



**Transcript of 40th Annual General Meeting of
Kingfa Science & Technology (India) Limited held on September 25, 2024**

Nirnoy Sur, Company Secretary: Okay, so very good morning, ladies and gentlemen.

With the permission of the chair and on behalf of Kingfa India and its board of directors, I extend a warm welcome to all the members present at the 40th Annual General Meeting of the shareholders of the company through Video Conferencing / Other Audio Visual Means.

This meeting is being convened and conducted in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI and as per the applicable provisions of the Companies Act 2013 and the rules made there under. Further, the company had tied up with the National Securities Depositories Limited, NSDL, to provide a facility for voting through remote e-voting and e-voting during the AGM and participation in the AGM through VC and 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 convened and held through VC and OAVM, the facility for appointment of proxy by the member is not applicable.

I hereby inform you that the following directors of the company have joined the meeting through VC.

Nirnoy Sur, Company Secretary: Mr. Bo Jingen, Managing Director and Chairman of the meeting

Bo Jingen, Chairman: Good morning.

Nirnoy Sur, Company Secretary: Mr. Wu Xiaohui, Non-Executive and Non-Independent Director

Wu Xiaohui, Director: Good morning.

Nirnoy Sur, Company Secretary: Mr. Doraiswami Balaji, Executive Director

Doraiswami Balaji, Executive Director: Namaste

Nirnoy Sur, Company Secretary: Mr. Dilip Dinkar Kulkarni, Independent Director, and also the Chairman of the Audit Committee, Nominations and Remuneration Committee, and Corporate Social Responsibility Committee

Nirnoy Sur, Company Secretary: Ms. Nilima Ramrao Shinde, Independent Director

Nilima Ramrao Shinde: Namaste

Nirnoy Sur, Company Secretary: Mr. Ramachandran Sudhinder, Independent Director,

Ramachandran Sudhinder: Namaste

Nirnoy Sur, Company Secretary: and also Mr. Wang Dazhong, Chief Executive Officer of the company.

Wang Dazhong, Chief Executive Officer: Good morning.

Nirnoy Sur, Company Secretary: I further inform you that the following KMP, Statutory Auditor, Secretarial Auditor, and Scrutinizer are present in the meeting.

1. Mr. Chen Xiaoqiong, Chief Financial Officer

2. Mr. Wang Dazhong, already present in the panelists, Chief Executive Officer, also the KMP of the company

3. Mr. Abhijit Shetye, Partner, PG Bhagwat LLP, Statutory Auditor

4. Ms. Shaswati Vaishnav, Secretarial Auditor, and the Scrutinizer.

With the consent of the members, the notice convening the 40th AGM is taken as read, as the same has already been circulated to the members by email and hosted on the website of the company. Also, 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 2024, it is not required to be read. Also, there are no qualifications, observations, comments or other remarks in the Secretarial Audit Report for the Financial Year Ended Date 31st March 2024, issued by the Secretarial Auditor, so it is not required to be read.

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

Bo Jingen, Chairman: Okay. Good morning, everybody.

So, Mr. Dorai, can you hear me?

Doraiswami Balaji, Executive Director: We can hear. We can hear you.

Bo Jingen, Chairman: So, now I start. So, ladies and gentlemen, I am pleased to welcome you today, on behalf of the Board of Directors of your company for the 40th Annual General Meeting of our Company. I am very happy to present to you my 10th speech as Chairman of Kingfa India for the Financial Year 2023-24.

The Annual Report for the Financial year ended 31st March, 2024 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'.

I am very happy to inform you all that your company has become the first modified Plastics manufacturer in India to cross the milestone of selling more than one lakh MT in a year. 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, in spite of the fluctuations witnessed in the Macro economic conditions and geo political situation. Sales revenue of the company grew by 6% over the previous year while the volume went up by 12.2%.

The year witnessed continuing downward swing in the prices of most of the raw materials in the first two quarters and then the reversal in the price trends during the third and fourth quarters. I am glad to inform you all that Kingfa India managed it's supply chain in the most optimal 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 totally receded. The team continued to focus on nitrile gloves in the Indian market and launched Bio-degradable gloves offering immense benefit to the environment 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 extended new variants in the masks to cater to mining industry, paint shops, cement and other industries where dust protection is required. I take pride in informing you all that our PPE division got' it's first patent for the 'Exhalation valve' developed for 5 Ply mask for respiratory protection. The division continued to get relevant product certifications as per the needs of the end users.

