferencing (“VC”) or through Other Audio-Visual Means (“OAVM”), without the physical presence of the Members at a common venue. The Securities and Exchange Board of India (“SEBI”) vide its circular dated January 15, 2021 read with May 12, 2020 (“SEBI Circulars”) has granted relaxation in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode.

In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars and SEBI Circulars, the 37th Annual General Meeting (“Meeting” or “AGM”) of the Company is being held through VC / OAVM on Wednesday, September 29, 2021 at 11.30 a.m. (IST). The deemed venue for the AGM will be the place from where the Chairman of the Board conducts the meeting.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR**

APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members / Institutional Investors intending to appoint their authorized representatives pursuant to Section 113 of the Act, to attend the AGM through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at shaswati.vaishnav@gmail.com with a copy marked to evoting@nsdl.co.in, latest by Tuesday, September 28, 2021 (upto 11:30 a.m).
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 3 to 6 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM is provided as annexure to the Notice. Requisite declarations have been received from Director/s for seeking appointment/re-appointment.
6. **The Members can join the AGM through VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.** The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsd.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. Further, pursuant to the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / the Registrar / Depositories. The Notice convening the AGM has been uploaded on the website of the Company at www.kingfaindia.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsd.com.
8. The Register of Members and the Share Transfer Books of the Company will be closed from **Thursday, September 23, 2021 to Wednesday, September 29, 2021** (both days inclusive) for the purpose of this AGM.
9. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited ("Registrar" or "RTA") at yuvraj@integratedindia.in for assistance in this regard.
10. All unclaimed dividends up to the FY 2010-11 paid by the Company have been transferred to Investor Education and Protection Fund of the Central Government. No dividend was declared thereafter. The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), registering of nomination, Bank details etc., to their Depository Participants (DPs) in case the shares are held in electronic form and to the RTA at yuvraj@integratedindia.in in case the shares are held in physical form quoting your folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the

same by submitting Form No. SH-13. The said form can be obtained from the RTA, E-mail ID : yuvraj@integratedindia.in. Members holding shares in physical form may submit the same to RTA, quoting your folio no. Members holding shares in electronic form may submit the same to their respective depository participant.

13. During the AGM, Members may access the electronic copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at cs@kingfaindia.com, latest by September 28, 2021 (upto 3:00 p.m).
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
15. **Process for those shareholders whose e-mail ids are not registered with the Depositories/the Company for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:**

This AGM Notice is being sent, by e-mail, only to those eligible Members who have already registered their e-mail address with the Depositories / the depository participant / the Company's Registrar and Share Transfer Agents (RTA): Integrated Registry Management Services Private Limited / the Company or who will register their e-mail address with RTA.

Members who have not registered their email address and in consequence could not receive the notice may temporarily get their email address registered with the RTA, by clicking the link : <https://www.integratedindia.in/emailupdatation.aspx> and following the registration process as guided thereafter. Post successful registration of the email address, the Member will receive soft copy of the Notice and the procedure for e-voting along with the User ID and the Password to enable remote e-voting for this Notice. In case of any queries, Member may write to RTA at yuvraj@integratedindia.in.

Also, the Members whose email ids are not registered with the Company or Depository Participant(s) as on the cut-off date are requested to register their e-mail Ids by sending an

e-mail citing subject line as "Kingfa-AGM-Registration of e-mail Ids" to Registrar and Transfer Agent of the Company (RTA), i.e., Integrated Registry Management Services Private Limited at yuvraj@integratedindia.in or to the Company at cs@kingfaindia.com with name of registered shareholder(s), folio number(s)/DP Id/Client Id and Number of equity shares held from the email address they wish to register to enable them to exercise their vote on special businesses as set out in the AGM Notice through remote e-voting facility provided by NSDL.

For permanent registration of e-mail addresses, Members are requested to register the same with their concerned DPs, in respect of electronic holding and with the Company's RTA by writing to them at yuvraj@integratedindia.in.

Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their Depository Participants / RTA of the Company to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

16. **Alternatively, Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card).**

In case of Individual Shareholders holding securities in demat mode are requested to follow steps mentioned below in Para 26 below under Step 1 (A) i.e "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

17. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting system as well as e-voting

during the AGM will be provided by National Securities Depository Limited (NSDL).

18. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date i.e. Wednesday, September 22, 2021 may cast their vote by remote e-Voting. The remote e-Voting period commences on Sunday, September 26, 2021 (9:00 a.m. IST) and ends on Tuesday, September 28, 2021 (5:00 p.m. IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- The voting rights of the Members (for voting through remote e-Voting before the AGM and e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the **cut-off date of Wednesday, September 22, 2021**. Subject to receipt of requisite number of votes, the Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM i.e. **Wednesday, September 29, 2021**. The Notice of the AGM indicating the instructions of remote e-voting process can be downloaded from the NSDL's website www.evoting.nsd.com or the Company's website www.kingfaindia.com.
19. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-Voting.
20. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Wednesday, September 22, 2021, shall be entitled to avail the facility of remote e-voting before the AGM as well as e-Voting during the AGM. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the dispatch of this Notice and holding shares as on the cut-off date, i.e. Wednesday, September 22, 2021, may obtain the User ID and password by sending a request along with the requisite documents as mentioned in Para 16 above, at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned **Para 26 below under Step 1 (A) i.e. "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
22. Ms. Shaswati Vaishnav, Practising Company Secretary (ACS 11392, PCS 8675) M/s.Vaishnav Associates has been appointed as the Scrutinizer by the Board to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.
23. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges on which the Company's shares are listed, NSDL and will also be displayed on the Company's website at www.kingfaindia.com.
24. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address at cs@kingfaindia.com **before 5.00 p.m. (IST) on Saturday, September 25, 2021** and responses to such queries will be appropriately addressed by the Chairman of the meeting.
25. Members who would like to express their views/ask questions as a speaker at the Meeting may preregister themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at cs@kingfaindia.com **from Wednesday, September 22, 2021 (9:00 a.m. IST) to Saturday, September 25, 2021 (5:00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will only be**

allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

26. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING, VOTING DURING THE MEETING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 26, 2021 (9:00 a.m. IST) and ends on Tuesday, September 28, 2021 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 22, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 22, 2021.

How do I vote electronically using NSDL e-Voting system?




The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shaswati.vaishnav@gmail.com with a copy marked to evoting@nsdl.co.in, latest by Tuesday, September 28, 2021 (upto 11:30 a.m).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the

correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, NSDL at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company’s RTA at yuvraj@integratedindia.in or to the Company at cs@kingfaindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company’s RTA at yuvraj@integratedindia.in or to the Company at cs@kingfaindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

27. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

28. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

By Order of the Board of Directors
for Kingfa Science & Technology (India) Limited

Place : Pune

Date : August 12, 2021

NIRNOY SUR

Company Secretary

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3:

To appoint Mr. Wu Xiaohui as Non-Executive Non-Independent Director of the Company

Mr. Wu Xiaohui (DIN : 06617977), was re-appointed as Whole-time Director for a further period of two years at the Annual General Meeting of the Company held on September 29, 2020. Due to other professional preoccupations, Mr. Wu Xiaohui is not able to dedicate his time as Whole-time Director of the Company, hence he has tendered his resignation as Whole-time Director at the Board Meeting held on August 12, 2021. However, Mr. Wu Xiaohui, has conveyed his consent to continue being a Member of the Board as Non-Executive Non-Independent Director of the Company.

Mr. Wu Xiaohui holds Master's Degree in Polymer Science and has vast experience in Product Development and Technical Support. In order to continue to have the access to his knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as a Non-Executive Non-Independent Director on the Board of the Company.

Mr. Wu Xiaohui's appointment has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, subject to approval of Members of the Company.

Details of Mr. Wu Xiaohui are provided in the Annexure 1 to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Mr. Wu Xiaohui does not hold any shares in the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their respective relatives other than Mr. Wu Xiaohui is in any way concerned or interested, financial or otherwise, in the resolution set out at Item No.3 of the accompanying Notice of the AGM. Mr. Wu Xiaohui is not related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

The Board of Directors recommends the resolution as set out in Item No. 3 of the Notice by the Members.

Item No.4:**Approval for payment of Commission to Independent Directors and Non-Executive Directors of the Company**

The Independent Directors and Non-Executive Directors contribute their wealth of knowledge, skills, expertise, strategies and experience to the business of the Company and provide required diversity in Board's decision making process.

They have provided guidance and support to the Management for improvement. Various other factors include attendance, time spent in Board & Committee Meetings and operational matters, contribution made by the Directors other than the Meetings for overall improvement and effective management of the company.

In view of the increased demands on Independent Directors and Non-Executive Directors participation in Board and Committee meetings and the higher responsibilities they are expected to bear in the interest of higher level of excellence in corporate governance on account of statutory and regulatory changes, it is proposed to pay such commission to the Independent Directors and Non-Executive Directors of the Company not exceeding the limit prescribed under the Companies Act, 2013 and the rules framed thereunder.

Pursuant to the Companies (Amendment) Act, 2020, read with rules made thereunder, if a company fails to make profits or makes inadequate profits in a financial year, any non-executive director of such company, including an independent director, may be paid remuneration in accordance with Schedule V of the Act.

