

Transcript of 39th Annual General Meeting - 26.09.2023

▪ **Nirnoy Sur, Company Secretary**

Very Good Morning, Ladies and Gentlemen.

On behalf of Kingfa India and its Board of Directors, I, extend a warm welcome to all the Members present at the 39th Annual General Meeting of the Shareholders of the Company through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

This meeting is being convened and conducted in accordance with the circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI) and as per the applicable provisions of the Companies Act, 2013 and the Rules made thereunder. Further, the Company had tied up with National Securities Depositories Limited (NSDL) to provide facility for voting through remote e-voting, e-voting during the AGM and participation in the AGM through VC / OAVM facility.

With the permission of the Chair, I call the Meeting to Order as the requisite quorum is present.

As the AGM is being held through VC / OAVM, the facility for appointment of proxy by the members is not applicable.

I hereby inform that the following Directors of the Company have joined the Meeting through VC.

- ◆ Mr. Bo Jingen, Managing Director and Chairman of the Meeting from Pune
- ◆ Mr. Wu Xiaohui, Director from Germany
- ◆ Mr. D. Balaji, Executive Director from Pune
- ◆ Mr. N. Subramanian, Independent Director from Chennai
Chairman of Audit Committee,
Chairman of Stakeholder Relationship Committee and
Chairman of Nomination and Remuneration Committee
- ◆ Mr. Dilip Dinkar Kulkarni, Independent Director from Mumbai
Chairman of Corporate Social Responsibility Committee
- ◆ Ms. Nilima Ramrao Shinde, Independent Director from Pune
Chairperson of Risk Management Committee

I further inform that the Statutory Auditor, Secretarial Auditor & Scrutinizer are present in the Meeting through VC.

- ◆ Mr. Abhijit Shetye, Partner, P G Bhagwat LLP, Statutory Auditors from Pune
- ◆ Ms. Shaswati Vaishnav, Secretarial Auditor & Scrutinizer from Pune

Key Managerial Personnel present in the Meeting through VC.

With the consent of the Members, the Notice convening the 39th AGM are taken as read as the same has already been circulated to the Members by e-mail and hosted on the website of the Company. As there are no qualifications, adverse observations or comments on financial transactions or matters in the Independent Auditor's Report for the financial year ended 31st March, 2023, it is not required to be read. Also there are no qualifications, observations or comments or other remarks in the Secretarial Audit Report for the financial year ended 31st March, 2023 issued by the Secretarial Auditor, it is not required to be read.

Now, I request the Chairman, Mr.Bo Jingen to address his Speech.

▪ **Bo Jingen, Chairman**

Ladies And Gentlemen,

I am pleased to welcome you today, on behalf of the Board of Directors of your company for the 39th Annual General Meeting of our Company. I am happy to present to you my Ninth speech as Chairman of Kingfa India for the Financial Year 2022-23.

The Annual Report for the Financial year ended 31st March, 2023 along with Director's Report, Audited Annual Accounts and Statutory Auditor's report has already been circulated and with your permission, I assume them to be taken as 'read'.

Sales revenue of the company grew by a robust 34% over the previous year in spite of the ups and downs seen towards the year end. It is to the credit of all the employees of your company that we continued to keep increasing the utilisation of all plants and ensured uninterrupted supplies to all our customers.

The year witnessed downward swing in the prices of most of the raw materials in the first three quarters and then the reversal in the price trends during the fourth quarter. I am glad to inform you all that Kingfa India managed it's supply chain in the most optimum manner to keep the cost within reasonable limits, utilising the downtrend in the prices of raw material to the best levels to present better financial performance.

The PPE division witnessed reduction in the demand for Masks as the effects of Co-vid-19 receded. The team successfully launched nitrile gloves in the Indian market and I am happy to inform you that the Gloves from Kingfa were well received by the market with it's quality well appreciated. The PPE division was also busy introducing other safety related products in the market including new variants in the masks to cater to mining industry, paint shops, cement and other industries where dust protection is required.

Engineering Plastic compounds continue to get customer approval for Auto and non Auto sectors notably in the electrical segment and house-hold appliances. The year witnessed continued consolidation of our engineering plastics sales. Major customers have visited your plant for approval of the Kingfa grades which will help in the long run.

