

20th September, 2016

BSE Limited,
Corporate Services
Registered Office : Floor 25,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001,
India.

Scrip Code / ID : 524019 / KINGFA

Dear Sirs,

Re : 32nd Annual General Meeting of the Company held on 15th September, 2016

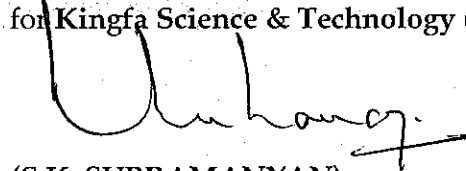
Please find attached Annual Report for the Financial Year 2015 - 16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members at the Annual General Meeting of the Company held on 15th September, 2016 at 11.30 a.m. at Raj Park Chennai, "Summit Hall", 180, T. T. K. Road, Alwarpet, Chennai - 600 018 as per the provisions of the Companies Act, 2013.

Kindly take the same on record.

Thanking you,

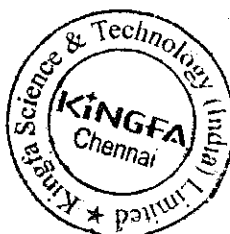
Yours faithfully,

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



(S.K. SUBRAMANYAN)

Company Secretary and Compliance Officer

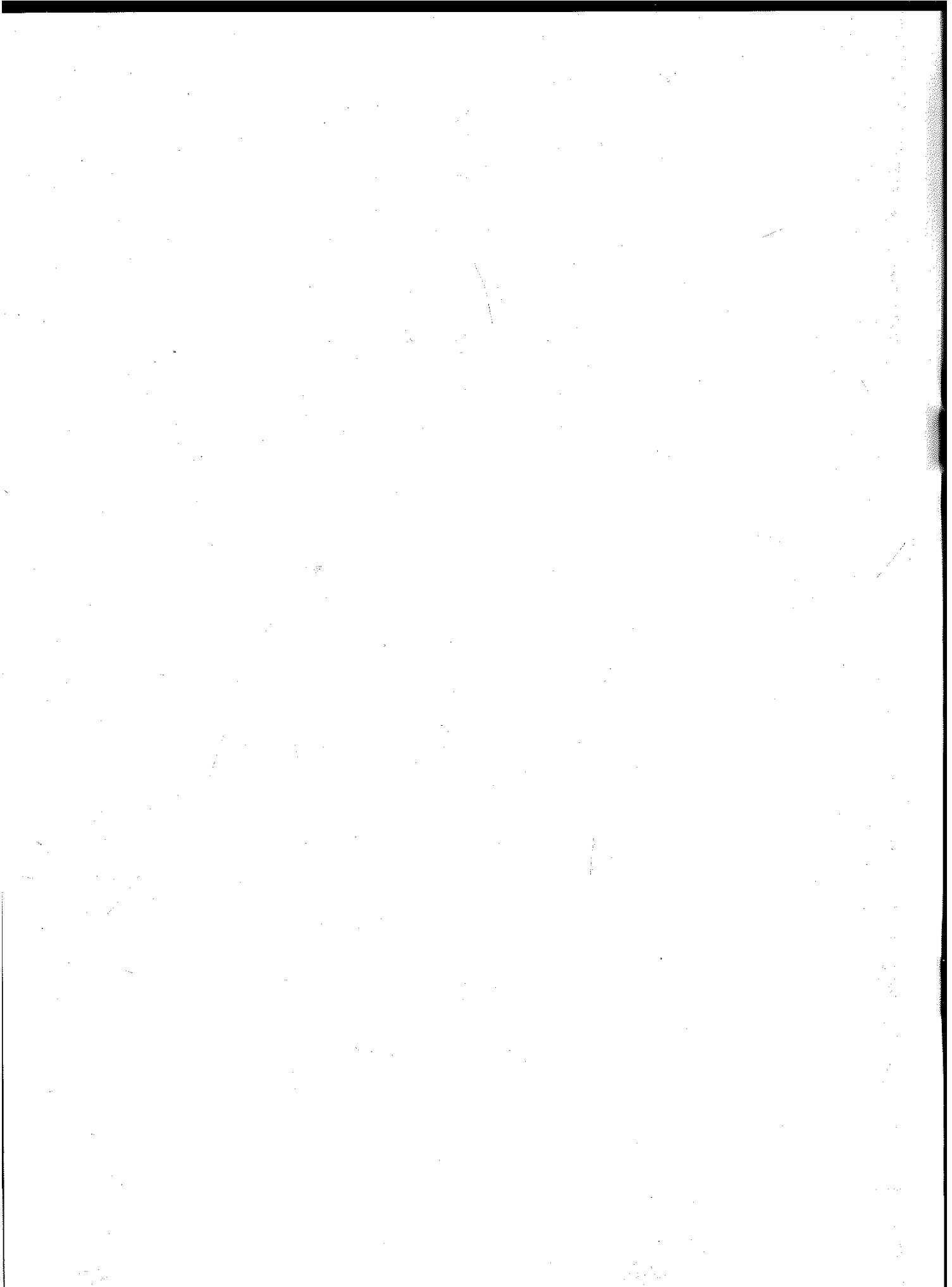


Scrip Code : 524019



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

2015 - 2016 ANNUAL REPORT



Board of Directors

BO JINGEN, *Chairman and Managing Director*
WU XIAOHUI, *Whole-time Director*
N. SUBRAMANIAN, *Independent Director*
KAMANA SRIKANTH, *Independent Director*
DILIP DINKAR KULKARNI, *Independent Director (w.e.f. 28-08-2015)*
N.K. RAMASWAMY, *Whole-time Director (w.e.f. 13-11-2015)*
NIE DELIN, *Director (upto 13-11-2015)*

Chief Financial Officer

XIE DONGMING

Company Secretary

S.K. SUBRAMANYAN

Works

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 - 122050, Haryana
 Plot No. 15C, SIPCOT Indl. Complex, Pudukkottai - 622 002

Registered Office

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

Statutory Auditors

M/s. P. Srinivasan & Co.,
 Chartered Accountants,
 No. 6/24, Sambasivam Street,
 T. Nagar, Chennai - 600 017.
 Phone : +91 - 44 - 28151105
 E-Mail : pscom@vsnl.net

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

Bankers

Citibank N.A., Chennai - 600 002
 Industrial and Commercial Bank of China Limited, Mumbai - 400 051
 State Bank of India, Chennai - 600 001

Registrar & Share Transfer Agent

M/s.Integrated Enterprises (India) limited
 2nd Floor, Kences Towers,
 No.1, Ramakrishna Street,
 North Usman Road,
 T. Nagar, Chennai - 600 017.
 Telephone : +91 - 44 - 28140801 - 03
 Fax : +91 - 44 - 28142479
 E-Mail : yuvraj@integratedindia.in

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FIVE - YEAR FINANCIAL DATA

(₹ in Millions)

For the Year	2015-16	2014-15	2013-14	2012-13	2011-12
Sales : Domestic	3,557.465	2,409.968	1,980.945	1,754.307	1,645.481
Exports	2.486	5.809	3.251	2.329	1.567
Operating (Loss) / Profit (PBIDT)	275.329	65.817	(30.651)	26.863	91.004
Finance Cost	72.098	81.233	65.636	69.711	65.561
Depreciation and amortisation expense	29.393	31.418	26.573	28.185	26.794
Tax expenses - Current	20.111	-	-	-	-
- Deferred	45.732	(16.414)	(38.088)	(20.550)	(1.600)
Profit/(Loss) After Tax	107.994	(30.421)	(84.772)	(50.483)	0.249
As at the end of the Year					
Share Capital	101.106	64.072	64.072	64.072	64.072
Reserves & Surplus	1,093.168	17.557	49.835	134.607	185.090
Loan Funds	160.037	758.534	621.785	346.008	428.816
Gross Block	592.184	524.038	490.653	479.091	513.185
Net Current Assets	634.015	530.744	451.900	287.284	403.818
Measures of Investment					
Return on Capital Employed (%)	18.16%	4.09%	-7.76%	-0.24%	9.47%
Return on Equity (%)	9.04%	-37.27%	-74.42%	-25.41%	0.10%
Earnings per Share (₹)	13.55	(4.75)	(13.23)	(7.88)	0.04
Dividend Cover (Times)	-	-	-	-	-
Dividend (%)	-	-	-	-	-
Book Value of an Equity Share	118.12	12.74	17.78	31.01	38.89
Of Performance					
- Profitability (%)					
Profit/(Loss) before Tax (%)	5.53%	-2.14%	-6.94%	-4.56%	-0.09%
Profit/(Loss) after Tax (%)	3.44%	-1.39%	-4.79%	-3.24%	0.02%
- Capital Turnover (times)	2.63	2.94	2.70	3.23	2.43
- Stock Turnover (times)	6.00	7.72	8.64	9.17	9.03
- Working Capital Turnover (times)	5.61	4.65	4.36	6.11	4.08
Of Financial Status					
- Debt-Equity Ratio (times)	0.13	1.84	1.05	0.25	0.40
- Current Ratio	1.67	0.92	0.97	0.97	1.08
- Fixed Assets to Shareholders' Funds (times)	0.24	3.13	2.15	1.30	1.19

DIRECTORS' REPORT

Your Directors hereby present their 32nd Annual Report along with Audited Financial Statements for the year ended March 31, 2016.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Revenue from Operations				
Gross		35,599.51		24,680.58
Net of Excise Duty		31,416.81		21,879.24
Other Income		89.34		12.65
Profit before Finance Costs & Depreciation and amortisation expense		2,753.29		658.16
Finance Costs		720.98		812.33
Profit / (Loss) before Depreciation and amortisation expense		2,032.31		(154.17)
Depreciation and amortisation expense		293.93		314.18
Profit / (Loss) before Tax		1,738.38		(468.35)
Tax expenses - Current Tax	201.11		-	
- Deferred Tax	457.32	658.43	(164.14)	(164.14)
Profit / (Loss) after Tax		1,079.95		(304.21)
Balance brought forward		(1,570.53)		(1,247.75)
Depreciation adjustment as per Companies Act, 2013		-		(18.57)
Deficit carried forward		(490.58)		(1,570.53)

BUSINESS OPERATIONS

Operating Revenues grew by 43% over the previous year, whilst the volumes growth of 50% was achieved. Sales of Engineering plastics compounds produced was effected for the first full year.

The benign commodity prices during the year helped in keeping a check on the raw material input prices.

The Agency agreement with M/s.TOSAF Compounds Ltd., Israel for the distribution of Masterbatches compounds was mutually terminated at the end of the first quarter of the fiscal year.

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

DIVIDEND

Though the operations for the year have generated a profit, in view of the carryover loss of the earlier years in the Profit and Loss account, your Directors regret that they are unable to recommend any dividend on the Equity Share Capital for the year under review.

RIGHTS ISSUE OF EQUITY SHARES

During the year, the Company had issued 37,03,364 equity shares of face value ₹ 10/- each for cash at issue price of ₹ 270/- per equity share including share premium of ₹ 260/- per equity share in the ratio of 578 equity shares for every 1000 equity shares held aggregating to ₹ 9999.08 Lacs, to the existing Shareholders of the Company.

The Company sought and obtained approval from its Members to vary / enlarge the terms of offer made for rights issue relating only to the Object of the issue and Utilisation of proceeds.

The amount received under the Rights Issue have been utilised for the above revised purposes.

SHARE CAPITAL

Consequent to the Rights Issue of Equity Shares, the paid up equity capital as on March 31, 2016 stood at ₹ 1,011.06 lacs. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

BIFR

The company made a reference to BIFR consequent to erosion of more than fifty percent of its peak networth in 2014. Post completion of the Right Issue of ₹ 9999.08 Lacs by the Company in October 2015 and the improved financial results achieved, the company have recouped the above losses and the same has been informed to BIFR on 26th February, 2016.

NAME CHANGE OF THE COMPANY

The Company changed its name from Hydro S & S Industries Limited to Kingfa Science & Technology (India) Limited. The Company obtained fresh Certificate of Incorporation from Registrar of Companies, Chennai for the change of name of the company. It also received consent from BSE Limited pursuant to Change in Name of the Company and change in Scrip ID as KINGFA. The depositories, NSDL and CDSL have also changed the name of the Scrip to Kingfa Science & Technology (India) Limited. The process of name change with the statutory authorities is on and will be completed shortly.

FINANCE

The Company received ₹ 47.41 lacs as subsidy under the Industrial Promotion Scheme of the Government of Maharashtra for its investment in Jejuri during the year, and the same is credited in the Books under Capital Reserve.

NEW MANUFACTURING FACILITY

The Company is in the process of setting up a green field manufacturing location near Pune, which will be capable of housing the capacity expansion in the medium term future. The location would also house a State of Art "Technical and Product Development Centre" to meet the growing needs of the Company.

FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 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 provisions of Section 186 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 scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Chairman and Managing Director.

The Internal Audit Department 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.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility Committee and framed its Policy. The Policy has been uploaded on the website of the Company.

ENVIRONMENT, HEALTH AND SAFETY

The facilities of the Company renewed their ISO 14001 and OHSAS 18001 certification.

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.

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

Mr.Dilip Dinkar Kulkarni was appointed as an Independent Director by the Members at the Annual General Meeting held on 28th September, 2015.

Mr.N.K.Ramaswamy was appointed as a Whole-time Director, designated as Chief Executive Officer with effect from 13th November, 2015 and approved by the Members through Postal Ballot whose results were declared on 1st February, 2016.

Mr.Nie Delin has resigned as Director from the Board with effect from 13th November, 2015 due to his other occupations. The Board wishes to place on record its appreciation of the valuable service rendered by him during his tenure in the Company.

Your Director, Mr.Bo Jingen retire by rotation and being eligible, offers himself for re-appointment.

Both Mr.Bo Jingen, Managing Director and Mr.Wu Xiaohui, Whole-time Director being non-residents, an application was made for their appointment to the Central Government and approval was received.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NUMBER OF MEETINGS OF THE BOARD

The details of the number of Meetings of the Board held during the Financial Year 2015 – 16 forms part of the Corporate Governance Report.

COMMITTEES OF THE BOARD

During the year, the various Committees of the Board i.e. Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee were reconstituted and Corporate Social Responsibility Committee was constituted. The details of terms of reference of these committees has been given in the Corporate Governance Report.

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, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) 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, 2016 and of the profit or 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 have 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 system 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.

SUBSIDIARY COMPANIES

The Company does not have subsidiary.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

In pursuant to the provisions of the Companies Act, 2013, 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

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading and the same has been uploaded on the website of the Company.

AUDITORS

M/s. P. Srinivasan and Co., Chartered Accountants, Chennai, Statutory Auditors, retire at the close of this Annual General Meeting and are eligible for reappointment. The Company has received confirmation regarding their consent and eligibility under sections 139 and 141 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 for appointment as the auditors of the company.

The Auditors have also confirmed that they hold valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Committee and the Board of Directors have recommended the appointment of the Auditors for the financial year 2016 – 17. The necessary resolution is being placed before the shareholders for their approval.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed M/s. Lakshmmi Subramanian & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as ANNEXURE – I and forms an integral part of this Report. The observations made in the report are self explanatory.

COST AUDIT

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company had appointed Mr. K. Suryanarayanan, Cost Accountant as Cost Auditor of the company to conduct audit of cost records made and maintained by the company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as ANNEXURE - II.

BUSINESS RISK MANAGEMENT

Business risk evaluation and management is an ongoing process within the Company. The Assessment is periodically examined by the Board.

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 – III to this Report.

The particulars of employees are not applicable since there are no employees drawing remuneration more than ₹ 60,00,000/- per annum (full year) or ₹ 5,00,000/- 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. Details of dividends remaining unclaimed as on 31.03.2016 are as under :

Year	Date of declaration	No. of Shareholders	Total Unclaimed Dividend (₹)	Due date for transfer to IEPF Account
2008 – 2009 to 2009 - 2010	No Dividend declared	N.A.		
2010 - 2011	29.09.2011	729	60,868.80	05.11.2018
2011 – 2012 to 2014 - 2015	No Dividend declared	N.A.		

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 as stipulated under various regulations of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015.

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

Chairman and Managing Director

Place : Chennai

Date : 30th May, 2016

ANNEXURE – I

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2016
(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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2016, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based employee Benefits), 2014 (**Not applicable for the Audit Period**).
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client to the extent of securities issued;
- (f) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 (**Not applicable for the Audit Period**).
- (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 (**Not applicable for the Audit Period**).
- (h) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998 (**Not applicable for the Audit Period**).
- (i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
- (vi) Other laws applicable specifically to the company being a manufacturer of plastic and resins:
 - (i) Factories Act, 1948
 - (ii) Legal Metrology Act, 2009
 - (iii) Negotiable Instruments Act, 1881
 - (iv) Environment (Protection) Act, 1986
 - (v) Water (Prevention and Control of Pollution) Act, 1981
 - (vi) Air (Prevention and Control of Pollution) Act, 1974
 - (vii) Hazardous Waste (Management and handling) Rules, 1989
 - (viii) State Fire Safety Act
 - (ix) Trademarks Act, 1999

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

- I. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India applicable with effect from 1 July, 2015.
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed and the Uniform Listing Agreement entered with the stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 24 February, 2016).

During the period under review the Company has complied with the provisions of the Act, Rules,

Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Due to internal restructuring of the Board of director's, separate meeting of Independent Directors was not implemented during the year and the performance evaluation of the Board is yet to be done.
2. As it is the first year in which the Secretarial Standards are in force, a few improvements in certain areas of compliances which are not material pursuant to the SS-1 and SS-2 is required to be made by the Company.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However certain updates are currently being carried on to the system, for monitoring labour law compliances.

We further report that, the compliance by the Company of applicable finance laws like Direct and Indirect tax laws has not been reviewed in this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda, 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.

As recorded in the minutes of the meeting and signed by the Chairman, the decisions of the Board of Directors or committee of the Board, as the case may be were unanimous and no dissenting views have been recorded.

We further report that during the audit period:

- (a) The Company has changed its name from Hydro S & S Industries to Kingfa Science & Technology (India) Limited during the financial year 2015-16.
- (b) The Company allotted 37,03,364 Equity Shares of Rs 10 each on rights basis on 28th October 2015 to the successful applicants as per allotment register.

For Lakshmmi Subramanian & Associates

Place : Chennai

P.S. SRINIVASAN

Date : 30/05/2016

Partner

ACS No. 1090

CP No. 3122

"Annexure A"

(To the Secretarial Audit Report of M/s. KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED for the financial year ended 31.03.2016)

To

The Members

KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED

Our Secretarial Audit Report for the financial year ended 31.3.2016 is to be read along with this Annexure A.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 basic to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basic for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our examination was limited to the verification of procedure on test basic.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

For Lakshmmi Subramanian & Associates

Place : Chennai

P.S. SRINIVASAN

Date : 30/05/2016

Partner

ACS No. 1090

CP No. 3122

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- | | | | |
|------|--|---|--|
| i) | CIN | : | L25209TN1983PLC010438 |
| ii) | Registration Date | : | 10th November, 1983 |
| iii) | Name of the Company | : | Kingfa Science & Technology (India) Limited
(formerly Hydro S & S Industries Limited) |
| iv) | Category/Sub-Category of the Company | : | Company Limited by Shares /
Indian Non-government Company |
| v) | Address of the Registered office and contact details | : | Dhun Building, III Floor, 827, Anna Salai, Chennai – 600 002.
Tel : +91 - 44 - 28521736, Fax : +91 - 44 - 28520420 |
| vi) | Whether listed company | : | Yes |
| vii) | Name, Address and Contact details of
Registrar and Transfer Agent, if any | : | M/s. Integrated Enterprises (India) Limited
2nd Floor, "Kences Towers", No. 1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai - 600 017.
Tel : +91 - 44 - 28140801 - 03, Fax No. : +91 - 44 - 28142479 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl.No.	Name and Description of main products / services	NIC Code of the Products / services	% to total turnover of the company
1	Modified Thermoplastics	22209	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Foreign Holding and Associate Companies

Sl. No.	Name and Address of the Company	CIN / GIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Kingfa Sci. & Tech. Co., Ltd. No. 33, Kefeng Road, Science City, Guangzhou Hi-Tech Industrial Development Zone Guangzhou, China 510663	--	Holding Company	74.99%	Section 2 (46)
2.	Shanghai Kingfa Sci And Tech Co. Ltd. No. 88, Kangyuan Road, Zhujiqiao Industry Zone, Qingpu, Shanghai, China – 201 714	--	Associate Company	--	Section 2(6)
3.	Jiangsu Kingfa Sci.&Tech.Advanced Material Co., Ltd. No.388, Xijiang Road Kunshan, Economic & Technological Development Zone, Jiangsu, China	--	Associate Company	--	Section 2(6)
4.	Hongkong Kingfa Development Co., Ltd. Flat / RM 1211 12 / F Wealth Comm Ctr Kwong Wa Street, Mongkok, Hong Kong	--	Associate Company	--	Section 2(6)
5.	Tianjin Kingfa Advanced Materials Co., Ltd No : 1 Wei 7 Road, Tianjin Airport Economical Area Tianjin, China	--	Associate Company	--	Section 2(6)

IV. Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Shareholding

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
a)	Individual/Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
b)	Central Government / State Governments	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total A(1)	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Foreign									
a)	Individual (Non resident Individuals / Foreign individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b)	Bodies Corporate	4805032	0	4805032	74.99	7582340	0	7582340	74.99	0.00
c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total A(2)	4805032	0	4805032	74.99	7582340	0	7582340	74.99	0.00
	Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	4805032	0	4805032	74.99	7582340	0	7582340	74.99	0.00
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
b)	Financial Institutions / Banks	0	200	200	0.00	0	200	200	0.00	0.00
c)	Central Government/ State Governments	0	0	0	0.00	0	0	0	0.00	0.00
d)	Venture capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
i)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total B(1)	0	200	200	0.00	0	200	200	0.00	0.00

(i) Category-wise Shareholding cont....

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
a)	Bodies Corporate	133938	929	134867	2.10	145127	929	146056	1.44	(0.66)
b)	Individuals									
(i)	Individual Shareholders holding Nominal Share Capital upto ₹ 1 Lakh	618145	150674	768819	12.00	841220	146733	987953	9.77	(2.23)
(ii)	Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 Lakh	513810	21588	535398	8.36	575820	21588	597408	5.91	(2.45)
c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
d)	Any other									
(i)	CLEARING MEMBER	831	0	831	0.01	690	0	690	0.01	0.00
(ii)	CORPORATE CM/TM - CLIENT MARGIN A/C	136397	0	136397	2.13	27269	0	27269	0.27	(1.86)
(iii)	CORPORATE CM/TM - CLIENT BENEFICIARY A/C	25121	0	25121	0.39	55674	0	55674	0.55	0.16
(iv)	INDIVIDUAL-MARGIN TRADING ACCOUNT	39	0	39	0.00	0	0	0	0.00	0.00
(v)	FOREIGN PORT FOLIO INVESTOR-CORPORATE	0	0	0	0.00	702798	0	702798	6.95	6.95
(vi)	LIMITED LIABILITY PARTNERSHIP	500	0	500	0.01	10180	0	10180	0.10	0.09
	Sub Total B(2)	1428781	173191	1601972	25.00	2358778	169250	2528028	25.00	0.00
	Total Public Shareholding (B) = (B)(1)+(B)(2)	1428781	173391	1602172	25.01	2358778	169450	2528228	25.01	0.00
	TOTAL (A) + (B)	6233813	173391	6407204	100.00	9941118	169450	10110568	100.00	0.00
C.	Shares held by Custodians and against which Depository Receipts have been issued									
1.	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2.	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	6233813	173391	6407204	100.00	9941118	169450	10110568	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares
1.	KINGFA SCI. AND TECH. CO. LTD	4805032	74.99	-	7582340	74.99	-
	TOTAL	4805032	74.99	-	7582340	74.99	-

(iii) Change in Promoters Shareholding

Particulars	Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
KINGFA SCI. AND TECH. CO. LTD PAN : AAFCK0816Q Opening Balance as on 01/04/2015 Date wise increase / Decrease in Promoters Shareholding during the year 06/11/2015 - Rights Issue Closing Balance as on 31/03/2016	4805032	74.99	2777308	27.47	7582340 7582340	74.99 74.99

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	HONGKONG VICTORY INVESTMENT CO LIMITED	0	0.000	690298	6.827
2.	V RAJKUMARI	100000	0.989	220400	2.180
3.	MITA DIPAK SHAH	56700	0.561	102200	1.011
4.	PARAM CAPITAL RESEARCH PVT LTD	50000	0.495	80000	0.791
5.	T UDAYARAJ	30546	0.302	50862	0.503
6.	HINA NITIN PARIKH	20000	0.198	41500	0.410
7.	VINOD KUMAR SHARMA	21000	0.208	30325	0.300
8.	DARSHAN DILIP BABOO	2370	0.023	35015	0.346
9.	AMIT GUNCHANDRA MEHTA	910	0.009	26690	0.264
10.	JHP SECURITIES PVT.LTD.	0	0.000	46503	0.460

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholding of each Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
DIRECTORS					
1.	Mr. Bo Jingen, Chairman and Managing Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
2.	Mr. Wu Xiaohui, Whole-time Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
3.	Mr. N.Subramanian, Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
4.	Ms. Kamana Srikanth, Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
5.	Mr. Dilip Dinkar Kulkarni, Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
6.	Mr. N.K.Ramaswamy, WTD / Chief Executive Officer				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

Sl. No.	Shareholding of each Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
KEY MANAGERIAL PERSONNEL					
1.	Mr. Xie Dongming, Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
2.	Mr.S.K.Subramanyan, Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14.3	7525.45	-	7539.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	45.58	-	45.58
Total (i+ii+iii)	14.3	7571.03	-	7585.33
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	14.3	5913.37	-	5927.67
Net Change	-14.3	-5913.37	-	-5927.67
Indebtedness at the end of the financial year				
i) Principal Amount	-	1591.87	-	1591.87
ii) Interest due but not paid	-	51.35	-	51.35
iii) Interest accrued but not due	-	14.44	-	14.44
Total (i+ii+iii)	-	1657.66	-	1657.66

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. Bo Jingen - MD (*)	Mr. Wu Xiaohui - WTD	Mr. N.K.Ramaswamy - WTD / CEO w.e.f. 13 th November, 2015	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	10.80	14.80	16.09	41.69
	(b) Value of perquisites u/s 17(2) Income -Tax Act, 1961	2.04	1.07	0.48	3.59
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	12.84	15.87	16.57	45.28
	Ceiling as per the Act				198.97

(*) Mr. Bo Jingen drew his salary from August, 2015.

