



SECY/S.E./L.A./2024-25

September 04, 2024

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001.

Dear Sirs,

SCRIP CODE : 506854

Subject: Submission of Annual Report as per Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, enclosed herewith is the Notice of 50th Annual General Meeting of the Company along with the Annual Report for the Financial Year ended 31st March, 20 24.

The AGM Notice & Annual report for the year ended 31st March, 2024 are being dispatched electronically to those members whose email ids are registered with the Company/ Depositories.

The AGM Notice & Annual report is also uploaded on the Company's website viz. www.tanfac.com

Kindly acknowledge and take this into your records.

Thanking you.

Yours faithfully,

for **TANFAC Industries Limited**

Ravichandran N R

Digitally signed by Ravichandran
NR
Date: 2024.09.04 18:52:23 +05'30'

(N R RAVICHANDRAN)

Chief Financial Officer

TANFAC INDUSTRIES LIMITED

(Joint Sector Company with TIDCO and Anupam Rasayan India Ltd.)

Registered Office & Factory: 14, SIPCOT Industrial Complex, Cuddalore – 607 005, Tamil Nadu, India Tel: + 91 4142 239001 – 05 | Fax: + 91 4142 239008 | Website: www.tanfac.com

Chennai Office: Oxford Centre, 1st Floor, 66, Sir C.P. Ramaswamy Road, Alwarpet, Chennai 600 018, TN, India
Tel.: +91-44-2499 0451/0561/0464 Fax: +91-44-2499 3583

GST: 33AAACT2591A1ZU | CIN: L24117TN1972PLC006271



Chemistry for a Better World

Tanfac Industries Limited
Annual Report 2023-2024



In a world where the challenges of sustainability and environmental responsibility are more pressing than ever, Tanfac Industries Limited is committed to harnessing the power of chemistry to create a better future. Our journey is driven by a profound belief in the transformative potential of chemistry to address some of the most critical issues facing our planet today.

At Tanfac, we see chemistry not just as a science, but as a catalyst for positive change. It is the foundation upon which we build innovative solutions that enhance the quality of life while safeguarding the environment. Our focus on sustainability is woven into the very fabric of our operations, guiding us as we explore new frontiers and expand our horizons.

This year, we have taken significant strides towards integrating sustainable practices across all aspects of our business.

Chemistry for a Better World

From reducing our carbon footprint to innovating new products that meet the evolving needs of our customers, we are committed to making a meaningful impact. Our efforts are not just about compliance; they are about leading by example and setting new standards for the industry.

As we look to the future, we remain steadfast in our mission to leverage chemistry for the greater good. Together, we are shaping a world where chemistry is a force for positive transformation.

This is our commitment, our passion, and our promise: Chemistry for a Better World.

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FY24 Highlights

(₹ in crores)