For the first time after Co-vid19, the industries had a full continuous run during the year in 2022-23. The effects of Co-vid induced lock downs and restrictions slowly faded from the memory. The manufacturing activities, agriculture and service sector were all back on track during the year 2022-23. However, this year's economic situation was continued to be impacted by the geo-political conflicts in other parts of the world. This did have an influencing effect on the global economy.

As you all know, our products are an off-shoot of petroleum based derivatives. The volatility witnessed in the Oil prices during the year was different. While the increase was steep in the first quarter as a result of Russia-Ukraine war, culminating with the highest price of oil in recent times in Jun'22, the prices softened in the second and third quarters and then stabilising in the fourth quarter. This resulted in an unusual pricing situation for almost all the raw material in the world showing up in softening prices for most part of the year.

The exchange rate which hovered around Rs.75.25/US\$ in Q4 of the previous year went up in FY 2022-23 every quarter. Companies depending on imports suffered on account of this and the unpredictability on exchange rate continued to dictate profitability of companies. Prices of petrochemical based output, especially the polymers, both commodity as well as specialty polymers, had to face hardening input prices though this was off-set to an extent by softening of their prices.

Indian Economy revived from the impact of Co-vid-19 and posted impressive gains from the lows of the Co-vid affected previous years. In FY 2022-23, the Indian economy saw a growth pattern similar to that of the previous year, hitting a big jump in Q1 and then tapering off in the following quarters. You may recall that FY 2021-22 saw a peak of 21.6% in Q1 tapering off to 4.1% in Q4. In FY 2022-23, Q1 registered a growth of 13.1 % which tapered down to 4.4% in Q3 and then recovered to 6.1% in Q4. The growth in real GDP during 2022-23 is estimated at 7.2 per cent as compared to 9.1 per cent in 2021-22 as per Govt. of India press release.

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

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

The year in discussion saw an improved performance for the automobile industry in that the overall production went up by 12.6% compared to the previous year. Not all the segments surpassed their best ever performance in spite of the year going without any lock down. The PV segment registered 25.4% growth following a 19.2% growth in FY21-22, returning their best ever performance. On the other hand the Commercial vehicles, 2W and 3W segments failed to match up to the pre-pandemic numbers in spite of registering year-on-year growth. We should also note that Indian automotive industry is trying to regain the lost volume with new introductions especially the electric vehicles, both cars and 2W, and this is a very positive sign for the industry.

Coming to the performance of our manufacturing plants, the new plant at Chakan, Pune is running in full steam with a total of 17 lines in operation including dedicated lines for development activities. and ready for taking up next generation developments in the field of polymer compounds. The R&D team continued to successfully commercialise new products for different segments of the industry. Special mention must be made to the new approvals received in the MCB sector for our Flame retardant compounds.

During the year, your team successfully commissioned a new state of the art laboratory at Chakan with advanced analytical and test instruments to support R&D. This will not only quicken the development process and turn out success stories with the 'First Time Right' Concept but also enhance the confidence of all our customers in the development capability of Kingfa India. This laboratory will soon be going for NABL accreditation making Kingfa lab a place to approach for by all OEMs and Tier I for their testing needs.

Armed with high end test facilities and full-fledged lines for development and scaling up, the New product development had a shot in the arm to turn out new success stories offering modified

plastics hitherto not manufactured in India to the customers. These new facilities helped Kingfa India successfully transfer technology for high end plastics compounds from our HQ to India.

Going forward, our team will be offering all the Engineering plastics from within India. The localisation of the engineering plastics insulates our customers from the expected delays in shipping/logistics and help them manage their inventories optimally. I must proudly state that from now on the Indian industries will have the added capability of sourcing all their engineering plastics needs within the country locally thanks to Kingfa.

A lot is happening on the sustainability front and Kingfa is also in the forefront in harnessing Green energy and is actively working on ways and means to become carbon neutral in the future.

The focus on human resources has always been the key agenda for the management at Kingfa. The team gets all necessary training in a timely manner to make them ready to challenge and meet the ever growing customer needs. With relaxation happening in the issue of Visa post Co-Vid19 restrictions, the technical teams will be visiting our HQ in batches to get to know the latest developments happening in the field of modified plastics and also on the latest trends in the industry in weight reduction and performance enhancement.