B. Remuneration to other directors :

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. N. Subramanian	Ms. Kamana Srikanth	Mr. Dilip Dinkar Kulkarni	
1.	Independent Directors				
	- Fee for attending board / committee meetings	2.20	2.00	0.95	5.15
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total (1)	2.20	2.00	0.95	5.15
2.	Other Non-Executive Director	Mr. Nie Delin (@)			
	- Fee for attending board / committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	2.20	2.00	0.95	5.15
	Total Managerial Remuneration				5.15
	Overall Ceiling as per the Act				198.97

(@) Resigned w.e.f. 13/11/2015

C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO Mr. N.K. Ramaswamy (Upto 12th November, 2015)	Company Secretary Mr. S.K. Subramanyan	CFO Mr. Xie Dongming	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	26.74	23.27	13.80	63.81
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0.67	0.51	2.58	3.76
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	27.41	23.78	16.38	67.57

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority (RD/NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 621A(4)(a)	The Company failed to appoint Managing Director or Whole-time Director or Manager for the period from 03.07.2013 to 30.10.2014 and thus violated the provisions of Section 269(1) of the Act.	Rs.25,000/- each	CLB	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE - III

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, 2016 is given here below and forms part of the Directors' Report.

(A) CONSERVATION OF ENERGY**(a) Energy Conservation measures taken:**

1. Lower motor capacity Vibro-screen designed and installed with 2-HP reduction motor load in Puducherry Plant and Jejuri Plant.
2. New design air-knife (3-HP) installed instead of conventional air-knife-(5-HP) in Production Line of Puducherry Plant.
3. In the shop floor, tube lights were replaced with LED lights amounting to 60% of reduction of electricity power in Puducherry Plant.

(b) Additional measures taken for reduction of consumption of energy:

1. Products are redistributed among the line such that best throughput is achieved with the result of 3% energy reduction per ton of production in all Plants.
2. Installed Harmonic filter to improve power factor from 0.88 to 1.0 and also reduces MD, Losses & energy in Manesar Plant.

(B) TECHNOLOGY ABSORPTION**a. Research and Development (R & D):****(i) Specific areas in which R & D carried out by the Company**

Our key area of focus is to deliver the evolving requirements of the end-users of our material by developing newer formulations at optimal cost that would enable our end customers to produce great products. The requirements from the customers are material with greater strength, higher gloss, scratch resistant, environment friendly, processing flexibility among other requirements. Our R&D focus continues to develop grades which deliver these performance needs effectively and optimal cost.

(ii) Expenditure on R & D		(₹ in Lacs)
(a)	Capital	- 12.90
(b)	Recurring	- 176.64
Total		- 189.54

b. Technology Absorption, Adaptation and Innovation:

Process innovation and novel manufacturing methods have enabled us to stretch the application areas of our materials /grades. More controls and blending and mixing techniques introduced to stretch the properties and performance of our grades. This has been well received by our customers and we will continue to build and focus on this as we go forward.

c. Imported Technology : Not applicable**(C) FOREIGN EXCHANGE EARNINGS & OUTGO**

(₹ in Lacs)

Foreign Exchange Earnings	- 74.50
Foreign Exchange Outgo	- 11,194.95

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

The details of the above are given in the Notes forming part of Financial Statements.

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)	5.7:1
Mr. Wu Xiaohui (Whole-time Director)	5.4:1
Mr. N.K.Ramaswamy (WTD / Chief Executive Officer)	13.5:1

(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 25%.

(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 around 10%

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

The total number of permanent employees in the Company is 134 as of 31.03.2016.

(v) The explanation on the relationship between average increase in remuneration and company Performance

In view of the loss incurred during the FY 14 - 15, the average increase in the remuneration was tuned in line with the inflationary trend prevalent. The Company has a judicious and prudent approach to compensation and does not use compensation alone to attract and retain talent.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

The remuneration of Key Managerial Personnel is linked with the performance of the Company and their individual performance. In view of the loss incurred during FY 14 - 15, the remuneration increase was insignificant, whereas in the case of the exparte Directors, the increase was to meet the norms of remuneration prescribed for Employment Visa.

(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.

Particulars	31-Mar-16	31-Mar-15
Market capitalisation		
(in cr.)	565.89	155.37
Price Earning Ratio	41.30	-
Increase in the market		
quotations of the equity	207%	NA
shares in comparison to		
the rate at which the		
last public offer		
(rights issue) made in		

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial

year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for FY 2016 is around 9%, while the average increase in the remuneration of the Key Managerial Personnel is in the range of 0% to 25%

(ix) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the company:

Same as (vi) above

Particulars	% Remuneration to PAT
Managing Director	0.010%
Whole-time Director	0.015%
WTD / Chief Executive Officer	0.040%
Chief Financial Officer	0.015%
Company Secretary	0.023%

(x) The key parameters for any variable component of remuneration availed by the directors:

The remuneration paid to whole time Director is recommended by the Remuneration committee and approved by the Board. The Board and Committee of the Company looks into various parameter of Business and personal performance of Director before recommending the remuneration of director to the shareholder of the company for final approval as per Schedule V of the Companies Act 2013.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Chief Executive Officer is the highest paid KMP / Director. No employee received remuneration higher than the Chief Executive Officer.

(xii) 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

Chairman and Managing Director

Place : Chennai

Date : 30th May, 2016

CORPORATE GOVERNANCE REPORT

2) Board of Directors

The details of compliance is set out below:

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.

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.

Meetings

During the year 2015 - 16, the Board met 7 times on 12th May, 2015, 28th May, 2015, 10th August, 2015, 11th September, 2015, 13th November, 2015, 23rd January, 2016 and 21st March, 2016. The last AGM was held on 28th September, 2015.

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, 2016.

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	NI-EX	7	Yes	-	-	1	-
Mr. Wu Xiaohui	NI-EX	7	Yes	-	-	-	-
Mr. N.Subramanian	IN-NE	7	Yes	1	-	3	3
Ms. Kamana Srikanth	IN-NE	7	Yes	1	-	1	-
Mr. Dilip Dinkar Kulkarni (*)	IN-NE	4	Yes	-	-	1	-
Mr. N.K.Ramaswamy (#)	NI-EX	3	(#)	-	-	-	-
Mr. Nie Delin	NI-NE	-	No	Resigned effective from 13th November, 2015			

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

(*) Inducted from 28th August, 2015.

(#) Inducted from 13th November, 2015.

@ Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee have been included.
None of the Directors are related to each other.

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.
- significant developments in the industrial and human relations front.
- materially important show cause, demand and penalty notices and prosecutions, if any.
- 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.
- details of any joint venture or collaboration agreement.
- proposals for diversification, investment, disinvestments and restructuring; and
- non-compliance with any regulatory or statutory provision or listing requirements as well as shareholder services.

Familiarisation Programmes for Board Members

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 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) Regulations, 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 Audit Committee

The role of the 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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
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 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; and
 - vii. Qualifications 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, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. 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.
15. 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.

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 was reconstituted as under with effect from 13th November, 2015:

- A) Mr. N.Subramanian – Chairman from 13.11.2015
- B) Ms. Kamana Srikanth - Member
- C) Mr. Dilip Dinkar Kulkarni – Member from 13.11.2015
- D) Mr. Nie Delin - Member till 13.11.2015

Meetings

During the financial year 2015 - 16, five Audit Committee Meetings were held on 28th May, 2015, 10th August, 2015, 13th November, 2015, 22nd January, 2016 and 21st March, 2016.

Attendance

Name of Director	No. of Meetings Attended
Mr. N.Subramanian	5
Ms. Kamana Srikanth	5
Mr. Dilip Dinkar Kulkarni (Inducted from 28.08.2015)	2
Mr. Nie Delin (Resigned effective from 13.11.2015)	-

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.

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 meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013.

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 three Directors, two of whom are Independent.

The composition of the Nomination and Remuneration Committee was reconstituted as under with effect from 13th November, 2015:

- A) Mr. N.Subramanian – Chairman from 13.11.2015
- B) Ms. Kamana Srikanth - Member
- C) Mr. Bo Jingen – Member from 13.11.2015
- D) Mr. Nie Delin - Member till 13.11.2015

Meetings

During the financial year 2015 - 16, two meeting of the Nomination and Remuneration Committee was held on 28th August, 2015 and 13th November, 2015.

Attendance

Name of Director	No. of Meetings Attended
Mr. N.Subramanian	2
Ms. Kamana Srikanth	2
Mr. Nie Delin (Resigned effective from 13.11.2015)	-

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.

Remuneration of Directors

The compensation of the Managing Director / Whole-time Directors comprises of a fixed component 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 and Mr. Wu Xiaohui as Whole-time Director expires on February 26, 2017 and both of them have consented to retire by rotation.

The term of office of Mr. N.K.Ramaswamy as a Whole-time Director, designated as Chief Executive Officer expires on November 12, 2018 and have 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	₹ 20,000/-
Audit Committee Meetings	₹ 10,000/-
Nomination and Remuneration Committee Meetings	₹ 10,000/-
Stakeholder Relationship Committee Meetings	₹ 5,000/-
Corporate Social Responsibility Committee Meetings	₹ 5,000/-

The details of the remuneration paid / payable to the Directors for the year 2015 - 16 together with sitting fees paid and the shareholding held by the Non Executive Directors as on 31st March, 2016 are as under:

Managing Director / Whole-time Directors

(₹ in Lacs)

Name of Director	Salary	Commission	Performance Incentive	Perks	Total
Mr.Bo Jingen (*)	10.80	-	-	1.62	12.42
Mr.Wu Xiaohui	14.80	-	-	0.50	15.30
Mr.N.K.Ramaswamy (@)	16.09	-	-	0.48	16.57

(*) w.e.f August, 2015

(@) w.e.f November, 2015

Non-Executive Directors

Name of Director	Sitting fees paid for Board and Committee Meetings (₹ in Lacs)	Commission (₹)	Shares held in the Company (Nos.)
Mr. N.Subramanian	2.20	Nil	Nil
Ms. Kamana Srikanth	2.00	Nil	Nil
Mr. Dilip Dinkar Kulkarni (*)	0.95	Nil	Nil
Mr. Nie Delin (#)	-	Nil	Nil

(*) Inducted from 28.08.2015

(#) Resigned effective from 13.11.2015

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.

5) Stakeholder Relationship Committee

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 was reconstituted as under with effect from 13th November, 2015:

- A) Mr. N.Subramanian – Chairman from 13.11.2015
- B) Mr. Bo Jingen – Member
- C) Mr. Nie Delin - Chairman till 13.11.2015

The Compliance Officer is Mr. S.K. Subramanyan, 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.

During the year 2015 - 16, the Stakeholder Relationship Committee met two times on 22nd January, 2016 and 21st March, 2016.

Attendance

Name of Director	No. of Meetings Attended
Mr. N.Subramanian	2
Mr. Bo Jingen	2

The Company confirms that there were no share transfers pending for approval as on 31st March, 2016 and all requests for de-materialization and re-materialization as on that date were confirmed / rejected through NSDL / CDSL system.

During the year 2015 - 16, the Company received 15 complaints from the investors and all of them were resolved to the satisfaction of the investors concerned. There are no complaints pending to be resolved as on 31st March, 2016.

During the financial year 2015 - 16, one meeting of the Rights Issue Committee was held on 28th October, 2015.

Attendance

Name of Director	No. of Meetings Attended
Mr. N.Subramanian	1
Mr. Bo Jingen	1
Ms. Kamana Srikanth	-

6) Corporate Social Responsibility Committee

As required under Section 135 of the Companies Act, 2013 the Company has formed a Corporate Social Responsibility Committee consisting of the following Members.