₹378.14 Crores

Revenue From Operations

₹77.88 Crores

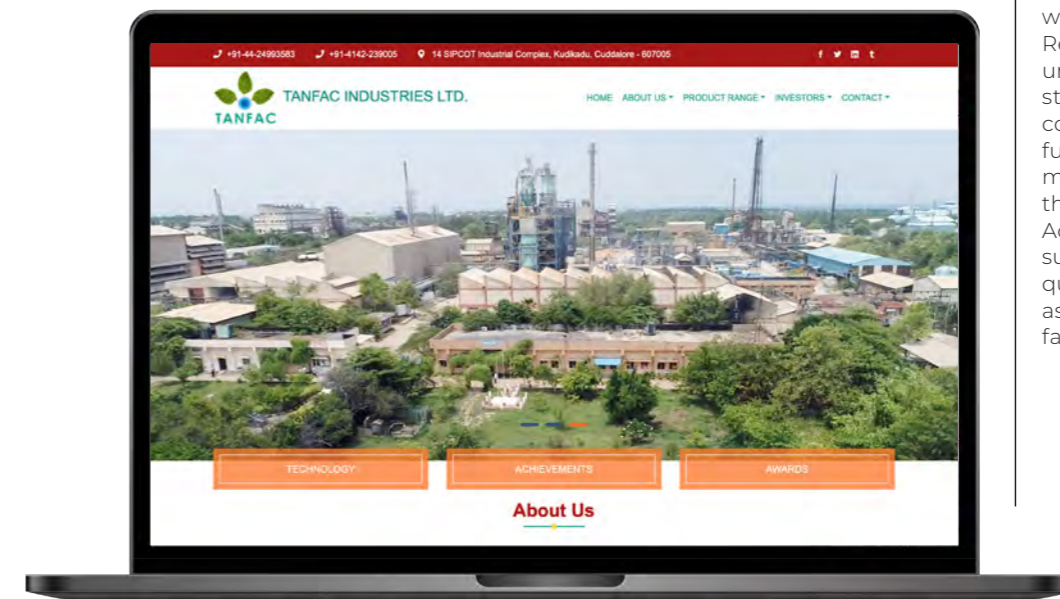
EBITDA

₹52.5 Crores

Profit After Tax



Read more about our business, initiatives and strategy
www.tanfac.com



Forward looking Statement

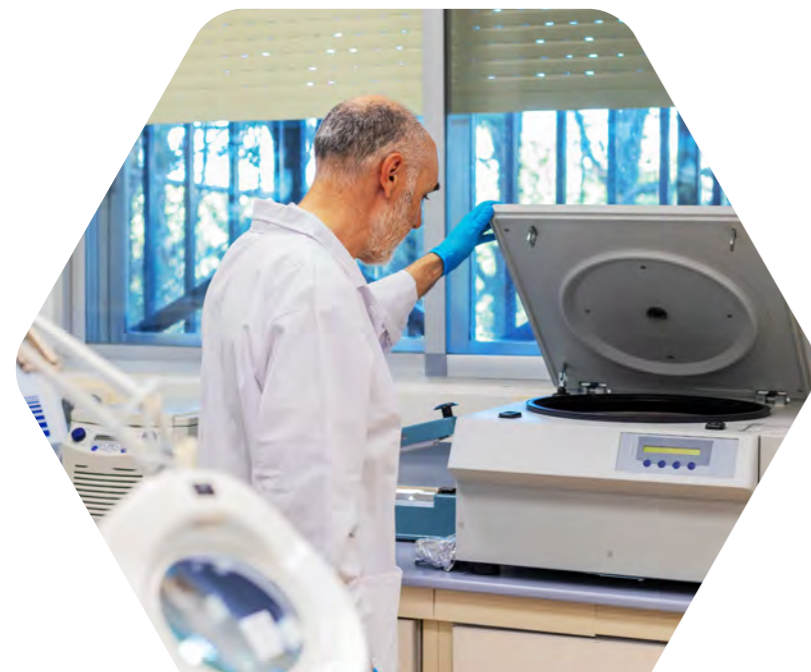
This document contains statements about the expected future events, financial and operating results of Tanfac Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the report.

Expanding Horizons with Chemical Expertise

Established as a joint-sector collaboration between Anupam Rasayan India Limited and Tamil Nadu Industrial Development Corporation (TIDCO), Tanfac Industries Limited has been at the forefront of the chemical industry since commencing commercial production in March 1985. Our state-of-the-art manufacturing facilities, spread over 60 acres in the SIPCOT Industrial Estate, Cuddalore, are equipped with cutting-edge technology sourced from Switzerland's BUSS Chemtech and Germany's CHENCO. This infrastructure enables us to produce a wide range of high-quality hydrofluoric acid and its derivatives, catering to diverse market needs.

In May 2022, Anupam Rasayan acquired a significant stake in the company, reinforcing our capabilities and expanding our expertise in fluorine chemistry. This acquisition has strengthened our position as one of India's leading producers of hydrofluoric acid, with applications spanning the agro, pharmaceutical, and polymer industries. The acquisition reflects the confidence investors have in our management's ability to enhance shareholder value.

Our commitment to safety and sustainability is unwavering. We have implemented international safety systems and practices across our operations, ensuring a secure environment for our employees and stakeholders. Through robust manufacturing processes and continuous enhancement initiatives, we forge enduring relationships with our stakeholders, generating sustainable value for them.



Our Vision



To be a globally reputed chemical manufacturing company with respect to our research, technologies, quality, safety, and care of our environment.

Our Mission



To grow exponentially in a multi-faceted manner in the group chemistries that we are proficient in and, most importantly, through our customer support.

Our Values



Respect



Integrity



Transparency



Speed



Corporate Overview

39
Years of Operations

142
Employees

12
Countries Products Exported To

300 ++
Satisfied Customers

60 Acres
Of Manufacturing Facility at Cuddalore

Leading
Producer of Hydrofluoric Acid (HF) and Organic and Inorganic Fluorine-based Products

Milestones of Growth and Transformation

Since its inception, Tanfac Industries Limited has embarked on an extraordinary journey of growth and transformation. From its early days of establishment to becoming a leader in the chemical industry, Tanfac's evolution is marked by strategic investments, operational excellence, and a steadfast commitment to innovation and sustainability. This journey is a testament to our resilience and vision, as we continue to pave the way for a brighter future.