In my speech last year, I mentioned that our export activities are bearing fruits now indicated how the exports are taking off well. As you can see from the performance statements, the export revenue has grown by 288%. The prospects of Kingfa India becoming the hub for export activities of Kingfa group is on the cards and this will help in utilization of the additional capacity created faster than the plan. The opportunity from existing industries have their own limitations in terms of volume and margins. It is the new age industry that will present brighter prospects in terms of enhanced profitability associated with hi-tech products. Industries gaining ground these days such as eV, solar panels, office automation and other tech savvy industries presents a brighter picture for Kingfa India in the coming years.

To conclude, I wish to convey my thanks and acknowledgement for the co-operation and assistance extended by the parent Company, Kingfa Sci. & Tech. Co., Ltd., China, the Company's Bankers, Customers, Suppliers and all service providers. I would also like to congratulate each and every member of the Kingfa India Family for their sincere and committed contribution to make Kingfa India, the number One Modified Plastics manufacturer and solution provider in India .

I look forward to your continued and valuable support in taking the Company to greater and newer heights in the future.

I thank all the members for participating in today's meeting.

'Wishing you all a happy and prosperous festive season'.

Thank You.

▪ **Nirnoy Sur, Company Secretary**

Thank You Chairman.

With the permission of the Chair,

Pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder and SEBI

(LODR) Regulations, the Company has provided the remote e-voting facility to the members to cast their vote on AGM Agenda items for three days from September 23, 2023 (9:00 am IST) to September 25, 2023 (5:00 pm IST). Further, the facility for voting through e-voting system is made available during the Meeting for Members who had not cast their vote prior to the Meeting.

Ms. Shaswati Vaishnav, Practising Company Secretary, M/s.Vaishnav Associates has been appointed as the Scrutinizer to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

The E Voting will be active till 15 minutes after the conclusion of the Meeting and will deactivate automatically thereafter.

Results of e-voting and e-voting at AGM will be declared, not later than 2 working days from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report will be submitted to Stock Exchanges (BSE and NSE) and also placed on the Company's website and on NSDL website.

Now I invite the Speaker Shareholders in the order to call, to express their views / ask questions. Further inform that after all the views / questions by Speaker Shareholders are over, it will be addressed by the Chairman / Executive Director of the Company. Also I request to shareholders to keep their questions in brief within 3 minutes.

So, the first Speaker Shareholder is Mr Manish Buxi from Mumbai. Mr Manish unmute yourself.

▪ **Manish Buxi, Speaker Shareholder**

Yeah. Hi, can you hear me?

▪ **Nirnoy Sur, Company Secretary**

Yes, yes, we can hear you.

▪ **Manish Buxi, Speaker Shareholder**

So, thank you everyone for giving me the opportunity. So, I have been the shareholder of this company for 6 years now. And since the start, many shareholders have been asking for a quarterly analyst call. So that you know during the call, we can get answers to any questions that we may have about the results, but nothing has been done about it. It would be great if the management can provide a plan for the same. The management has been doing a great job and we are very happy with the results. The only concern that we have is around transparency, which can easily be solved by this quarterly call. So, we would request the management once again to take that into consideration and we all understand that there will still be some information that will continue to remain confidential, which is part of normal part of any business. So, so yeah, please consider that.

Secondly, if the MD can throw some light on how much is the current capacity and what is the capacity utilization and approximately by when do we think that we will need to go for capacity expansion and thereby capital expenditure. Then if you can show share some impact on the business because of the recent strike and overall crisis and also talk about at a high level in terms of what are the plans for the next 3 years. You know what can the organization look like 3 years down the line. Because this would be very helpful for long term shareholders like me who are less

concerned about you know quarterly profits but more about the direction that the organization is moving towards and finally if we can talk about because we see organizations world over an increasingly looking at diversifying their supply chain. So are we seeing any orders that were earlier going to Kingfa China, there are now coming to Kingfa India or if not, then are we expecting that to happen sometime in the future because that could be a big opportunity as well. So that's it from my side.