- A) Mr. Dilip Dinkar Kulkarni – Chairman
- B) Mr. N.K.Ramaswamy - Member
- C) Mr. Wu Xiaohui - Member

The Committee met one time during the financial year 2015 – 16 on 22nd January, 2016 and it was attended by all the three Members.

7) 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
31.03.2015	28.09.2015	10.15 a.m.	Raj Park Chennai, 'Summit Hall', 180, T.T.K.Road, Alwarpet, Chennai – 600 018.
31.03.2014	25.07.2014	10.15 a.m.	Narada Gana Sabha, "Mini Hall" No. 314 (Old No.254), T.T.K. Road, Chennai – 600 018.
31.03.2013	18.09.2013	10.00 a.m.	Narada Gana Sabha, "Mini Hall" No.314 (Old No.254), T.T.K. Road, Chennai – 600 018.

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

I. At the 31st Annual General Meeting held on 28th September, 2015.

- a) Re-appointment of Mr. Bo Jingen as Managing Director for a period of 3 years with effect from February 27, 2014.
- b) Re-appointment of Mr. Wu Xiaohui as Whole-time Director for a period of 3 years with effect from February 27, 2014.

II. At the 30th Annual General Meeting held on 25th July, 2014.

- a) Borrowing an amount not exceeding ₹ 150,00,00,000/-.
- b) Intimation to BIFR regarding erosion of more than fifty percent of its peak net worth.
- c) Preferential Allotment of Equity Shares

III. At the 29th Annual General Meeting held on 18th September, 2013.

- a) Appointment of Mr. Bo Jingen as Managing Director for a period of three years with effect from 3rd July, 2013.
- b) Appointment of Mr.Wu Xiaohui as Whole-time Director for a period of three years with effect from 3rd July, 2013.

(C) Postal Ballot

During the year under review, three special resolutions and one ordinary resolution were passed by postal ballot, the details of which are as follows:-

- 1) Special Resolution for Approval for change of the name of the Company from "Hydro S & S Industries Limited" to "Kingfa Science & Technology (India) Limited" and consequent alteration to Memorandum of Association and Articles of Association of the Company.
- 2) Ordinary Resolution for Approval for appointment of Mr.N.K.Ramaswamy as a Director of the Company.
- 3) Special Resolution for Approval for appointment of Mr.N.K.Ramaswamy as a Whole-time Director of the Company, designated as Chief Executive Officer.
- 4) Special Resolution for Authorisation to vary/ enlarge the terms of offer made for rights issue relating only to the Object of the issue and Utilisation of proceeds.

Mr.P.S.Srinivasan, Practising Company Secretary was appointed as Scrutinizer for the Postal Ballot. The result of the Postal Ballot was declared on February 01, 2016 and the same was posted in the Company's website www.kingfaindia.com and also intimated to the BSE Limited.

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

(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.

8) 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 Note No. 28 forming part of Financial Statements.

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.

✦ 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 (Insider Trading), Regulations.

This code is applicable to all Directors and Designated Employees having access to unpublished price sensitive information.

✦ 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. Adoption of non-mandatory requirements is being reviewed by the Board from time-to-time.

9) Means of Communication

- | | |
|--|---|
| 1. Quarterly Results | : Communicated through advertisement in newspapers. |
| 2. Newspapers wherein results normally published | : Financial Express (English) and Maalai Sudar (Tamil). |
| 3. Any Website where displayed | : www.kingfaindia.com , www.bseindia.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.

10) General Shareholder Information

- | | |
|---------------------------|--|
| a) Registered Office | : Dhun Building, III Floor, 827, Anna Salai, Chennai - 600 002. |
| b) Annual General Meeting | : |
| Day | : Details are given in the notice of the Annual General Meeting which is forming part of the Annual Report of the Company. |
| Date | |
| Time | |
| Venue | |

c) **Financial Year** : 1st April to 31st March

d) **Financial Calendar for 2016-2017** :
(tentative schedule excluding Extraordinary
General Meeting(s) if any)

First Quarter Results (30th June, 2016)	on or before August 14, 2016
Second Quarter Results (30th September, 2016)	on or before November 14, 2016
Third Quarter Results (31st December, 2016)	on or before February 14, 2017
Fourth Quarter Results (31st March, 2017)	before end of May, 2017
Annual General Meeting (2016-2017)	In accordance with Companies Act, 2013

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** :
BSE Limited (BSE) Scrip Code - 524019
Phiroze Jeejeebhoy Towers, Scrip ID - KINGFA
Dalal Street, Mumbai - 400 001.

Demat ISIN No. for CDSL and NSDL is INE473D01015.

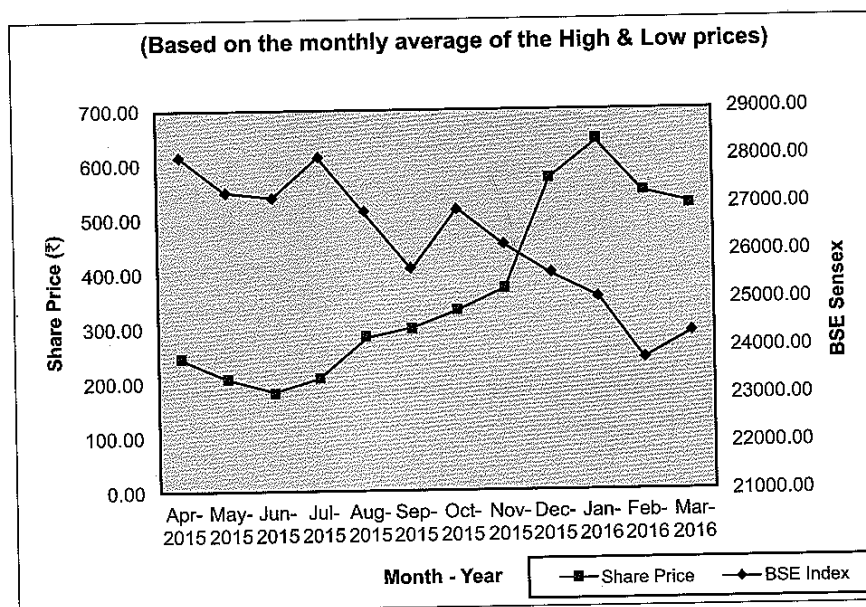
The Listing fees to BSE have been paid upto date.

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

(in ₹)

Month	Year	BSE Limited	
		High	Low
April	2015	289.00	195.00
May	2015	232.00	177.10
June	2015	203.90	153.00
July	2015	246.70	164.80
August	2015	335.00	227.00
September	2015	327.00	265.00
October	2015	380.00	278.90
November	2015	426.00	309.00
December	2015	749.00	390.00
January	2016	764.00	514.00
February	2016	650.00	441.00
March	2016	594.00	450.00

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



j) **Registrar & Share Transfer Agent** : M/s. Integrated Enterprises (India) 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, Vice President

k) **Share Transfer System**

1. Transfer of the shares held in electronic form are done through the depositories by the share transfer agent.
2. Transfer of shares in the physical form are done 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 one month of their lodgement and sent to BSE Limited.
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 BSE Limited.

i) Distribution of Shareholding and Shareholding Pattern as on 31.03.2016.

i) Distribution of Shareholding

CATEGORY	SHAREHOLDERS		SHARES	
	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
Upto 2500	4645	98.12	715079	7.07
2501 - 5000	39	0.82	134686	1.33
5001 - 10000	29	0.61	206753	2.04
10001 - 20000	8	0.17	115005	1.14
20001 - 30000	3	0.06	70624	0.70
30001 - 40000	3	0.06	105180	1.04
40001 - 50000	2	0.04	88003	0.87
50001 - 100000	1	0.02	80000	0.79
100000 & above	4	0.08	8595238	85.01
TOTAL	4734	100.00	10110568	100.00

ii) Shareholding Pattern

CATEGORY	HOLDERS	SHARES	VOTING STRENGTH (PERCENTAGE)
Promoter	1	7582340	74.99
Non - Resident Individuals / OCBs	128	68936	0.68
Foreign Port Folio Investor - Corporate	2	702798	6.95
Bodies Corporate	99	146056	1.45
FIs / Mutual Funds/Banks	1	200	0.00
Resident Individuals	4455	1516425	15.00
Others	48	93813	0.93
Total	4734	10110568	100.00

m) Dematerialisation of Shares & Liquidity

The shares of the Company can be held and traded in electronic form. As on March 31, 2016, 98.28% of the Company's total equity shares representing 99,41,118 shares were held in dematerialised form and the balance 1.67% representing 1,69,450 shares in the physical form.

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

- Nil

o) Plant Locations :

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

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

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

Plot No.15C, SIPCOT Industrial Complex,
Pudukkottai - 622 002.
- Modified Thermoplastics

p) Address for Correspondence**(i) Share related matters :**

M/s.Integrated Enterprises (India) 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, Vice President

(ii) Other matters :

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

For and on behalf of the Board of Directors**BO JINGEN****Chairman and Managing Director**

Place : Chennai

Date : 30th May, 2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**TO THE MEMBERS OF KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED**

We have examined the compliance of conditions of corporate Governance by Kingfa Science & Technology (India) Limited for the year ended 31st March, 2016, as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchange for the period 1st April 2015 to 30th November, 2015 and as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 ("Listing regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March, 2016.

The compliance of regulations 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 regulations of 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 regulations of Corporate Governance as stipulated in the above mentioned Listing Agreements/Listing Regulations, as applicable.

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.

for M/s. P. SRINIVASAN & CO.,
Chartered Accountants
(Firm Registration No. : 004054S)

CA. P. SRINIVASAN

Partner

Membership No. 002090

Place : Chennai
Date : 30th May, 2016

CEO / CFO Certification

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, we have certified to the Board that for the financial year ended March 31, 2016, the Company has complied with the requirements of the said Regulation.

for Kingfa Science & Technology (India) Limited,

Place : Chennai
Date : 30th May, 2016

BO JINGEN
Chairman and Managing Director

XIE DONGMING
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**A) INTRODUCTION**

This report addresses the Management's perception of current business and market environment, opportunities available and challenges imminent and foreseen while analysing the performance of the company for the year under review. The report also provides a summary of the control and counter measures and also Human Resources development plan. The report should be read in conjunction with the Director's report to the shareholders, financial statements and other notes included in the Annual report.

B) ECONOMIC SCENARIO

This year's Economic Survey comes at a time of unusual volatility in the international economic environment. Markets have begun to swing on fears that the global recovery may be faltering, while risks of extreme events are rising.

Amidst this gloomy landscape, India stands out as a haven of stability and an outpost of opportunity. Its macro-economy is stable, founded on the government's commitment to fiscal consolidation and low inflation. Its economic growth is amongst the highest in the world, helped by a reorientation of government spending toward needed public infrastructure. These achievements are remarkable not least because they have been accomplished in the face of global headwinds and a second successive season of poor rainfall.

The task now is to sustain them in an even more difficult global environment. This will require careful economic management. As regards monetary and liquidity policy, the benign outlook for inflation, widening output gaps, the uncertainty about the growth outlook and the over-indebtedness of the corporate sector all imply that there is room for easing. Fiscal consolidation continues to be vital, and will need to maintain credibility and

reduce debt, in an uncertain global environment, while sustaining growth.

On the government's "reform to-transform" agenda, a series of measures, each incremental but collectively meaningful have been enacted. There have also been some disappointments—especially the Goods and Services Tax—which need to be retrieved going forward. Accelerated structural reforms at the Centre, the dynamism of competitive federalism, and good economics being good politics could all combine to maintain the fundamental promise that is India. For now, but not indefinitely, the sweet spot created by a strong political mandate but, recalibrated to take account of a weaker external environment, is still beckoningly.

C) INDUSTRY STRUCTURE AND DEVELOPMENTS

The manufacturing sector witnessed a much better year lead by automotive with increase in volumes of all passenger cars, 2 wheelers and also commercial vehicles across segments and markets. The regular drop in fuel prices did see increased buying of vehicles and the passenger car production grew by around 6% year on year which was coming on back of almost 3 years of flat to marginal growth. Our business volumes grew by over 50% during the period thanks to some key initiatives and strong actions on the ground. Our sustained focus on all Automotive OEM's across the country, other industries likes Home appliances like Air Conditioners, Washing Machines, Small Appliances, LED and CF Lighting have started yielding results and reducing our risks due to industry cycles. Our product offering range increased with support from our HQ allowing us to gain entry and access to other industry like lighting, electronics, power storage devices etc. Our expanded sales team was able to reach out more into the market and cater to markets and customers that were not serviced earlier.