Engineering Plastic compounds continue to get customer approval for Auto and non Auto sectors notably in the EV, MCB 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 time.

Indian Economy continued to grow during the year and India became the fastest growing nation among the G-20 grouping of the World's largest Nations. The rapid pace of economic expansion that is happening now would result in the size of the Indian GDP exceeding Japanese GDP by 2030, making India the second largest economy in the Asia-Pacific region. Last year we saw the size of Indian GDP exceeding that of UK and France and by 2030 we are also likely to surpass Germany in terms of GDP.

The manufacturing activities, agriculture and service sector were all back on track during the year 2023-24. However, this year's economic situation was continued to be impacted by the geo-political conflicts in other parts of the world. The piracy concerns in the Red Sea constricted the shipping operations increasing cost of logistics as well as causing time delays in shipping. This did have an influencing effect on the global economy.

As you all know, the raw material for our products are an off-shoot of petroleum based derivatives. The year witnessed reduction in oil prices and the most important part was that the oil prices were fluctuating within a narrow band during the year. As a result of this, the prices of polymers, both commodity and engineering plastics, were at softer level during the year.

On the exchange rate front, the Indian Rupee remained more or less at a similar level losing out to US dollar only on a narrow band. This was a relief to the importers in India. The average exchange rate went up to Rs.82.79/US\$ in FY 2023-24 compared to Rs.80.51/US\$ seen in the previous year.

In FY 2023-24, the Indian economy saw a growth pattern of steady increase unlike that of previous year with steep growth followed by lower growth rates. FY 2022-23 saw a peak of 12.8% in Q1 tapering off to 4.3% in Q3 and then going up to 6.1% in Q4. In FY 2023-24, Q1 registered a growth of 8.2 % which went up to 8.4% in Q3. The growth for the entire year is estimated to be 8.2%, up from the previous estimates, as per Government of India press release.

During the year under review, the industries in general did very well. The manufacturing sector registered double digit growth of 11.6% followed by construction sector with 9.5%. The consumption activities were seen in good trend with share of consumer spend going up on transport and household items. The share of purchase of vehicles in private consumption had reached a eleven year high of 1.7% during the year

The manufacturing PMI which is an indication of the expansion/contraction in manufacturing activities, was in excess of 55 for India throughout the FY23-24 except for one month, indicating good expansion in manufacturing sector. The lowest PMI of 54.9 was registered in Dec'23 while Mar'24 registered the highest PMI of 59.1 which is the highest ever achieved by India manufacturing sector in the recent history. Operating conditions improved at the second-fastest pace in three-and-a-half years, supported by buoyant demand. It is notable that PMI for India was steady in spite of global turmoil owing to political conflicts at multiple locations

Talking about the Indian automotive industry, we see great strides made over the past two decades, sufficient to be noticed at a global level and be counted as a major auto manufacturing hub. It is currently the second largest in two wheelers, eighth largest in commercial vehicles, sixth largest in passenger cars and the largest in tractors.

The overall growth in Indian automotive sector in the year 2023-24 was lesser at 9.6% compared to the previous year figure of 12.6% growth. While we saw 2 wheelers and 3 wheelers showing growth over previous year, the major portion of Passenger vehicles showed downward trend in growth dropping from 25.7% to 6.9%. Notable is that the CARG for 3 years is at healthy 7.3% now

Coming to the performance of our manufacturing plants, as we point out every year, our company has always been ahead of the growth curve so that we are in the forefront, be it technology, or service or manufacturing excellence. Our new green field manufacturing facility at Chakan near Pune, continued to be strengthened with addition of capacity with new compounding lines added. With the first plant erected at Chakan filled with all the slots fitted with compounding lines of varying capacities, procurement of additional line for the expansion in plant 2 started during the year. The plan is to add dedicated lines to produce different variants of engineering plastics of world class quality in India itself. Our team continued to localize more and more Engineering plastics compounds reducing the lead time and offering a premium local choice for our customers. Special mention must be made to the new approvals received in the EV sector for our Flame retardant compounds. The further addition of compounding lines will strengthen the same. It is also imperative to state here that the efficiency of the manufacturing activities is given top priority so that your company sets standards in minimizing cost of conversion

The state of the art lab facility is crucial for Kingfa India to serve the OEMs and customers in their new product development and to offer them innovative material solutions. The new lab which was commissioned towards the end of last year saw addition of further facilities and equipment strengthening the technical capabilities of your company. Simultaneously, the team started working on getting the NABL accreditation for the lab and I am happy to inform you all that we have now received the NABL accreditation. No doubt that this will go a long way in supporting the OEMs and their Tier 1 for their testing needs.