In view of the above and in appreciation to the contribution and services, the Independent Directors and Non Executives Directors have rendered and continue to render to the Company, the Board, on the basis of the recommendation of the Nomination and Remuneration Committee, at their respective Meetings held on 12th August, 2021 have approved and recommended payment of Commission in addition to the sitting fees payable to them for

attending Board/committee meetings and reimbursement of expenses incurred for participation in the Board and/or Committee Meetings.

None of the Directors/key managerial personnel and/or their relatives, except the concerned Independent Directors and Non-Executive Directors are directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration that may be received by them and their respective shareholding, if any, in the Company, in the resolution set out in Item No. 4 of the Notice.

The Board recommends the Special Resolution set out in item no. 4 for approval by Shareholders.

Item No.5:**Related Party Transactions of material nature**

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders through resolution. The said Regulation further provides a definition of the term 'Material' as follows:

"A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company."

As a part of its regular business, the Company do Trading, Purchase, Sale of materials and goods thereof from / to Guangdong Kingfa Sci. & Tech. Co., Ltd., China (Guangdong Kingfa) in the ordinary course of business and at arm's length basis and in the Financial Year 2021-22, the aggregate value of these transactions is likely to be around ₹ 300 Crores ("Guangzhou Kingfa on-going transaction"). It may be noted that during the Financial Year 2020-21, the total turnover of the Company was ₹ 633.16 Crores and that the Company had transactions with Guangdong Kingfa Sci. & Tech. Co., Ltd., China of ₹ 12.14 Crores.

The transactions may likely to exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the approval of the Members by way of Ordinary Resolution.

Guangdong Kingfa Sci. & Tech. Co., Ltd., China is the Subsidiary of the Holding Company, Kingfa Sci. & Tech. Co., Ltd., China.

The Audit Committee of the Board of Directors of the Company reviewed the Guangdong Kingfa on-going transactions and recommended the same for approval by the Board of Directors and Members of the Company at their meeting held on June 17, 2021. The Board of Directors also at their Meeting held on June 17, 2021 reviewed the Guangdong Kingfa on-going transactions and proposed the same to be placed before the Members for their approval.

The Members' approval to the above material related party transactions is sought in terms of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors and / or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution.

The Members' approval is solicited for the resolution at Item No. 5 of the Notice.

Item No. 6

Ratification of Remuneration to Cost Auditor

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of Mr.K.Suryanarayanan, Cost Accountant, to conduct the audit of

the Cost records of the Company on a remuneration of ₹ 2,25,000/- (excluding all applicable taxes and reimbursement of out of pocket expenses) for the Financial Year ending March 31, 2022.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2022, as set out in the Ordinary Resolution for the aforesaid services to be rendered by him.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

By Order of the Board of Directors

for Kingfa Science & Technology (India) Limited

Place : Pune

NIRNOY SUR

Date : August 12, 2021

Company Secretary

ANNEXURE 1

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Mr. D. Balaji	Mr. Wu Xiaohui
DIN	08256342	06617977
Date of Birth and Age	30/05/1962 59 years	09/04/1979 42 years
Date of first appointment on the Board	29th October, 2018	3rd July, 2013
Qualifications	A graduate in Chemistry and a post graduate in Plastics Processing Technology from CIPET, Chennai. He acquired an MBA in Marketing and also a PG Diploma in Production management from the University of Madras apart from a Diploma from Plastics & Rubber Institute (London).	Master's degree in Polymer Science
Experience and Expertise	Experience – More than 37 years. Expertise - Marketing, Operations and TQM.	Experience – More than 16 years. Expertise - Product Development and Technical Support.
Number of Meetings of the Board attended during the year	5 out of 5	5 out of 5
List of Directorship / Membership / Chairmanship of Committees of other Board	–	–
Shareholding in the Company	255 Equity Shares	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	–	–
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Details of remuneration last drawn is provided in the Corporate Governance Report Section of the Annual Report 2020-21.	Details of remuneration last drawn is provided in the Corporate Governance Report Section of the Annual Report 2020-21.
Justification for choosing the appointees for appointment as Independent Director	NA	NA

By Order of the Board of Directors
for Kingfa Science & Technology (India) Limited
NIRNOY SUR
Company Secretary

Place : Pune

Date : August 12, 2021

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the depository through their concerned Depository Participants. Members, who hold shares in physical form, are requested to contact and give their consent by providing their e - mail Id to the Company's Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, to their e-mail ID i.e., yuvraj@integratedindia.in.

'Intentionally Kept Blank'

'Intentionally Kept Blank'