Automotive Industry in India

Category	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Passenger Vehicles	25,01,542	26,29,839	26,65,015	25,03,509	26,01,236	27,89,678
Commercial Vehicles	6,84,905	8,09,499	7,93,211	6,32,851	6,14,948	6,85,704
Three Wheelers	5,26,024	5,13,281	5,38,290	4,80,085	5,32,626	5,38,092
Two Wheelers	1,17,68,910	1,34,09,150	1,37,97,185	1,48,06,778	1,59,75,561	1,64,55,911
Grand Total	15,481,381	17,361,769	17,793,701	18,423,223	19,724,371	20,469,385
Y-O-Y Growth		12.1%	2.5%	3.5%	7.1%	3.8%

Courtesy - SIAM Data

D) COMPANY PERFORMANCE

As detailed earlier the passenger car manufacturing showed an modest improvement of around 6% year on year. Our focussed efforts on additional market share at existing customers and new business from OEM's enabled us to record a growth of over 50% in volumes. Actions taken in the previous year of additional resources in the front end and technical department, aggressive and decisive approach in the market place started reflecting in our sales volume during the year and your company delivered significantly much higher growth than its peers in the market.

1) Operations

Our volumes went up by over 50% thanks to focus on improved efficiency, focus on value added grades and business. With quick pricing actions and also expanding Engineering plastics business we were able to gain efficiency of scale. In keeping with our growth we have initiated and completed expansion of 2 lines in Puducherry and expansion of existing facility in Pune is nearing completion. These actions would enable us to ride on the MAKE IN INDIA initiative which is focussed on leap forging manufacturing growth in India in coming years.

Raw material prices remained supportive for better part of the year, however prices have started firming up in the last quarter with prices going up by almost 20% from the levels as of 1/1/2016. With our actions on sourcing and inventory management we were able to reduce the impact of the same in our profitability.

2) Marketing Initiatives

In the automotive industry where the focus is on fuel economy, the weight reduction initiatives play an important role. Any option to make the components lighter in weight will reduce the weight of the vehicle leading to fuel efficiency. Realising this need, your company worked on material solutions that will help in reducing the thickness of key components of vehicles such as 'Bumpers' and 'Instrument panels'. Our grades offering the possibility of moulding at lower wall thickness has been received well by the auto industry.

During the year your company commenced business to one of the major OEMs based on new approvals obtained for our grades. Efforts are on to complete approvals with two more major OEMs in the coming year.

We have started conducting in-house Tech-show at the premises of major OEMs to show case the technical capabilities and material solutions offered by your company. This initiative helped employees of OEMs at all levels to understand the value propositions offered by your company and helped them initiate VAVE proposals to keep their cost under control. This has been well received by the industry and similar programs are being extended to OEMs in other segments as well.

With a view to mitigate the risks on being dependent only on the automotive industry steps were initiated to make entries into other industry segments, notably appliances, lighting, electrical and electronics industries.

Our focus on appliance segment is yielding some movement with major washing machine, air conditioner, television, lighting, Miniature circuit breakers and other manufacturers now working with us for development of material solutions. We are happy to inform that we have already become the supplier of choice for leading LED/CFL lamp manufacturers in India. Our new material solution to the Lighting industry was also well received by the market.

Your company successfully implemented material solutions for enclosures to the home water heater industry. This is being extended to other segments as well.

Your company has also been successful in servicing Air conditioner industry by offering high end engineering plastics manufactured at the HQ and made available to the industry through local warehouses at strategic locations.

Keeping in mind the need for rationalizing the packaging in line with the end user industry's needs, your company has started offering materials in bulk packaging for mass handling of raw material with ease at customer's end. This has been well received and more customers are showing interest in availing this packaging solution to optimize their material handling.

3) Technology Initiatives

One of the key to success in the market place is the cost of formulation and manufacturing. Formulation optimization, with help from R&D at our HQ in China, sourcing efficiency coupled with newer testing initiatives helped us further optimize our cost of production.

Realigning production process and increased productivity also helped us to reduce significantly our overheads.

In FY 2015, based on the local market demand, Kingfa India continued to take aggressive efforts to increase the market share. Also, company tool efforts to develop new products there by create a new market. With the market and technical support from Kingfa headquarter, Kingfa India took full advantage of market reputation it had in the Indian compounding business and offered high quality with competitive price to the market. While Kingfa not the only raw material supplier, it shared its value added service to customer which is tailored for the customer. In the circumstance of the drastically changing customer requirements, Kingfa India increased the expenditure in research and development, extended the investigation scope and depth of the compounding technology, which Kingfa India believe can create better high quality and timely service to our customer and seize the market share by service and quality of the product, and drive the growth by innovation in Technology.

Considering growth of India economy and lower penetration of cars in indian population, we believe that the automotive market will have a quantum leap in the future as owning a car is considered as a necessity now. Most of the OEMs are present in India market and take efforts to increase the market size by bringing new models and features and it is expected to reach 4 million. These OEMs catch the opportunity in fast growing India economy and release new models which offer higher value added/higher quality vehicles to market. New configurations for safety/comfort/entertainment will be popular in future, like ABS / airbag / ESP / Car theater / sky frame / ambient lighting. All the above news and requirements call for supply of raw materials which need to meet stringent part quality requirements and higher spend on R&D.

From the other side, light weight vehicles and environmental friendly are the main development trend for automotive industries. How to reduce the total weight of vehicles becomes the key effective measurement to reduce the emission and increase the fuel efficiency. Some investigations showed, per 100kg weight reduction in weight of the vehicle will lead to mileage per liter increase 5% to 10%, while reduce the carbon dioxide emission by 5g per kilometer. Modified plastics or compounding as

an effective material for weight reduction will attract more and more application in the future model design.

In FY 2015, with some joint work of the local OEMs, Kingfa India developed a series of new materials for automotive business under the support of Headquarter of Kingfa. These materials composed one complete solution to the OEMs which can reduce the design cost and increase the efficiency in development stage. All the technology covers the following new materials: high flow and low density compound for bumper with good esthetics surface/ high stiffness door trim material with lower density/good esthetics instrument panel which can be used for airbag / soft touching material/Long glass fiber reinforced materials for structural part and many types of engineering materials used for under the hood. Meanwhile, Kingfa also explored the new materials to reduce the environmental burden by its technology, such as painting free materials by mold in color/ metal replaced by plastics/ metallic finished surface. All of above materials have wide application in the interiors and exteriors of automotive business. These technology can contribute not only the weight reduction, but also the reduction of organic solvent which will have potential risk to the environmental, and above technologies make it easy to recycle once the ending the life cycle of the vehicles.

By introduction these new technology, the market share of Kingfa India increased step by step, and the more important thing is gaining better market reputations among the OEMs. As the result in 2015, Kingfa India has increased its business share in the majority of the global OEMs like Ford/Nissan/VW/GM. Kingfa India was nominated the important future programs and models, which set up a very stable foundation to its growth in next several years. At the same time, Kingfa India also strengthened its cooperation with India local OEMs such as TATA / Mahindra on the important and future products.

Few OEM's made India as manufacturing base especially small cars which could result in higher exports and the new ambitious plan of Mr. Modi's "make in India" also attracting investment into India promoting local manufacturing.

With Indian population preparing to spend more, the chance of higher growth in Home appliances such as TV/small home equipment like cooker/white home appliance such as washing

machine/electric and electricals will become more and more. Since the local demand is huge and current most of them are imported, it can be seen these market will increase sharply. More and more makers will enter India market and existing ones will expand their capacity to catch the opportunity.

Kingfa India made enough homework on this shift. Under the support of headquarter, Kingfa India started the contact with the manufactures in advance, and successfully localized some important grades. Kingfa India developed flame retardant resins/glass fiber reinforced/heat resistant/anti static/high flow and high stiffness frame materials. Some of the above grades were the only locally approved source for customers, which can give them short lead time and better service. Bulk supplies already started for important customers such as Philips / Schneider / Whirlpool / LG / Videocon / FCI / Micromax.

4) HR & IR

Skill set mapping of our Technical and Sales personnel followed by relevant training to expose them to newer technologies and 'Change' initiatives created a team that can take on the growth initiatives strongly. Exposure to newer Techniques at our HQ in China to prepared them well to handle the latest demands from our customers and OEMs. Such focused efforts helped the team to horizontally deploy approvals in China to OEMs in India. We are seeing the benefits of this in newer business from OEMs.

All personnel across levels provided with training and tools to be able to be part of the company's growth focus and be prepared to take on and adapt to the market challenges as they evolve. Continuous Communications on the challenges foreseen, actions being initiated, rewards initiatives have increased the urgency across the organisation and also being reflected in our growth.

5) Business Opportunity

One of the key initiatives was building our capabilities to be able to grow more than the market trend by investing in capacity and people. The initiative has put us in the right place for able to take on the upswing in manufacturing.

We are also in the process of setting up a new world class manufacturing capability and Technical Centre in Pune. This would provide is new material development and design capabilities expanding our market base and application areas.

In addition to automotive industry our focus has shifted to home appliances like washing machines, Air conditioners, electronic Coolers, UPS, Lighting and other industries. We are now working with leaders in various industries on new material solutions.

Contemporary PP grades, new sources and new raw material inputs with optimised planning and production process in tune with market demands have enabled us to gain and stay ahead of the market.

E) RISKS AND CONCERNS

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 cyclical in nature and dependent on lot of factors and also the capability of customers to spend. With Manufacturing being in focus under MAKE IN INDIA initiative is expected to improve manufacturing significantly. We are monitoring the same for all the focus industries and reviewing our actions and initiatives to be in line with market demands. We are expanding our industry engagement and product offering to electrical, home appliances, lighting, mass transportation to reduce the risk.

Financial Risks

We are faced with the usual business financial risks. Receivables and Inventory management are given due focus to ensure optimal working capital management and ensure we manage our cash flow positively. Both receivables and inventory management are dynamic and based on lean principles but with the basic fundamentals to ensure we are able to ride on customers upswing or variations in plan. Robust and regular reviews across multiple levels are the order of the day to ensure we are in control of the situation.

We are on in petroleum downstream industry and our key raw material inputs are derivatives from Petroleum. Price volatility and prices are not in our control. The company mitigates this risk by having multiple options and sources to reduce the over-all impact.

With support from HQ we have been able to reduce our overall interest cost. However being in an short cycle industry the focus remains in receivables management and creditors management.

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 panned 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 are also working looking at exporting our products to south east Asia, South America, and South Africa. Our potential customers have shown keen interest and we are confident that we should be able to establish a sizeable volume here in the near future.
- 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.
- iv) Based on the advice received from the Forex advisories and also report on dollar views, hedging decisions are taken to hedge the foreign exchange exposures. This to a certain extent helped in mitigating the adverse currency fluctuation.

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.

Your company's exposure to passenger car segment is still significant and has potential risk of recession which could lead to drop in car production. We have factored this in our plans and have already started and continuing our efforts to expand our presence in markets like domestic appliances like AC, Washing Machine, Electronic Coolers, Electrical and electronics, telecom, UPS, mass transportation which would reduce our over all dependence on passenger car segment. With the specifications across industry becoming global the demands from the market place is expected to become more challenging and stretched. We are confident that we would be able to raise to these new challenges. We are also equipping our team with the necessary skills and tools to meet the new demands.

F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The objective of the internal control systems is to ensure optimal use of resources, safeguard the Company's assets, exercise control, and minimise system deficiencies and weaknesses. Internal Audit is carried out by an independent professional audit firm to review all aspects of the internal control system and adherence to policies and procedures. The Audit Committee of the Board of Directors reviews the internal audit reports and

the implementation of corrective actions and also addresses all aspects of the Company's functioning from this perspective as required under SEBI and Company Law guidelines.

G) FINANCIAL PERFORMANCE OF THE COMPANY

Revenues

Sales revenue of the company grew by 44% over the previous year, whilst the volumes grew by 50%. The average selling price reflects some reduction in view of the lower PP prices for most of the year necessitating passing on some discounts.

Engineering Plastic compounds clocked a sale of approx. 1300 MT in the first full year of operations since its launch. Sales of Engineering Plastics now constitutes approx. 7 % of the company turnover.

The Agency agreement with M/s. TOSAF Compounds Ltd was mutually terminated w.e.f June 2015 and hence the commission income on such sales shows a reduction as compared to the previous year. However a one - time non compete fee of ₹ 37.50 lacs was received from them during termination.

The moneys received towards the Rights issue were gainfully deployed and earned some interest of ₹ 90 lacs during the year.

Input costs

There was an overall reduction of 2% in the input costs during the year, reflecting the benign commodity prices prevailing as also the efforts put in towards tighter negotiations with suppliers as also optimizing the formulations.

Tight control on the overheads helped in spreading the same over a larger volume which benefitted the overall cost of production.

Financial costs

Reduction in interest rates negotiated with the Bankers helped in savings in the interest cost, whilst the Moneys received towards the Rights issue was used to repay the short term borrowing from the Banks and this helped save on interest costs during the second half of the year.