- **Nirnoy Sur, Company Secretary**

Ok. Thank you, Manish. So, the next speakers, next speaker Shareholder is Neethu Josemon from Bengaluru. Neethu Josemon.

- **Neethu Josemon, Speaker Shareholder**

Are you able to hear me?

- **Nirnoy Sur, Company Secretary**

Yes, yes, yes.

- **Neethu Josemon, Speaker Shareholder**

Ok. My question is what is the opportunity our Company see in serving the EV space? You know what are the products we are looking to manufacture for two wheelers, four wheelers and EV space and what is the wallet share we can capture. And I also had a question of similar to the previous participant on the capacity as well as the capacity utilization that we have currently that will give us an idea on the future growth. And you know what is the revenue growth we can see in the next 2-3 years and is there a scope to improve our EBITDA margins from here? Thank you.

- **Nirnoy Sur, Company Secretary**

Thank You Mr. Neethu. So the next speaker shareholder is Mr. Amit Doshi is a Hindu Undivided Family From Mumbai. Yes, Amit, we can hear you.

- **Amit Doshi, (HUF) Speaker Shareholder**

Hello. Yeah, yeah, okay. So, with respect to the capacity utilization question earlier participants are my question would be what was the Capex that we incurred for Chakan plant also future Capex plans in next one or 2 years and current utilization of Chakan plant? Also, what is your capacity in engineered plastic? If we have a separate figure for that, what was the volume in 2023, volume growth in 2023, what is our current market share in India? And so we mentioned in annual report that we aim to grow aggressively and quite faster than market.

So how do you, So what is the scope of for us to history market share, what would be the mix of auto and non-auto and how do you see this mix changing with respect to our engineer classic division, I am a new shareholder. Maybe you might have question answer these questions earlier but so I would like to know 2 things, Engineer plastic division market side growth in the market, what is RCL in the engineer classic and our capacity as I asked earlier and which is the major end user industry for this. So, I resume white goods and rose would be higher Sir. So, if you can confirm that and what would be the realisation difference in engineered plastics courses are normal

polymer division. You also mentioned about you wanted to make Indian export hub and our exports have also increased significantly in 2023. Can you elaborate on some of the key reasons for that. Also, you aim to add Europe and other geographies to export. What would be the export target 2-3 years on the line, what can be a revenue at full capacity and what is your cost competitiveness? So why do you want to make Indian exporter? So, the main question I thought was are we cheaper in terms of cost versus China or is China still people channel and in terms of margins, are margins in the past have been quite volatile and inconsistent also last few quarters have been quite good. So how is the price pass through in case of significant volatility in raw material cost? And also, we had a forex loss of 30,00,00,000. I wanted to understand what is the hedging policy, umm, because that impacted on margin or profitability. Yeah, that would be my major question. Thank you.

▪ **Nirnoy Sur, Company Secretary**

Ok. Thank you, Mr Amit. The next speaker shareholder is Mr Abhishek and P. Jayachand not attended. Okay so both the server not attended the meeting. So, the next one is Mr N. Prakash Chand Galada. Hello Mr Prakash.

▪ **N. Prakash Chand Galada, Speaker Shareholder**

Hello. Am I audible, Sir?

▪ **Nirnoy Sur, Company Secretary**

Yes, Sir. Yes, Sir. You are audible.

▪ **N. Prakash Chand Galada, Speaker Shareholder**

Sir, But you can't see me. See there? Prakash Shah. Yeah. Hello.

▪ **Nirnoy Sur, Company Secretary**

Yes, Sir. So you can ask your question, Sir.

▪ **N. Prakash Chand Galada, Speaker Shareholder**

Yeah, I'll start off. If you can hear her as well as me, wonderful. If you don't want to see me, it's all right. But people may like to see my face after a long number of years. Okay. Anyway, it doesn't matter.

I will start. If it is possible, you could on the video also. Achchha, you have a good track record of it is increasing as well as market price of the shares are also very good which is lowest for 751 and higher. So as 1531 may be 2-3 months back itself but now I say the dividend track contact for last 5 years. It is showing nil can we not have dividends at this point at least interim dividend with many companies looking different to dividend also and coming to your plant visit if you can provide a plant visit because I see wonderful pictures about the inside of the labs and your CSR.