Phase 1: Foundation and Early Growth (1972-2008)

1972

Tanfac Industries Limited was incorporated.

1985

Commenced commercial production and entered a stabilisation/turnaround phase.

1992-2008

- Experienced consistent growth with regular dividend payments.
- Achieved a net worth of ₹52 crore.
- Maintained total debt at ₹16 crore.
- Sustained a debt-to-equity ratio of 0.3 times.

1992

Paid the first dividend, marking the beginning of a growth phase.

1989

Commissioned the Speciality Fluorides plant.

1987

Implemented the HF Liquefaction Project.

Phase 2: Strategic Investments and Financial Restructuring (2008-2015)

2008-2010

- Invested ₹52 crore in IBAP, 3 Phenoxy, and HF expansion projects.
- Net worth decreased to ₹42 crore.
- Total debt increased to ₹76 crore.
- Debt-to-equity ratio rose to 1.84 times.
- Faced an interest burden on existing operations

2015-2016

- Operations improved in Q4.
- Posted a PAT of ₹0.4 crore, aided by a ₹3.72 crore gain from the sale of freehold land.
- Reduced debt to ₹52 crore.
- Debt-to-equity ratio slightly improved to 11.09 times.
- Focused sharply on the bottom line.

2018-2021

- Became debt-free in FY19.
- Started accumulating surplus cash for future expansion.

2017-2018

- Tripled PAT to ₹9.4 crore.
- Reduced debt to ₹36.8 crore.
- Improved debt-to-equity ratio to 2.09 times.
- Repaid AB debt of ₹11.3 crore.

2016-2017

- Enhanced HR, operations, and marketing.
- Achieved a PAT of ₹3.74 crore entirely from operations.
- Reduced debt to ₹48 crore.
- Improved debt-to-equity ratio to 5.43 times.

Phase 3: Operational Excellence and Expansion (2016-Present)

2022

- Acquired a joint stake by Anupam Rasayan.
- Surpassed previous highest EBITDA recorded in 2019.

2023

- Recorded highest-ever revenue, EBITDA, PAT, and surplus cash.

2024

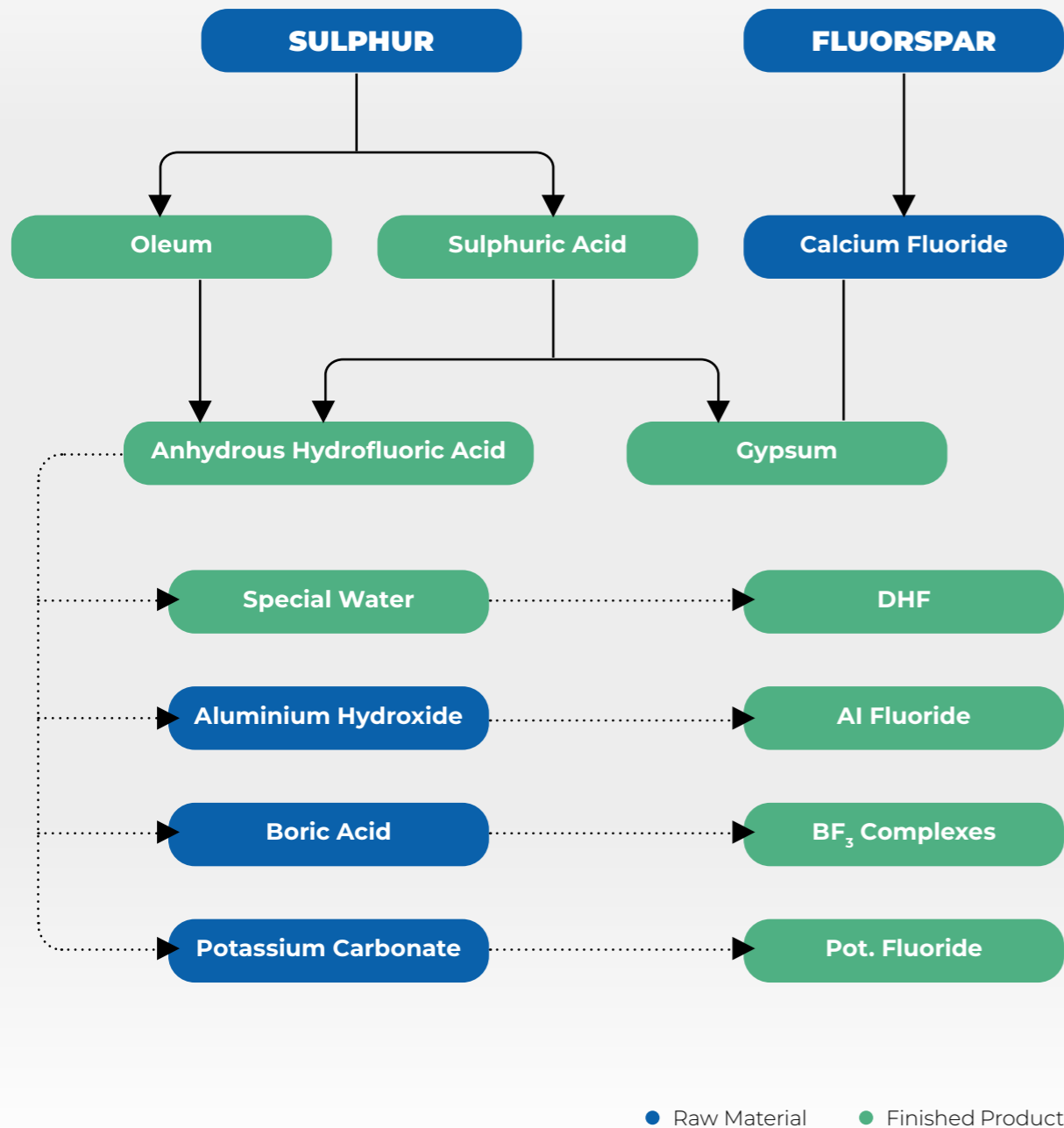
- Achieved highest-ever production volumes.
- Operated plants at highest capacity utilisation.
- Broke ground for expanding capacities in HF.
- Continued to be debt-free even after significant capex spend