The Govt of India has started mandating BIS approvals for all polymers. This means all local manufacturers need to get BIS for their products in line with the timeline fixed by BIS for each of the polymers. This also means that any overseas manufacturer who desires to sell in India also needs to get BIS approval as mandated. While it has already become compulsory for polymers like ABS & PC, dates were announced for other polymers like PP, PS & others.

During the year, your company completed the BIS approval process for ABS compounds in time to service the customers. I am also happy to inform you all that our PP compounds manufactured in all our three plants in India have also received the BIS approval just recently

A lot is happening on the sustainability front and Kingfa is also taking steps to harness 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. Your company is proud to state that the morale of all the employees continues to be high during the year under review. As done in the past years, the technical, marketing, finance, sourcing and other internal teams were strengthened with the addition of a mix of new and experienced hands. Fresh PhDs were inducted to the technical team with a view to enhance the technical capability of your company and to make forays into newer material solution areas. Your company is sure that this is bound to result in higher confidence level for our customers in Kingfa as a total solution provider

The members of the sales, technical and internal teams were invited to our HQ at China and given training on the latest trends in Polymers and how new applications were added to Kingfa basket apart from training related to trade nuances and system requirements. The members of the Sourcing team were given opportunity to be part of the 'Supplier conference' held at China for the suppliers of all Kingfa facilities.

In my speech every year, I have always emphasized on the need to increase our export sales in order to counter the effects of the volatility in exchange rates. I am happy our export activities are bearing fruits now. The overseas team members continued their good work in converting business opportunities to commercial supplies to enhance the export sale from India.

The Company's key focus and objective is to grow much above the market trend by aggressively pursuing all opportunities and at the same time continuously investing in people, technology, state of the art facilities and capacity, ahead of the demand curve. We are supremely confident that this objective would put us in the right place to fully capitalize on the upswing in manufacturing growth in India in the coming years.

I am extremely happy to announce that considering the performance of your company, your board of directors have recommended a dividend of 100% on equity shares for the year 2023-24.

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 and pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder, and SEBI regulations, the company has provided remote e-voting facilities for the members to cast their vote on the agenda items for three days, from Sunday, September 22, 2024, to Tuesday, September 24, 2024, till 5 pm Indian Standard Time. Further, the facility of voting through an 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 of Ms. Vaishnav Associates, has been appointed as a scrutinizer to scrutinize the 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 conclusions of this meeting and will deactivate automatically thereafter.

Results of e-voting and e-voting at the AGM will be declared not later than two working days from the conclusion of this AGM. The results declared along with the scrutinizer report will be submitted to Stock Exchanges, BSE and NSE and placed on the company's website and on the NSDL website.

Now, I invite the Speaker Shareholders in order to call to express their views, ask questions, and further inform that after all the views and any queries by speaker shareholders are over, it will be addressed by the Chairman and Executive Director of the company.

So, I am calling the first shareholder, Mr. Kush Gangar from Mumbai.

Kush Gangar, Speaker Shareholder: Hello.

Nirnoy Sur, Company Secretary: Hello, Mr. Kush.

Kush Gangar, Speaker Shareholder: Yeah. Am I audible?

Nirnoy Sur, Company Secretary: Yes, you are audible. You can ask your questions.