At least, We can see the Pondicherry plant which is wonderfully designed on contrast had been there to your Don building registered office last year to pick up my AGM book copy which did not reach me but I found there was hardly manpower as well as hardly looking like an office even that

only registered office. So if facelift is required to that unless you do that the image of any visitor will not be very good anyway you may not be having visitors you quite likely because your office is are spread out everywhere and a token of appreciation all shareholders participated in voted should be acknowledged with some sort of good remembrance of our company or a good hospitality.

Coming to one more thing, you hold 74.99 percentage of shares as a promoter, but I see shareholders of retail are very few maybe mutual funds have taken some good shares. That is right, 25 percentage with somebody. Anyway, that is my observation. Thank you very much. I hope to have a physical meeting, If not a hybrid meeting in the next coming year because that gives you good picture about what the company can do in the future with good understanding. Our good suggestion from shareholders like many other shareholders who have given about the export or Indian Kingfa doing better than other Kingfa. Let's see. Thank you very much.

▪ **Nirnoy Sur, Company Secretary**

Yeah. Thank you, Mr Prakash. The next speaker Shareholder is Mr. A.V. Mani Sundaram From Tamilnadu.

▪ **A. V. Mani Sundaram, Speaker Shareholder**

So, can you hear me Sir? Am I audible? Sir ?

▪ **Nirnoy Sur, Company Secretary**

Yes Sir. Yes Sir. Nice to see you Sir.

▪ **A. V. Mani Sundaram, Speaker Shareholder**

My DP ID is _____ , my client ID is _____. So first of all I would like to mention that we, P. Jaichand, J. Abhishek and A. V. Mani Sundaram all are joining him from the same device, Sir, in order to restrict time. This is for a kind information, Sir. And I would like to know first of all trust all is well with you and your family in this challenging situation, a constant result much more respect than the current markets have after completing more than a decade of successful operations, profitability dividend history and becoming one of the strongest brand respective segments. Sir, I would like to know as update how many employees are there in the company, what are the steps being taken by management to reduce the other expenses, legal, professional charges and the audit fee.

So, then myself meaning legal firm in the name, style of 7 words associated would request you to kindly Adolfo in the improvement of the company and we will be glad to extend our services Sir. Much so. Then it is CS platform when we exercise reporting and we get access to our body meeting as well, most of the senior citizens are not able to join. So kindly consider a M Sir so that local services can join you physically. Pan India shoes can join you virtually in the meeting. So kindly try to consider CMS in the years problem that will connect more participants that will be more points and suggestions. Then kindly send us your kingfa's manufacturing good face mask and protection items. Kindly send your protection cap complement items to the investor visa. So, we draw like to know had come to know what are the products that are companies manufacturing into and nothing

much to ask her. I think the company secretary at entirety was sending a link well in advance and making this annual general body meeting a grand success. Now Mr A V Mani Sundaram will join from the same device and kindly give him an opportunity. 3 Speakers Shareholders.

- **Abhishek J. Speaker Shareholder**

Yes Sir. Mani Sundaram Ji

- **A. V. Mani Sundaram, Speaker Shareholder**

Good morning, Sir. Everybody. I am Mani Sundaram, Shareholder of Kingfa and I eagerly welcome to entire team of Annual general meeting of Kingfa Science & Technology (India) Limited, very happy, our annual report is very good Sir and also page no. 27 having or foreign exchange Very good sir, and EPA 67.32 %. Now present rate also very good sir, market rate of the sahare very good sir. On page no. 5 I have shocked because there is no dividend to the shareholder would have invested in the Kingfa for past 5 years and our director and other executives are getting a good fees and remuneration as very good Sir. Yeah, always support to the management, but what is the returns to investors? Please consider our small investor and promoter having 75% of the shares if they have good executives but marketing also very good. Sir, please consider hospitality to the shareholder who attend the meeting by video conference. Your product sweet or dry fruits are and further our one more shareholder P Jaichand is continue in the same device Sir please consider and allow himself. Thank you. Thanks a lot. Thank you. See in next AGM in physical Sir. Thank you.