However the depreciating Rupee made provisioning for currency devaluation towards the outstanding ECB loan from parent KINGFA necessary.

Higher level of Working capital necessitated was managed thro 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 increases

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 and other crude oil based inputs.

- b) New commercial vehicles call for increased usage of PP compounds 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 broaden its product offerings into other segments of manufacturing, viz, Electrical, Powertools, Appliances through aggressive marketing and also offer products higher in the value chain (viz. Engineering Plastics).

The overall outlook looks promising with the hope of stable Government at the Centre.

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. I confirm that the Company has, in respect of the Financial year ended 31st March, 2016, 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.

Place : Chennai

Date : 30th May, 2016

BO JINGEN

Chairman and Managing Director

**Independent Auditor's Report To the Members
of Kingfa Science & Technology (India) Limited
(Formerly Hydro S & S Industries Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of KINGFA SCIENCE & TECHNOLOGY (INDIA) LIMITED (FORMERLY HYDRO S&S INDUSTRIES LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements

Opinion

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 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, 2016, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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.
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 purpose 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 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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. 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 No. 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of
P. Srinivasan & Co.,
Chartered Accountants
FRM : 004054S

Place: Chennai

Date : 30.05.2016

P. Srinivasan
Partner
M. No: 02090

**"ANNEXURE A" TO THE INDEPENDENT
 AUDITORS' REPORT**

Referred to in paragraph 8 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at the end of the financial year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- c) According to the information and explanations given and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- ii) (a) As explained to us, inventories held by the Company were physically verified during the year at reasonable intervals by the management.
- (b) In our opinion and according to the information and explanations given to us, the discrepancies noticed on physical verification of the inventory as compared to books records has been properly dealt with in the books of account and were not material.
- iii) In our opinion and according to the information and explanations given to us, 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.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are applicable.
- vi) According to the records produced and the information and explanations given to us, the cost records prescribed by the Central Government under sub-section 1 of section 148 of the Companies Act are being prima facie maintained by the Company. We have broadly reviewed the cost records maintained by the company.
- vii) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues applicable to it, with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above which are outstanding as at March 31, 2016 for a period of more than six months from the date they become payable.

- (b) On the basis of audit procedures and on the information and explanations given to us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except the following pending in appeals:
- (i) Income tax of Rs.37.82 lakhs before the first appellate authority
 - (ii) Customs duty of Rs.26.78 lakhs before the first appellate authority
 - (iii) Sales tax of Rs.56.87 before the first appellate authority and
 - (iv) Central Excise and Service tax before the first appellate authority Rs.19.85 lakhs.
- viii) On the basis of records produced and in our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of the dues to bank. The Company has not availed borrowing facilities from financial institution, Government or issued any debentures.
- ix) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. However, the Company made rights issue during the year under audit. In our opinion and on the basis of the audit procedures performed and the information and explanations given by the management, the moneys raised by the Company through its rights offer were applied for the purposes for which they were raised.
- x) On the basis of the audit procedures carried out by us and information and explanations given by the management, we state that no material fraud on or by the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) On the basis of the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii) In our opinion, the Company is not a Nidhi Company and therefore the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) In our opinion, on the basis of the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

for **P. SRINIVASAN & CO.**
Chartered Accountants
Firm No. 004054S

Place : Chennai
 Date : 30th May 2016

(P. Srinivasan)
Partner

Membership No. : 02090

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Kingfa Science & Technology (India) Limited (Formerly Hydro S&S Industries Limited) Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kingfa Science & Technology (India) Limited (Formerly Hydro S&S Industries Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control 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 over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for and on behalf of

P. Srinivasan & Co.,
Chartered Accountants
FRN: 004054S

Place : Chennai

Date : 30.05.2016

P. Srinivasan
Partner

BALANCE SHEET AS AT MARCH 31, 2016

(₹ in Lacs)

	Note No.	As at March 31, 2016	As at March 31, 2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			640.72
(a) Share Capital	1	1,011.06	
(b) Reserves and Surplus	2	10,931.68	175.57
2 Non - Current Liabilities			1,505.27
(a) Long - term borrowings	3	1,591.87	(441.36)
(b) Deferred tax liabilities (Net)	4	15.96	8.50
(c) Other long term liabilities	5	8.50	18.59
(d) Long - term provisions	6	14.02	
3 Current liabilities			6,023.27
(a) Short - term borrowings	7	-	3,589.95
(b) Trade payables	8	8,900.89	451.36
(c) Other current liabilities	9	543.19	58.96
(d) Short - term provisions	10	9.21	
TOTAL		23,026.38	12,030.83
II ASSETS			
1 Non - current assets:			
(a) Fixed Assets	11		2,486.83
(i) Tangible Assets		2,882.85	2.33
(ii) Intangible Assets		1.28	64.39
(iii) Capital work-in-progress		4,133.64	133.01
(b) Long term loans and advances	12	215.18	
2 Current assets			3,197.52
(a) Inventories	13	5,929.85	5,593.63
(b) Trade Receivables	14	8,526.05	31.66
(c) Cash and Cash equivalents	15	651.03	521.47
(d) Short-term loans and advances	16	686.50	
TOTAL		23,026.38	12,030.83

See accompanying Notes forming part of financial statements

As per our Report of even date
For **M/s. P. SRINIVASAN & Co.**
Chartered Accountants

CA. P. SRINIVASAN
Partner
Membership No.: 02090
FRN:004054S

N.K. RAMASWAMY
Director

BO JINGEN
Chairman & Managing Director

XIE DONGMING
Chief Financial Officer

S.K. SUBRAMANYAN
Company Secretary

Place : Chennai
Date : 30/05/2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

			(₹ in Lacs)
	Note No.	As at March 31, 2016	As at March 31, 2015
I Revenue from operations (Gross)	17	35,599.51	24,680.58
Less: Excise duty		4,182.70	2,801.34
Revenue from operations (Net)		31,416.81	21,879.24
II Other Income	18	89.34	12.65
III Total revenue (I+II)		31,506.15	21,891.89
IV Expenses			
Cost of materials consumed	19	25,185.46	17,772.52
Purchases of stock-in-trade	20	896.60	736.72
Changes in inventories of finished goods and work-in-progress	21	(562.77)	(334.77)
Employee benefits expense	22	935.05	811.71
Finance costs	23	720.98	812.33
Depreciation and amortisation expense		293.93	314.18
Other expenses	24	2,298.52	2,247.54
Total Expenses		29,767.77	22,360.23
V Profit/(Loss) before exceptional and extraordinary items and tax (III- IV)		1,738.38	(468.35)
VI Exceptional items		-	-
VII Profit/(Loss) before extraordinary Items and tax (V-VI)		1,738.38	(468.35)
VIII Extraordinary items		-	-
IX Profit/(Loss) before tax (VII-VIII)		1,738.38	(468.35)
X Tax expenses			
1. Current tax		201.11	-
2. Deferred tax		457.32	(164.14)
		658.43	(164.14)
XI Profit/(Loss) for the year (IX-X)		1,079.95	(304.21)
XII Earnings per Equity Share			
1. Basic		13.55	(4.75)
2. Diluted		13.55	(4.75)

See accompanying Notes forming part of financial statements

As per our Report of even date

For M/s. P. SRINIVASAN & Co.

Chartered Accountants

CA. P. SRINIVASAN

Partner

Membership No.: 02090

FRN:004054S

Place : Chennai

Date : 30/05/2016

N.K. RAMASWAMY

Director

XIE DONGMING

Chief Financial Officer

BO JINGEN

Chairman & Managing Director

S.K. SUBRAMANYAN

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

		Current Year	Previous Year
A. Cash Flow arising from Operating Activities			
Net Profit before Tax and Extraordinary Items		1,738.38	(468.35)
Add :			
a) Depreciation and amortisation expense	293.93	314.18	
b) Finance costs paid	720.98	812.33	
c) Loss on sale of fixed asset	-	3.73	
		<u>1,014.91</u>	<u>1,130.24</u>
		2,753.29	661.89
Deduct :			
a) Profit on sale of fixed assets	3.28	9.07	
b) Interest received	86.06	3.58	
c) Income Tax Paid	175.00	-	
		<u>264.34</u>	<u>12.65</u>
Operating Profit before Working Capital Changes		2,488.95	649.24
Add:			
a) Increase in Trade and other payables	5,343.82	954.42	
b) Decrease in Deposits	-	126.21	1,080.63
		<u>5,343.82</u>	<u>1,729.87</u>
		7,832.77	
Deduct:			
a) Increase in Inventories	2,732.33	902.10	
b) Increase in Trade and other receivables	2,932.42	885.91	
c) Increase in Long term loans and advances	82.17	23.76	
d) Increase in Short term loans & advances	165.04	2.58	
		<u>5,911.96</u>	<u>1,814.35</u>
Net Cash inflow/(outflow) from Operating Activities		<u>1,920.81</u>	<u>(84.48)</u>
B. Cash Flow arising from Investing Activities			
Inflow :			
a) Disposal of fixed asset	10.46	10.94	
b) Interest received	86.06	3.58	
		<u>96.52</u>	<u>14.52</u>
Outflow:			
a) Acquisition of fixed assets		4,756.19	442.83
Net Cash inflow/(outflow) in the course of Investing Activities		<u>(4,659.67)</u>	<u>(428.31)</u>

(₹ in Lacs)

		Current Year	Previous Year
C. Cash Flow arising from Financing Activities			
Inflow :			
a) Increase in long term borrowings	82.05	57.69	
b) Issue of Right Shares	9,999.08	-	
c) Capital Subsidy	47.41	-	
d) Increase in short term borrowings	-	10,128.54	1,293.62
			1,351.31
Outflow :			
a) Repayment of short term borrowings	6,034.49	-	
b) Repayment of hire purchase finance	14.31	11.22	
c) Finance costs paid	720.98	6,769.78	812.33
			823.55
Net Cash inflow/(outflow) in the course of Financing Activities		3,358.76	527.76
Net Increase in Cash and Cash equivalents (A+B+C)		619.90	14.96
Add: Cash and Cash equivalents at the beginning of the year		30.51	15.55
Cash and Cash equivalents at the close of the year		650.41	30.51

As per our Report of even date
For **M/s. P. SRINIVASAN & Co.**
Chartered Accountants

CA. P. SRINIVASAN
Partner
Membership No.: 02090
FRN:004054S

N.K. RAMASWAMY
Director

BO JINGEN
Chairman & Managing Director

Place : Chennai
Date : 30/05/2016

XIE DONGMING
Chief Financial Officer

S.K. SUBRAMANYAN
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

I Statement of significant accounting policies

(i) Accounting Convention:

The financial statements are prepared under historical cost convention on accrual basis of accounting to comply with the Accounting standards prescribed under section 133 and read with the relevant provisions of the Companies Act, 2013. All the assets and liabilities have been classified as current and non-current as per company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

(ii) Use of Estimates :

- In the preparation of financial statements, certain estimates and assumptions are made by the management to conform with the generally accepted accounting principles. The actual results could differ from these estimates.
- The Trade receivables outstanding are reviewed as to their prevailing status of ageing and probability of recovery and necessary provision for receivables doubtful of recovery is made based on their ageing.
- The items of inventories remaining dormant for more than one year are considered as 'non-moving inventories' and due allowance is made for the same against the closing inventories.

(iii) Provisions and Contingencies :

Contingent liability :

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or an obligation that arises from the past event, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions :

Provisions are recognized where there is present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the balance sheet date and are not discounted for their present value.

(iv) Revenue Recognition :

Revenue is recognised as under:

- Sales of products: On despatch of the product to the customer which generally coincides with transfer of ownership. Sales are inclusive of excise duty and net of discounts.
- Sale of services represents commission accrued on orders booked with principals and executed.
- Interest: On a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividends: When the Company's right to receive payment is established.

(v) Fixed Assets :

- Fixed assets are capitalised at the acquisition cost (viz.) purchase price, import duties, levies and expenses and costs directly attributable for bringing the assets to their working condition for intended use.
- Capital work-in-progress represents expenditure incurred for new projects / capex under implementation.

Resultant expenditure (including borrowing costs, if any) incurred for these projects up to the date of commencement of commercial production have been considered as part of the project cost.

(vi) Depreciation and amortisation expenses :

- On fixed assets except freehold lands at the rates and in the manner specified in Part "C" of Schedule II of the Companies Act, 2013 as under:
 - Straight line method on buildings, plant and machinery, electrical installations and intangible assets and
 - W.D.V. method on other assets having regard to the expected useful life residual value commencing from the date the asset is available for use.
- Premium on leasehold land is amortised over the period of lease.
- Assets individually costing Rs.5000/- or less are fully depreciated.

(vii) Borrowing Costs :

The borrowing costs incurred on loans taken for acquisition of qualifying assets are capitalised up to the date of commencement of commercial production/till the asset is ready for its intended use.