Kush Gangar, Speaker Shareholder: I have sent my list of questions already. If you have that, that would be great. Also, I would like to mention a few of the important questions and you can answer the rest from my list shared earlier. So, we have mentioned that we plan to grow significantly above the industry average, Can you please elaborate on how would we make that happen? So, for example, increasing market share from new products from, sorry, with existing customers, new products, growth and exports. If you can share some details on all the three areas, what is the revenue contribution from the top 5-10 customers for us and what would be our market share in their overall procurement? What would be the value-added products, and product mix in our total sales as of now, and with the new R&D centre as well as MD Sir mentioned that we have OEMs, and foreign OEMs are visiting our plant for audit. So, how do we see the value-added product mix share increasing from current levels over the next two to three years? End-user industry breakup in sales and capacity, our current capacity, and current capacity utilization. How much did we spend in phase two and what was the capacity for phase two and when will it commence production? And if you can also elaborate slightly on the pricing pass-through clause of mechanism which we have mentioned, although steady-state EBITDA margins over the medium term and we have mentioned in our annual report about bettering margins in FY25 if volumes increase. So, again would like to highlight, tell you to highlight on this. Yeah, so that would be most of my questions. Also, one more last question. You mentioned about exports briefly, but can you help us understand, you also mentioned in the previous AGM that we plan to make India an export hub. So, what contribution from exports do we expect over the next 3-4 years? And will we manufacture for our parent from here? Is there any sort of plan for us? Yeah, thank you. That's it.

Nirnoy Sur, Company Secretary: Thank you, Mr. Kush. So, I'm going to the next speaker, Mr. Nagaraj Pipalli from Bengaluru.

Nagaraj Pipalli, Speaker Shareholder: Am I audible?

Nirnoy Sur, Company Secretary: Yes, Nagaraj, you're audible. You can ask your questions.

Nagaraj Pipalli, Speaker Shareholder: Good morning. Congratulations for a good set of numbers given the last year, financial year and thank you for the dividends, 100% dividend. My questions are, since our company is going to shortly become a Rs 5,000 crore market cap company, I feel it is essential to go for a stock split in the ratio of 1:10, which will increase the liquidity in the market and then better participation by the shareholders. And my second request is, I request the management to hold a quarterly con-call on a regular basis where we can have better interaction with the shareholders. And the third thing is, it will be very helpful if you can give us details of the ongoing CapEx and the present and future CapEx plan for the next few years. And then sales guidance, sales and debit guidance for the next couple of years. These are my main questions.

Nirnoy Sur, Company Secretary: Okay. Thank you, Mr. Nagaraj.

Nagaraj Pipalli, Speaker Shareholder: Yeah. Thank you.

Nirnoy Sur, Company Secretary: So, we're going to the next shareholder Mr. Pritesh Talakshi Chheda from Mumbai.

Pritesh Talakshi Chheda, Speaker Shareholder: Can you hear me?

Nirnoy Sur, Company Secretary: Yes, Pritesh. I can hear you. Yeah.

Pritesh Talakshi Chheda, Speaker Shareholder: Yeah. Thank you for the opportunity, Sir. My first question is, Kingfa India get a lot of credit support from Kingfa Global? So, when you see your balance sheet, there are a lot of payable days which are there on the balance sheet. If you could tell us the consistency of this support and till how long would, you know, this support should

continue because cash flows look better because of this credit payable day support. My second question is, Kingfa China is about a one-and-a-half million ton of compounds business. Kingfa India, we are seeing a lot of activity happening in India. So, over the next 4-5 years, where do you see Kingfa India's total volumes of compound business to head towards? My third question is it would be very helpful if you could give for FY23 and FY24, what is the volume and value for engineering plastics and the commodity compounds. So basically, commodity compounds and engineering compounds what is the volume and the value, so we can get some analysis. My fourth question is what is the gap in pricing and GP or gross profit margin between the commodity compounds and the engineering compounds. My fifth question is, what is the capex plan and capacity addition lined up over the next three years and at this current juncture what is the capacity that you have in total and what is the utilization. My sixth question is if you see your forex earnings versus forex expense, you have a much higher forex expense can you please explain us what exactly do we import in for the forex expense to be so high. These are my questions Sir and all the best to you for your future sir thank you very much.

Nirnoy Sur, Company Secretary: Thank you, Mr. Pritesh. So I am going to the next speaker shareholder Mr. Abhishek J and Mr. P. Jaichand from Chennai.

Moderator: Not present, Sir.

Nirnoy Sur, Company Secretary: So, they are not present in the meeting. Yes. So, I am going to the next speaker shareholder Mr. N. Prakash Chand Galada from Chennai.

Moderator: Not present.

Nirnoy Sur, Company Secretary: Okay. So, we are going to the next speaker shareholder Mr. Kaushal Dilip Baboo from Mumbai.