- **P. Jaichand, Speaker Shareholder**

Sir, I am P. Jaichand. Good morning, respected Chairman, Board of Directors, Secretary and his team and my fellow shareholders. I congratulate the management. On the event of this AGM Sir, our companies performing well, corporate governance is good to CSR activities good. Sir, what are the expansion and future plan Sir. So, I request the management to consider the bonus issue to reward the shareholders. So, the only grievance of shareholders is expecting better dividends and appreciation of share price. I wish our company will grow and touch sky high our company which stood the pandemic situation very well.

My entire family members and our proud shareholders on this company from the date of IPO I support the management and I have cast all the votes in favour. I request the management to conduct the AGM well in advance and also request to management to minimise the expenditure the present from where our company activities have taken place. Please kindly elaborate Sir. I think the management for giving me the opportunity and surplus is also very good, Sir, but no dividend. Sir, please kindly consider sir. Thank you very much, Sir.

- **Nirnoy Sur, Company Secretary**

Thank you. Thank you. Thank you, all the shareholders. The last speaker shareholder is Mr. G. R. Balaji, Mr. G. R. Balaji from Chennai.

- **G. R. Balaji, Speaker Shareholder**

Am I audible?

- **Nirnoy Sur, Company Secretary**

Yes, yes. Mr. Balaji

- **G. R. Balaji, Speaker Shareholder**

Thanks. Thanks for the opportunity and hearty congratulation for the management for great execution. I have couple of question, I will not repeat the same which my early shareholders have already asked.

First question is during last AGM with the management spoke about the next generation product of polymers from our Chakan plant. So just would like to know the status of the same.

The second one we have spoken about India being the hub for the world, right. So, what is the broad medium-term aspiration for exports? And that's a second question.

Third, what are new industries we are looking to make inroads ex. Auto and what is the split between auto sales and non-auto sales?

Fourth question, did we launch any major healthcare product during this year and some examples will give us an idea about how are we approaching it.

Fifth, do we serve the top all the EV players both 2-Wheeler and 4-Wheeler and what is our right to win in this business over our competitors and who is your competitor in the EV products which we are serving in India?

Next question, what is a sustainable margin for business because we look at earlier, we used to report 5 to 6% operating level, but off light our margin is trended substantially improved to 12 to 15% as a range, right. What led to this improvement and how, how we can plan about in the medium term?

The next question, which segment helped us to grow very strongly during this year and what is our outlook for next 2 to 3 years? Can we sustain such high growth because last 2 years we have been substantially having a fast significant growth that the market. So how well we can plan about our sustaining the growth?

The last couple of questions on R&D, we have spent 8,00,00,000 during the year. Can you touch upon the areas where the R&D projects have been taken up? The one question on capacity utilization is already asked and the last question is request the management to speak about the flame-retardant compound of 2-Wheeler EV product, right, what the product is all about and how big the market opportunities? And thank you. Thanks for the opportunity. Wish you a great luck and for the future. Thank you.

- **Nirnoy Sur, Company Secretary**

Thank you, Mr. Balaji, So, now I request the Chairman and Executive Director to answer the queries of the shareholders.

- **D. Balaji, Whole Time-Director**

Yeah, good morning. There were few questions on the electric vehicle VC space. What projects we are making for them. The EV products are same as existing one except that instead of the engine parts you have an electrical parts and so there are lot of requirement for claimed retarded material. so, we have been able to develop the right planet and targets for EV both for 2 Wheelers and 4 Wheelers mostly related to the battery pack and all the comments coming in touch with that. We have already commercialised quite a few products. So since in all electric light allergies significant we have been working with 4 Wheelers EV as well as other 2 Wheelers EV and so we have SN in almost all the manufacturers have faith so you keep adding new products almost on a regular Basis all out of space.

OLA also, yeah, yeah, OLA is the measure. OLA have been there from day one. So, we sell something like 13-15 Lakh Ola, as per the capacity is considered currently, we can say it is 1.4 lakh tonnes per annum. We are almost come to the full utilization of around 70%. In compounding, there is nothing like 100% utilization because we have, we have product mix. So, there is a changeover phenomenon happening on a daily basis, multiple times in each line. we are adding line and expanded facility.