(viii) Inventories :

Inventories as taken and certified by the Management are valued at "lower of cost and estimated net realisable value" using the following cost formulae:

- a) Raw materials and packing materials : Weighted Average Cost
- b) Store and Spares parts : At cost
- c) Materials in Bond : At cost (exclusive of customs duty)
- d) Finished goods and Work-In-Progress : Material cost plus appropriate share of production overheads
- e) Finished goods are inclusive of applicable excise duty.

(ix) Research and Development :

Revenue expenditure pertaining to Research and Development is expensed. Capital expenditure is treated as forming part of fixed assets.

(x) Foreign Currency Transactions :

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at year-end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense.

In respect of liability relating to acquisition of fixed assets loss/gain, if any, arising out of such conversion, is adjusted to the cost of the fixed assets. Depreciation on the revised unamortised depreciable amount is provided prospectively in accordance with Schedule II of the Companies Act, 2013.

(xi) Accounting for Taxes :

Tax expense charged to the profit and loss account comprises current tax and deferred tax. Provision for current tax is made on a yearly basis, under the tax payable method after taking into consideration credit for allowances, deductions and exemptions and considering Minimum Alternate Tax, as applicable.

The deferred tax is recognised for all temporary differences at currently available tax rates.

Deferred tax assets are recognised subject to the consideration of prudence. Deferred tax assets and

liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date.

(xii) Segment Reporting :

The company has identified Reinforced Polypropylene as the only reportable business segment.

(xiii) Employee Benefit : As per AS 15

The Company has adopted "Employee Benefits" as per AS 15.

(xiv) Related party disclosures :

The related party relationships and / or transactions with them have been identified in accordance with Accounting Standard (AS 18)

(xv) Impairment of Assets:

The company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. An impairment loss is recognised in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

(xvi) Earnings per share :

The Paid up share capital of the company consists only of equity shares. The basic and diluted earnings per equity share have been computed on the basis of weighted average number of equity shares outstanding during the financial year are disclosed.

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lacs)

As at 31-03-2016

As at 31-03-2015

Note : 1. Share Capital

Authorised :

18,000,000 Equity Shares of ₹10/- each

1,800.00

1,800.00

300,000 16% Cumulative Redeemable

Preference Shares of ₹100/- each

300.00

300.00

2,100.00

2,100.00

Total

Issued :

10,115,468 (6,412,104) Equity Shares of ₹10/- each

1,011.55

641.21

Subscribed and Paid up:

10,110,568 (6,407,204) Equity Shares of ₹10/- each fully paid up

1,011.06

640.72

- i) The company is authorised to issue Equity and 16% Cumulative Redeemable Preference shares. However the company has One class of equity shares having a par value of ₹10 each . Each share holder is eligible for one vote per share. The dividend proposed by the Board of directors is subject to approval of share holders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive remaining assets of the company after distribution of all preferential amounts, in proportion of their share holding.
- ii) 7,582,340 (4,805,032) equity shares are held by the holding company, M/s. Kingfa Sci. & Tech. Co. Ltd., China in the paid up share capital of the company.
- iii) Details of shares held by shareholders holding more than 5% of the shares in the company :

Name of the shareholder	As at 31st March 2016		As at 31st March 2015	
	Nos.	% of Holding	Nos.	% of Holding
M/s. Kingfa Sci. & Tech . Co. Ltd. China	7,582,340	74.99	4,805,032	74.99
M/s. Hongkong Victory Investment Co., Limited, Hongkong	690,298	6.83	-	-

- iv) The company had issued 3,703,364 Equity Shares of ₹10 each at a Premium of ₹260 each through Right Issue during the Year.

- v) Reconciliation of numbers of Equity Shares

Opening Balance of Shares

6,407,204

6,407,204

Add: Right Issue of Shares made during the year

3,703,364

-

Closing Balance of Shares

10,110,568

6,407,204

(₹ in Lacs)

As at 31-03-2016

As at 31-03-2015

Note : 2. Reserves and Surplus

Capital Reserve :

Opening Balance	19.77		19.77	
Add : Capital Subsidy received from Maharashtra Government	47.41	67.18	-	19.77

Capital Redemption Reserve :

As per last Balance Sheet		87.09		87.09
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Securities Premium Account :

Opening Balance	516.48		516.48	
Add: Premium received on Rights Issue	9,628.75	10,145.23	-	516.48

Special General Reserve :*

As per last Balance Sheet	-		41.50	
Transfer to General Reserve	-	-	41.50	-

General Reserve :

As per last Balance Sheet	1,122.76		1,081.26	
Transfer from Special General Reserve	-	1,122.76	41.50	1,122.76

Surplus/(Deficit) :

Opening Balance	(1,570.53)		(1,247.75)	
Depreciation adjustment as per Companies Act, 2013	-		(18.57)	
Profit/(Loss) for the year	1,079.95		(304.21)	
Closing Balance		(490.58)		(1,570.53)

Total		10,931.68		175.57
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* Special General Reserve transferred to General Reserve Account in the absence of requirement to "Transfer to Reserve" under the Companies Act, 2013.

Note : 3. Long - term borrowings

a) Loan from Related Party under ECB Scheme (Unsecured)	1,591.87		1,502.18	
b) Hire Purchase finance (Secured)	-		3.09	
Total	1,591.87		1,505.27	

- i) The Loan under ECB Scheme is repayable after 90 / 78 months.
 ii) Hire purchase finance are secured by hypothecation of the vehicles.

As at 31-03-2016

As at 31-03-2015

Note: 4. DEFERRED TAX LIABILITIES (NET)

a) Deferred Tax Liabilities		
Depreciation on fixed assets	389.53	368.07
b) Deferred Tax Assets		
Unabsorbed Depreciation/Losses	121.13	732.61
Others: Employee benefit expenses, MAT credit etc.	252.44	76.82
	373.57	809.43
Sub Total	15.96	(441.36)
Net		

Note : 5. Other long - term liabilities

Earnest Money Deposits	8.50	8.50
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Note : 6. Long - term Provisions

Employee benefits	14.02	18.59
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Note : 7. Short - term borrowings (Unsecured)

From Banks		1,706.43
Cash Credit	-	316.84
Buyer's credit arrangement in foreign currency	-	
From Banks		4,000.00
Working Capital Term Loan	-	6,023.27
Total		

8,900.89 3,589.95

Note : 8. Trade payables

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.

Note : 9. Other current liabilities

(a) Current Maturities of other borrowings - HP Liabilities	-	11.21
(b) Interest accrued but not due on borrowings	14.44	45.58
(c) Interest accrued and due on borrowings	51.35	-
(d) Unpaid Dividends	0.61	1.15
(e) Statutory dues	163.05	96.32
(f) Payable for capital goods	11.88	13.64
(g) Other Liabilities (including employee benefit expenses)	301.86	283.45
Total	543.19	451.35

Note : 10. Short term provisions

Employee Benefit expenses etc.	9.21	58.96
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Note: 11. FIXED ASSETS

(₹ in Lacs)

Description of Asset	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01-04-2015	Additions	Deletions/ Adjusjments	As at 31-03-2016	Upto 01-04-2015	For the year	On life Completed assets *	On Withdrawals	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
(a) Tangible Assets											
Land - Freehold	31.62	-	-	31.62	-	-	-	-	-	31.62	31.62
Lease hold	53.85	-	-	53.85	3.25	0.57	-	-	3.82	50.03	50.60
Buildings	1,238.04	-	-	1,238.04	387.73	48.18	-	-	435.91	802.13	850.31
Plant and Equipments	3,477.74	660.80	-	4,138.54	1,961.90	206.19	-	-	2,168.09	1,970.45	1,515.85
Furniture and Fixtures	92.81	0.40	-	93.21	80.26	7.26	-	-	87.52	5.69	12.54
Vehicles	84.91	19.77	10.46	94.22	71.48	9.72	-	7.45	73.75	20.47	13.44
Office equipments	78.38	2.11	-	80.49	67.35	11.80	-	-	79.15	1.34	11.03
Computer systems	94.89	6.31	-	101.20	93.45	6.63	-	-	100.08	1.12	1.44
Total	5,152.24	689.39	10.46	5,831.17	2,665.42	290.35	-	7.45	2,948.32	2,882.85	2,486.83
(b) Intangible Assets											
Computer Software	88.14	2.53	-	90.67	85.81	3.58	-	-	89.39	1.28	2.33
Total	88.14	2.53	-	90.67	85.81	3.58	-	-	89.39	1.28	2.33
(c) Capital work-in-progress	64.39	4,069.24	-	4,133.63	-	-	-	-	-	4,133.64	64.39
Grand Total	5,304.77	4,761.16	10.46	10,055.47	2,751.23	293.93	-	7.45	3,037.71	7,017.78	2,553.55
Previous Year Total	4,906.53	442.83	44.58	5,304.77	2,457.47	314.18	18.57	39.00	2,751.23	2,553.55	2,449.06

Note :

A) Capital Work in Progress includes ₹ 23.25 lacs being the lease amount paid to WBIDC for the lease hold land at Singhur. The possible consequential impact on the valuation of the asset is yet to quantified.

* Adjusted against opening balance in retained earnings.

	As at 31-03-2016	(₹ in Lacs) As at 31-03-2015
Note : 12. Long term loans and advances - (unsecured and considered good)		
	214.35	131.15
(a) Security Deposits		
	0.83	1.86
(b) Others		
	215.18	133.01
Total		
Note : 13. Inventories		
Raw & Packing Materials	2,529.75	1,213.54
Raw Materials in Transit	933.72	409.60
Materials in Bond	561.19	103.73
Work-In-Progress	338.14	89.06
Finished Goods	1,237.80	917.38
Stock - in - Trade	246.56	388.77
Stores and Spares	82.69	75.44
	5,929.85	3,197.52
For mode of valuation refer Note I (viii)		
Note : 14. Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months		
from the date due for payment		
	255.68	302.09
Considered good	56.27	63.38
Considered doubtful	311.95	365.47
	56.27	63.38
Less : Provision for doubtful debts	255.68	302.09
Sub total		
Outstanding for a period of less than six months		
from the date due for payment		
	8,270.37	5,291.54
Considered good	85.25	53.88
Considered doubtful	8,355.62	5,345.42
	85.25	53.88
Less: Provision for doubtful debts	8,270.37	5,291.54
Sub total	8,526.05	5,593.63
Total		

(₹ in Lacs)

As at 31-03-2016

As at 31-03-2015

Note : 15. Cash and Cash equivalents :

(i) Cash and Cash equivalents

a) Balances with Banks*	647.71	27.59
b) Cash on hand	2.71	2.92
Sub total	<u>650.41</u>	<u>30.51</u>

(ii) Other Bank Balances

a) Unpaid Dividend accounts	0.61	1.15
b) Deposit accounts	-	-
Sub total	<u>0.61</u>	<u>1.15</u>
Total	<u>651.03</u>	<u>31.66</u>

* Balances with Banks includes Fixed Deposits of ₹ 412.50 Lacs (₹ Nil) for Short term period.