Moderator: Yeah. Mr. Kaushal Baboo.

Nirnoy Sur, Company Secretary: Mr. Kaushal.

Kaushal Baboo, Speaker Shareholder: Am I audible?

Nirnoy Sur, Company Secretary: Yes, You are audible.

Kausal Baboo, Speaker Shareholder: Yes, good afternoon everyone. Firstly, many congratulations for the stupendous performance over the years. A few questions that many of the shareholders would love an answer. Number one, if you could outline the vision for FY26-27 and the growth aspirations and strategy that the company would use to reach the desired goal. Number two the projected sales in tons for FY25, FY26 and FY27. Number three the share of exports in the total sales for the same period. Number four, the proportion of auto and non-auto share in sales. And lastly the most important the percentage of engineering plastic volume in the total sales for the same periods as above. All the very best and hoping that the company does the same kind of performance in the next many many years. Thank you.

Nirnoy Sur, Company Secretary: Thank you, Mr. Kausal. So, we're going to the next shareholder Mr. Sandeep Bothra from Bangalore.

Moderator: Not present.

Nirnoy Sur, Company Secretary: He is not present. So, we're going to the next shareholder Mr. A.V. Mani Sundaram from Salem.

Moderator: Mr. Mani Sundaram.

A.V. Mani Sundaram, Speaker Shareholder: Hello. Are you able to hear me myself?

Nirnoy Sur, Company Secretary: We're able to hear.

A.V. Mani Sundaram, Speaker Shareholder: What's up? Very happy to attend this meeting by means of video conference of Kingfa Science & Technology. And also our business shifted to Pondicherry, North India. What is the reason I don't know? There is no support that they have given. Artificial intelligence by means of development in business. We have no chance to contact the end by means of physically to the Chennai. And one more speaker shareholder is joining in.

P. Jaichand is joining same device.

P. Jaichand, Speaker Shareholder: Good morning, respected Chairman, board of directors, Secretary and his team and my fellow shareholders. So I have been attending hybrid meetings. It was a wonderful joyous moment and all the shareholders were complimented. I request the management to reduce the expenditure as cost-cutting effective wherever possible. I request the management not to take away the maximum profits into reserves and also consider bonus issue to the shareholders sir. The only grievance of shareholder is expecting better dividends and appreciation of share price. So ,what are the future expansion plans? How are we going to withstand the competition? I wish all great success. I wish our company will touch sky heights.

P. Jaichand, Speaker Shareholder: Hello

Nirnoy Sur, Company Secretary: Hello. Yes.

P. Jaichand, Speaker Shareholder: So, the management with great efforts and hard work have established our company. The corporate governance is wonderful. The turnover and profits have increased. It's a joyous moment. All credits go to the management, Sir. So it's right time to reward the shareholders, sir. I request the management to conduct a hybrid facility of AGM in the coming future, Sir. I hope the management will not let down the shareholders who have stood behind in thick and thin. So, I thank the management for giving me the opportunity, Sir. Thank you very much, Sir.

One more shareholder, Mr. J. Abhishek, may be permitted to join from the same device, Sir. Thank you.

J. Abhishek: I, Mr. J. Abhishek, may be permitted to join from the same device and put forward his queries in the Annual General Body meeting. Sir, first of all, I congratulate the management on the event of annual general body meeting. Sir, trust, this is J. Abhishek, my folio number is _____ and client ID is _____. First of all, I congratulate the management on the event of Annual General Body Meeting. Sir, trust all is well with you and with you and your family in this challenging situation. Our company deserves much more respect than the current market cap after completing more than a decade of successful operations and becoming one of the strongest brands in the respective segments.

As of now, how many employees are there in the company? What are the steps being taken by the management to reduce the other expenses, legal proposal charges, and audit fee? Sir, we can see that the company stock has been growing. Our EPS is good. Return on equity is good. Our PE ratio is good. So, what proactive steps have been taken by the management to overcome the same and reward the shareholders in good numbers in the coming future? The company has come out with the rights issue that the shareholders that supported in the year 2017 and management has declared very good. We are really thankful to the entire board of directors because after so many years, management has rewarded an handsome dividend to the investors fraternity and our stock price has boomed in the market. We are really thankful to the entire board of directors. Sir, whether do we have any operations in Chennai or we have restrained all our operations inside of Maharashtra and do we have any plans to shift the registrar office from Chennai? That also I would like to know from you. And whether the company secretary, the CS team and the CFO team, do they sit in Chennai office? I would like to know from you, Sir whether the Chennai office is