- **Bo Jingen, Managing Director**

So, we need to we need to increase our equipment Akabara day to try to optimise output of each line. Also, the target is not only out of the machines, out of the current is the machines conditions We need to inflow out output with the taken eco looks. This is also the target flow on the from the management.

- **D. Balaji, Whole Time-Director**

Yes, correct. So, what MD said is that it is not merely adding the capacity, it is also how to enhance the utilization in terms of machine capability, how to enhance our that. Our team has been getting precious information technology from our headquarters. We are, we are able to translate and keep improving the capability. Also. there is a question from Mr. Amit Doshi about the capacity for engineering plastic. We cannot deliver exactly capacity for anything such thing Sir, any other polymer. So, all equipment's we wanted to make capable of running any polymer so that we have flexibility in being able to manage any product in any life. That is our vision and motto also. The market share scenario 2 complex in this industry. In India there is a big unorganised sector also so it is difficult to capture the share in our cities. coming to the mix between auto and non-auto The overall level 10 years back it was 95% to auto and 5% to non-auto. It has been changing, ever since changing with continuous entry into non-auto, adding more products and getting into like hair conditioner, one washing machine, different engineering industries, coolers, power Trust, we can say that ratio stands at 72% - 28%. 72% of Auto versus 28% of non-auto. We will continue to which

we can is a 60/40 ratio.

Rainfall industry was also asked to refer surface chemistry. Amit Joshi is the world we are sending auto and non-auto industry. If you talk about auto industry, the matter is passenger vehicle followed by 2 wheelers in a commercial vehicle in India.

Nargis Fakhri, it is on the home appliances, electrical engineering, construction industry. Is latest coming to that.

Coming to the export. Would you like to answer regarding the export part ? Why India is considered as an export hub?

- **Bo Jingen, Managing Director**

Export side, are you seeing that now follow me from the competitiveness side of long the, he said a level bonus side. So, we think India, how very good treasure this is the first one. The second one is now the market side. We said to the strategy form for Kingfa India as global, Harvey as many as for price for the network countries. We said that we need to grab the neighborhood that markets. At the same time, we also have pretended to export from here to European countries or American countries based on the we said the cost competitiveness. So, this is the global storage how to you know differentiate it different pronouns as what kind of strengths or the pros and advantages. So, I think. Kingfa India have very good potential. So now we already started the export from here to Thailand out for the to the South freak. In the very near future, we also maybe for most African countries we have the parent to export from here. I think this is what I want to say.

- **D. Balaji, Whole Time-Director**

There was a question about the pricing. We have an dynamic pricing policy. We have changing pricing mechanism on a quarterly basis which reflects on their raw material cost.

There was a question about Dhun building is not Dhun building is the place where our Southern marketing team sits. And if you don't see people there, if they are busy out in the field, if they sit in the office, then the market will not come to us. So that's why they are out in the field all the time.

Regarding the employees, Mr. Nirnoy would you like to answer the number of employees and that's where they said you will put.

- **Nirnoy Sur, Company Secretary**

As per in annual Report you have already mentioned the total number of employees is 300 plus employees are there.

- Regarding the dividend, I think the lot of requests from the dividend, I think the Board will in the subsequent writing Board may consider the dividend related matter interim or final, so up to the Board to take a call along with the promoters. so.

- **Bo Jingen, Managing Director**

Now, for the Team then side, I think I already asked the finance to propose through to the power of China. So, I think we need to, we need to plan this one from next year and cannot be less so much.

- **D. Balaji, Whole Time-Director**

We should be vary as per the new products are concerned. We keep coming up with a different new product. You know the new product does not mean

- **Bo Jingen, Managing Director**

I think before Kingfa take over the Hydro, I think almost all the places PPE. by 2019 because we have the capacity restructuring of constraints, so we didn't bring too much Protas most of the products imported from China. So, after 2019 we set up the new lines in Chakan. Now almost all the engine parts take all can be produced in Chakan plant. So, we were enhanced and also increased the capacity now for the industry side. We also focus on most of the family Tartans just now sale especially the MCB side, Electric vehicles side, 2-Wheeler side or 4-Wheeler side, a lot of family parent materials. Even in the telecom side, we have the but that is different thing.