Note : 16. Short-term loans and advances (unsecured considered good)

Balance with Central Excise department etc.,	540.26	268.29
Advance Tax (Net of provisions)	26.66	43.61
Others - Prepaid exp, Claims receivable etc.	<u>119.58</u>	<u>209.57</u>
Total	<u>686.50</u>	<u>521.47</u>

Year ended
31-03-2016

Year ended
31-03-2015

Note : 17. Revenue from Operations (Gross)

(a) Sale of products	35,550.07	24,620.61
(b) Sale of services*	<u>49.44</u>	<u>59.97</u>
Total Revenue from Operations	<u>35,599.51</u>	<u>24,680.58</u>

* Sale of services includes non competition fee received ₹ 37.50 Lacs (₹ Nil)

Note:18. Other Income

Interest Income	86.06	3.58
Profit on sale of fixed assets	<u>3.28</u>	<u>9.07</u>
Total	<u>89.34</u>	<u>12.65</u>

	Year ended 31-03-2016	Year ended 31-03-2015
Note : 19. Cost of material consumed		
Inventory at the beginning of the year	1,726.88	1,535.84
Add: Purchases	27,483.24	17,963.56
	29,210.12	19,499.40
Less : Inventory at the end of the year	4,024.66	1,726.88
Cost of raw materials consumed	25,185.46	17,772.52
Imported and indigenous raw materials consumed		
	%	%
Imported	40.65	26.81
Indigenous	59.35	73.19
Total	100.00	100.00
Details of raw materials consumed		
Polymers	17,492.21	13,453.41
Others	7,693.25	4,319.11
Total	25,185.46	17,772.52
Note : 20. Purchase of stock- in -trade		
Polymers	896.60	736.72
Note : 21. Changes in Inventories of Finished goods and Work - in - Progress		
Opening Stock	917.38	561.89
Finished Goods	89.06	39.95
Work - in - Progress	1,006.44	601.84
Sub Total		
Closing Stock	1,237.80	917.38
Finished Goods	338.14	89.06
Work - in - Progress	1,575.94	1,006.44
Sub Total	(569.50)	(404.60)
Changes in Inventories		
Add: Variation in Excise duty on Opening and Closing Stock of Finished Goods	6.73	69.83
Total	(562.77)	(334.77)

(₹ in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
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Note : 22. Employee benefits expense (Refer also note no:27)

Salaries and Wages	836.26	747.27
Contributions to:		
Provident, ESI, Super annuation and Gratuity funds	48.39	42.39
Staff Welfare Expenses	110.73	68.74
	995.38	858.40
Less : Considered in Research and Development Expenses	60.33	46.69
Total	935.05	811.71

Note : 23. Finance costs

Interest expense	387.93	675.24
Other borrowing costs	5.38	29.47
Net Loss in foreign currency transactions / translation	327.67	107.62
Total	720.98	812.33

Note. 24. Other Expenses

Consumption of stores and spare parts*	77.92	77.34
Power and Fuel	557.09	358.65
Less: Considered in Research and Development Expenses	14.34	13.10
Rent	107.56	345.55
Insurance	32.41	87.49
Repairs and Maintenance		30.25
Buildings	4.50	3.78
Plant and Machinery	27.25	25.32
Other assets	43.56	76.30
Rates and Taxes	21.89	25.34
Travelling and Conveyance	238.95	222.18
Professional & Consultancy Charges	43.89	513.21
Freight Outwards	694.86	437.10
Research and Development	176.64	169.13
Loss on sale/discard of fixed assets	-	3.73
Miscellaneous Expenses	286.34	230.82
	2,298.52	2,247.54
* Consumption of stores and spare parts	%	%
Imported	3.52	7.33
Indigenous	96.48	92.67
Total	100.00	100.00

(₹ in Lacs)

As at 31-03-2016

As at 31-03-2015

Note : 25. Contingent Liabilities not provided for

a) Letters of credit	1,087.92	402.68
b) Letters of guarantee	49.99	7.37
c) Commitment on capital accounts	86.84	45.55
d) Customs duty on materials-in-bond	22.43	6.08
e) Custom duty disputed in appeals	26.78	26.78
f) Income Tax disputed in appeals	37.82	19.47
g) Sales Tax disputed in appeals	56.87	56.87
h) Excise duty & Service Tax disputed in appeals	19.85	14.07

The future cash flows on the above items from (e) to (h) are determinable only on receipt of the decisions/judgments that are pending at various forums/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Note : 26. Remuneration to Auditors (included under Miscellaneous Expenses)

a) Statutory Audit	1.75	1.75
b) Certification and taxation matters	0.50	0.50
c) Tax Audit	0.75	0.75
	<u>3.00</u>	<u>3.00</u>

Note : 27. Disclosure relating to Employee Benefits under Accounting Standard 15 (Revised) :

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
a) Reconciliation of present value of obligations				
Present value of the obligation as at the beginning of the period	59.18	52.36	19.76	20.49
Interest Cost	4.44	4.19	1.58	1.64
Current Service Cost	7.57	7.31	1.05	0.86
Benefits Paid	3.61	5.86	0.61	0.35
Actuarial (Gain)/Loss on obligation	2.17	1.19	0.07	(2.88)
Present value of the obligation as at the end of the period	69.76	59.18	21.86	19.76
b) Fund movements				
Fair value of plan assets as at the beginning of the period	66.20	52.98	22.07	17.53
Expected return on plan assets	5.47	4.46	1.88	4.54
Contributions	14.94	14.62	1.93	0.35
Benefits Paid	3.61	5.86	0.61	0.35
Actuarial Gain/(Loss) on planned assets	-	-	-	-
Fair value of plan assets as at the end of the period	83.00	66.20	25.27	22.07

(₹ in Lacs)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
c) Amounts recognised in Balance Sheet				
Present value of the obligation at the end of the period	69.76	59.18	21.86	19.76
Fair value of the plan assets	83.00	66.20	25.27	22.07
Funded status of the plan assets	13.24	7.01	3.41	2.30
Net Asset recognised in the Balance Sheet	13.24	7.01	3.41	2.30
d) Cost for the period recognised in the P & L a/c				
Current Service Cost	7.57	7.31	1.05	0.86
Interest Cost	4.44	4.19	1.58	1.64
Expected return on plan assets	5.47	4.46	1.88	4.54
Net actuarial loss recognised in the period	2.17	1.19	0.07	(2.88)
(Income)/Expense recognised in the statement of profit and loss for the period/year	8.71	8.23	0.83	(4.92)
e) Actuarial assumptions				
Discount rate	8.00%	8.00%	8.00%	8.00%
Salary escalation	5.00%	5.00%	5.00%	5.00%
Rate of Return on Plan Assets	8.50%	8.50%	8.50%	8.50%
Resignations Rate (Per Annum)	2.50%	2.50%	2.50%	2.50%
Income / Expenses Recognised as per AS 15	(6.23)	(6.39)	(1.11)	(5.27)
f) General description of Employee Benefits :				
(i) Short term Employee Benefits				
The employee benefits payable wholly within 12 months of rendering the service are classified as short term benefits. Benefits such as salaries, wages, short term compensated absences and the expected cost of bonus and ex-gratia are recognised at the undiscounted amount in the year in which the employee renders the related service.				
(ii) Post Employment Benefits				
(a) Provident fund is a defined contribution plan and contributions made to the fund in accordance with the applicable rules/statutes are expensed.				
(b) The Employees Group Gratuity Scheme is a defined benefit plan which is funded with the Life Insurance Corporation of India and the annual contribution to the fund actuarially assessed by them is expensed.				
(c) Superannuation is a defined contribution plan. The contributions in accordance with the company's scheme made to the fund administered by the Life Insurance Corporation of India are expensed.				
(d) The Employee Group Gratuity Fund and the Employee Superannuation Fund respectively have been constituted through Hydro S & S Employees Group Gratuity Trust and Hydro S & S Employee Superannuation Trust in which one of the Company's director is a Trustee.				
(e) Leave encashment is provided as per the Company's policies and is expensed as under :				
1. The leave accumulation upto 60 days is funded through a policy with LIC of India.				
2. The encashment of leave accumulated beyond 60 days is borne by the company.				
3. Any difference arising out of actuarial valuation is expensed.				

Note : 28. Related Party Disclosures :

i) Related parties : Names & Descriptions

Key Management Personnel	Holding Company	Associates	Others
Mr. Nie Delin Mr. Bo Jingen Mr. Wu Xiaohui Mr. N K Ramaswamy	M/s Kingfa Sci. & Tech. Co., Ltd., China	M/s Shanghai Kingfa Sci And Tech Co Ltd. M/s Jiangsu Kingfa Sci.&Tech. Advanced Material Co.,Ltd. M/s Hongkong Kingfa Development Co., Ltd. M/s. Tianjin Kingfa Advanced Materials Co., Ltd.	NIL

ii) Related Party transactions : Description & Nature :

Description	Key Management Personnel	Holding Company	Associates	Others
Interest	-	58.95	-	-
Purchase of Materials	-	1,397.96	1,843.93	-
Sale of Materials	-	0.53	15.60	-
Remuneration	44.29	-	-	-
Outstanding (from/to) as at 31.03.2016	-	2,665.28	2,800.36	-

Note: 29. C I F Value of Imports

	Current Year	Previous Year
(i) Raw materials	10,284.11	4,713.05
(ii) Capital goods & Spares	187.09	109.51
(iii) Trading Materials	693.76	982.76

Note: 30. Expenditure in Foreign Currency during the year

(i) Travelling expenses	20.15	35.96
(ii) Testing charges	-	2.84
(iii) Interest paid to Banks	9.84	8.22

Note: 31. Earnings in Foreign Currency

FOB value of goods exported	25.06	58.09
Commission received	49.44	59.97

Note: 32. Earnings Per Share

	31-03-2016	31-03-2015
Nominal Value of Equity share (₹)	10.00	10.00
Net profit after Taxes (₹) *	1,079.95	(304.21)
Weighted average number of shares (Nos.) **	7,969,719	6,407,204
Basic and diluted earnings per share (₹)	13.55	(4.75)

* Numerator ** Denominator

Note: 33. There being no indication of impairment of fixed assets determined by the Company, no loss has been recognized on impairment of assets.

Note: 34. Previous year's figures (including those given within bracket) have been regrouped/reclassified wherever necessary to correspond to the current year's classification/disclosure. Figures in the financial statements have been shown as ₹ in lacs except per share data.





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 & Pudukkottai

KINGFA

Kingfa Science & Technology (India) Limited

(formerly Hydro S & S Industries Limited)

CIN : L25209TN1983PLC010438

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

Phone : 044 - 28521736 Fax : 044 – 28520420 E – mail : info@kingfaindia.com

Website : www.kingfaindia.com

Notice of the Annual General Meeting

NOTICE is hereby given that the 32nd Annual General Meeting (AGM) of the Company will be held on Thursday, the 15th September, 2016 at 11.30 a.m. at Raj Park Chennai, "Summit Hall", 180, T.T.K. Road, Alwarpet, Chennai - 600 018 to transact the following Business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in the place of Mr. Bo Jingen (holding DIN 06617986), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

"RESOLVED that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on July 25, 2014, the appointment of M/s. P. Srinivasan & Co., Chartered Accountants (Firm Registration No.004054S) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee in consultation with the auditors."

SPECIAL BUSINESS

- 4) To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and are hereby altered

by replacing all the existing regulations 1 to 77 with the new regulations 1 to 312, be and is hereby adopted as new regulations of the Articles of Association of the Company."

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, Mr.Bo Jingen (DIN: 06617986), Chairman and Managing Director of the Company, any Director of the Company and the Key Managerial Personnel of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Chennai."

- 5) 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), 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, be paid a remuneration, for the Financial Year ending March 31, 2017, amounting to ₹ 1,00,000/- plus service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit."

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

Place : Chennai
Date : 29th July, 2016

S.K. SUBRAMANYAN
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Instrument of Proxies, in order to be effective, must be received at the Company's Registered office not later than 48 (forty eight) hours before the time fixed for holding the Annual General Meeting. A Proxy form is sent herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 9th September, 2016 to Thursday, 15th September, 2016 (both days inclusive).
4. Members holding Equity Shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent, M/s. Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017. Members holding Equity Shares in dematerialized form must intimate the change in address to their respective Depository Participants.
5. Shareholders / Proxy holders are requested to bring their copy of the annual report with them at the meeting and to produce at the entrance, the attached attendance slip duly completed and signed for the admission to the meeting hall.
6. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.
7. Profile of Director being reappointed as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.

Particulars	Item No.2
Name of the Director	Mr. Bo Jingen
Date of Birth	07/03/1982
Date of first appointment on the Board	03.07.2013
Qualifications	Master's degree in Polymer Science
Experience in specific functional area	Marketing and Sales
Directorships held in other Public Companies	—
Committee Chairmanship/ Membership held in other Companies	—
Number of shares held in the Company as on 31st March 2016	NIL

8. A Route map showing directions to reach the venue of the 32nd Annual General Meeting is given in the Attendance Slip.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
10. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 12th September, 2016 (9:00 am) and ends on 14th September, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th September, 2016, may cast their vote by remote e-voting. 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.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "Kingfa India remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.
 - (vii) Select "REVEN" (Remote E-Voting Event Number) of Kingfa Science & Technology (India) Limited.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pssrinivasan1939@gmail.com or evoting@kingfaindia.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
REVEN (Remote e-voting Event Number)
USERID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8th September, 2016.
 - X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 8th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or yuvraj@integratedindia.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. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com
 - XI. 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - XII. Mr. P.S.Srinivasan, Practising Company Secretary (C.P. No.3122) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - XIV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.kingfaindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
11. The documents referred to in this notice and explanatory statement are available for inspection during business hours on all working days (except Saturdays, Sundays and holidays) at the Registered Office of the Company up to and including the date of the Annual General Meeting.

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

Item No. 4

The Articles of Association ("AoA") of the Company is presently in force since its incorporation of the Company i.e. year 1983. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on July 29, 2016 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

Your approval is sought in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

Item No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Mr.K.Suryanarayanan, Cost Accountant, to conduct the audit of the Cost records of the Company for the Financial Year ending March 31, 2017.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is 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, 2017, as set out in the Resolution for the aforesaid services to be rendered by them.

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

The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

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

**Place : Chennai
Date : 29th July, 2016**

**S.K. SUBRAMANYAN
Company Secretary**

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to give their consent by providing their e - mail Id to the Company's Registrar and Share Transfer Agent, M/s. Integrated Enterprises (India) Limited, to their e-mail ID i.e., yuvraj@integratedindia.in.