operational, I would like to know from you, Sir. who have joined this virtual conference and help you in making this Annual General Body Meeting a grand success. I am really thankful to the entire board of directors for their sincere efforts in bringing the company to this particular extent and rewarding the minority shareholders in large numbers. I thank the company secretary and the entire team for conducting the annual general body meeting virtually and making this 40th annual general body meeting a grand success. Then I would request you to kindly arrange for a plant visit for the investor fraternities. And at this juncture, when the stock is escalating, this is the right time for the management to consider a bonus issue or a plan for a stock split of the companies. This will bring in more volatility in the market and the stock price will still boom. And definitely the shareholders and the management will be benefited by this particular action taken by the management. So please look into and also arrange a one-to-one meeting with the CS and CFO. So, whenever you come down to Chennai, we can have a meeting, Sir. I cannot because I don't want to restrain a series of questions in the annual general body meeting. And I restrict my questions in the interest of time. And most of the shareholders are not able to join, sir. Please consider hybrid AGMs in the years to come because of the digital challenges and the social platform.

So, nothing much to add, Sir. I wish the company and the board of directors great success and prosperity in the coming future. And thank you for giving the opportunities. I hope to see you in the hybrid AGMs next year. Thank you very much, Sir. I hope that you take all our questions in the right spirit, Sir.

Nirnoy Sur, Company Secretary: Yes, yes.

J. Abhishek, Speaker Shareholder: Thank you. Thank you, Sir.

Nirnoy Sur, Company Secretary: As we have completed the queries from the speaker shareholders, so I'll request the Executive Director or Chairman to start with answers.

Doraiswami Balaji, Executive Director: Good morning. Good morning, all the shareholders and board members. We had a couple of questions. People were talking about growth, how we are going to do, see, our growth structure is basically primed at how to localize all the engineering plastics in India. For your information, India does not produce all the engineering plastics which are consumed right now. They are all imported. So, our prime aim is to localize the technology available with our headquarters. The engineering plastics are made available within India for our customers.

Bo Jingen, Chairman: Long glass fibre also. Long glass fibre.

Doraiswami Balaji, Executive Director: Yeah. Another aspect is what the Chairman was interjecting and saying is the long glass fibre-filled engineering plastics. It is all imported into India now. Now we are planning to have the facility in India itself so that for high-strength material, Kingfa India will be able to provide solutions to customers from the products made within India. It will reduce the lead time for customer and also offer immense benefits to customers by utilizing our laboratory also.

We have also mentioned chairman was in his piece mentioning about the NABL accreditation given for the lab that gives us an advantage for our customers to conduct all the testing within the Kingfa lab which will be accepted by everyone. And of course, the entire thing is working for new product development. We keep producing more and more products and offer it to customers. Whenever customers come up with a new product, we always have a meeting with them and their new requirements are fulfilled with the new products and exports is also continuing. And as far as the top 10 customers, 20 to 30 percent of the top 10 customers like that and almost all the products are value-added products. We are a modified plastics manufacturer. That means we get the resin; we add value to that and then offer to the customers.

The capacity is always increased at the right time so that we always look at how to take care of future needs. Last year we had around a capacity of 1.75 lakh tons per annum and our production exceeded one lakh. So, we keep increasing that. So, the current year it will go beyond two lakhs. 2.15 lakh is what we are looking at. And continuously we have been looking at how to enhance the capacity. We have sufficient space in our new plant in Pune to add the equipment. It is a question of placing an order for a line, getting it and we can make it operational anytime within three days and we will keep going up.

As far as the stock split and other things, I will hand it over to the Company Secretary later, then he can handle it. Let me talk about the other aspects of the business house. There is a question, what Kingfa India looks at in the next four to five years? I'm very optimistic. By 2030, we are looking at five lakh metric tons per annum. From one lakh, we want to jump to five lakhs. So, the entire team is working towards that. So, if that comes through, you can imagine at what level Kingfa in India will be like that. The engineering plastics and the PP combination is a very important factor because most of you have been asking. See, in 2022-23, we had around 86% of commodities and 14% of engineering plastics. That got changed into 81% and 19% during the year and it will continue to change. Our focus is on enhancing the share of engineering plastics. Similarly, questions were also raised on auto and non-auto. So, you all know when Kingfa took over the erstwhile company, it was 95% auto and 5% non-auto. In 2022-23, it was 80% and 19.8%. It has now come to 78% and 22%. And ideally, we want this to make at 60%-40%. So, efforts are on. The industries also have to get ready for such a change over time.