So, so I think all these need a family parent. We thought so, for the material from the PPE now wide range of products included like the PC, ABS, HI-ABS, also the PPT and the naval are most of the Protas can be producer here. So, these are the strengths. We can increase our response to the customers and then increase the, you know, the inflow, the service or quality service for customers, try to, you know, to work together with the customer. Try to solve their immediate issues. So, all this one is saying that this bit of now we said now most over the bacteria or Pratas demands can be localised in Kingfa now or the customer can get from Kingfa from locally and we can produce here. Yeah,

- **D. Balaji, Whole Time-Director**

There was a question about imagine health product, healthcare product. We have introduced nitrile gloves from our headquarters in India. It is well received within the mask. We have come up with a new variance. For example, there are many industries where are problem. So, we provide a mask with the inhalation wall. Then industries like paints and there smell is an issue we also give a conversion coated fabric. So that smell is felt very less. So, these are the kind of new product that we have been introducing in market. So, the team is also working on safety related products also.

Which segment helps us of course we are present in almost all the segments? Wherever opportunities is there, wherever plastics are being used, we are always present there.

There is a question about R&D spend of 8 Crores. R&D spend of 8 Crores is mainly for the testing related equipment. We have the state-of-the-art laboratory. You would have seen the pictures in the annual report also. So, these exactly give us a capability to analyze different kinds of raw material, different kinds of the competitive products as well as help in estimating the performance of the product. So, in every and each development this equipment's which we have installed play

important role. We will continue to do that and that is how our capability to launch new products have gone up in the recent years.

There was a question on a hedging policy.

▪ **Chen Xiaoqiong, Chief Financial Officer**

So, this operation was Hedging policy is it is we have USD liability variously liability. So actually, see in this year we are reduce almost the trending growth for that USD liability payable will reduced. So this will help to in the future reduce that you change laws. Second one, now obviously you how export. Export is increased means USD income also increased so we can use entire to pay this also were reduced travels. So just right away is which hand for example we important material from China we change the USD to Sahara One.

Yes, but because Sahara is not much like USD is so slow so increased so much. So, there's always also we have fair pass to reduce set HH Card. So, this also rejected. Why would you give the dividend in this year because we need to reduce our pay about years because this is a long-time paper is it here also its USD payable is it here. So, we use this fund to make a payment. So that's why this year wouldn't give the dividend of course just now I'm just said there. So, we also concerned that we should give the dividend that we will give other soon Okay may be next year Okay.

▪ **D. Balaji, Whole Time-Director**

There is question on expansion. We will keep adding new line as keep on increasing the relaxation level. So basic plan is set up, it is a question of just getting a line and adding so that we can enhance the capacity. It will happen on a continuous species. Completed most of the questions.

▪ **Bo Jingen, Managing Director**

Yeah, so I found actually somebody. Everything So I think in last 3 years, so for the covid time time I think all the team members from the Mumbai, India to other best efforts. So, I first need to appreciate them, their efforts, so all their performance. How to shoot to us or prove that wrong, we have the capability to them to face all the challenges past. You mean in the future we don't want but I think the team the probability size be for the for this kind of crisis time.

To the same time we I think Kingfa we have to the best to expand here In India we have no second option and I don't have any uncertainty to continue to expand here also from the market side of Industry side we think you know Kingfa or India have very big closed in the you know economy so Kingfa all these things how to do the better service blow our own management capability try to Support the customer also paid to for the customers. So, this is the next stage. Our team from management side we need to implore our internal management capability.

So, from the product side I think we will do the to the most to utilise all the other products. So, try to minimise the import from our side. I think this also is the benefits for the all the shareholders we have also have the brand to Set up the plant outside for global these why synchronous quite important for looking for India to grab more opportunity from outside. So, I think all the price

happening so we will do the best efforts try to achieve much more intense in the best returns towards shareholders. So, this is what I want to say okay. Thank you.

- **Nirnoy Sur, Company Secretary**

Shareholders, auditors, scrutinizers and NSDL team executive of the company for their participation in the meeting through VC in OAVM facility and declare the meeting closed. Thank you, members.

- **Directors**

Thank you,

Thank you.