Projected sale, I've already said we are looking at 25-30% growth year-on-year so that we can reach five lakh tons by 2030. The share of exports will be correspondingly going up. So right now, we have been exporting to Thailand, Vietnam, and South Africa. We have also got nominations from OEMs to export to Morocco. So, we are looking at more options. A lot of projects are on the unveil and you will see export to be a major booster for Kingfa India.

Cost cutting, of course, keeps happening. So, without that, no company can survive. There is always continuous pressure from the customers to keep the cost down and the entire team in technical, manufacturing, even on the commercial side, always look at how to keep the cost down. So, it is a continuous mantra for the entire team.

Regarding the other part of it, like why the operations shifted to Northern, nothing like that. Our registered office continues to be at Chennai. We have people sitting in the Chennai office. The sales team sits at the Chennai office. All the management keeps moving between Chennai and Pune. The Pune facility is a very large capacity. We have to understand that. So that is where the crux of activities is happening now. That is the reason most of us keep travelling to Pune and stay at Pune for longer duration. We also keep traveling. We travel to the Manesar plant. We travel to our Pondicherry plant. We come to Chennai. Please remember, that Chennai is one of the major markets for Kingfa India. So, we cannot neglect that. So, our team always stays at the Chennai office and we also keep traveling. So, there is nothing like geographical split or anything like that. And I think I have answered most of it.

Can the company secretary talk about any other issues related to splits or bonus or whatever they talk about?

Bo Jingen, Chairman: Mr. Balaji, I speak something. I speak something. Okay.

So, I think just now Mr. Balaji almost spoke what are the current progress in the company. I think in the future we, Kingfa India wants to be not only the largest one, we want to be the most advanced one. So, we should do the investment in the people and technology. So, this is our competitiveness. I think the company, or the direction is like this. So also, we need to further improve our management system and organization. Try to improve the efficiency to avoid the invisible cost. So, I think with all this work, the company will be much more well better organized and try to do more returns for all the shareholders. So, this is what I want to share. Yeah.

Nirnoy Sur, Company Secretary: Thank you. Yes, there is a query related to bonus issue and the split of shares. So, I want to inform you that your board of directors always take on call based on the proposed reserve and the effect on the liquidity. So, it is the Board of Directors call. So, they always discuss it in the board meeting. So, if any decision is taken, we will intimate to the shareholders. Thank you.

Chen Xiaoqiong, Chief Financial Officer: Okay. Just now I think there was some question about our payable. So, it's now our cash flows are improved. So, in the future, I think this year, we'll finish all this payable to our HQ. So that our payable agent will reduce. The second part is about the foreign exchange expenses. Why expenses here? It's just mostly 14% of our material is imported. So, for example mobile also from Japan and Korea. So, 40% import, we use the USD. So, make a payment for USD always expenses here. Also, ISE is here, but we are trying to find more banks and get more benefits and a low rate from them. So, this expense actually compared with the value already up top. Okay. So why is it so expensive here?

Doraiswami Balaji, Executive Director: In fact, I want to add a point here. These imports are inevitable because all engineering plastics are to be imported. Not only that but even in commodity. Today's demand for the automobile industry is going down on the thickness of the components. For that, we need a high crystalline, high flow polypropylene, which is not manufactured within India. So, we have to depend on imports for getting such a high-end polypropylene also. That is why our import dependence is more.

Nirnoy Sur, Company Secretary: I believe all the questions have been taken by the Chairman, CFO and Executive Director.

So, with the permission of the Chair, I informed that the objective and implications of the resolutions are set out in the explanatory statement to the AGM notice. So, the e-voting facility is still open for 15 minutes. So, shareholders can cast their votes if they wish.

So, I thank to the shareholders, auditors, scrutinizer, NSDL team and executive of for their participation in the meeting through the VC/OAVM facility and declare the meeting as closed.

Thank you. Thank you.