Milestones Achieved

- Among the largest producers of Anhydrous Hydrofluoric Acid and Aluminium Fluoride in India.
- First fluorine chemical company in India and fifth globally to receive ISO 9002 certification in early 1994, upgraded to ISO 9001:2000 in 2003.
- First in India to achieve ISO 14001:1996 certification in fluorine chemical manufacturing.
- Implemented Total Productive Maintenance (TPM) with support from the Japanese Institute of Production Management (JIPM), ensuring optimal use of resources and personnel.
- One of the 15 signatory members of Responsible Care from India.
- Recognised in Tamil Nadu as a 'Good Corporate Citizen' for forward-looking policies and maintaining greenery with zero pollution and zero accidents.

Empowering Industries with Advanced Solutions

Product value chain



Product	Application
Anhydrous Hydrofluoric Acid	<ul style="list-style-type: none"> Manufacture of fluorocarbons and refrigerant gas Manufacture of lithium batteries Enriching uranium Alkylation process Fluorinated organic products
Dilute Hydrofluoric Acid	<ul style="list-style-type: none"> De-scaling stainless steel strips and tubes as a pickling agent Manufacturing of solar cells, glass displays, and tantalum capacitors Manufacturing of inorganic fluorides
Potassium Fluoride	<ul style="list-style-type: none"> Fluorinating agent in organic synthesis (HALEX) Heavy water plant
Potassium Bifluoride	<ul style="list-style-type: none"> Electrolyte in fluorine cells (NF3 and UF6 production) Brazing flux
Boron Trifluoride Complex	<ul style="list-style-type: none"> As a Lewis acid catalyst in pharma, agro, and polymer industries
Aluminium Fluoride	<ul style="list-style-type: none"> Used as a flux in aluminium smelters
Sulphuric Acid / Oleum	<ul style="list-style-type: none"> Various uses including fertilizers, dissolving rayon grade pulp, and sulphonation of LAB
Sodium Silico fluoride	<ul style="list-style-type: none"> Used in ceramics, abrasives, and glass industries

Market Segments

Tanfac Industries Limited serves a diverse range of market segments, leveraging its advanced chemical solutions to meet the needs of various industries. Our products play a crucial role in sectors such as:

Solar Cells: Providing essential materials for the production of solar technology. **1**

Steel Surfacing: Offering solutions for the treatment and finishing of steel surfaces. **2**

Refrigerant: Supplying key components for the manufacture of refrigerant gases. **3**

Glass Etching: Delivering chemicals used in the precise etching of glass products. **4**

Agrochemicals: Supporting the agricultural sector with specialised chemical inputs. **5**

Fluoropolymers: Enabling the production of high-performance fluoropolymer materials. **6**

Lithium Batteries: Contributing to the development of energy storage solutions. **7**

Pharmaceuticals: Providing critical catalysts and compounds for drug manufacturing. **8**

A Stronghold in Diverse Regions

Exports

We have our manufacturing facilities in Cuddalore, Tamil Nadu and supply our products to 10 countries catering to around 20 customers.

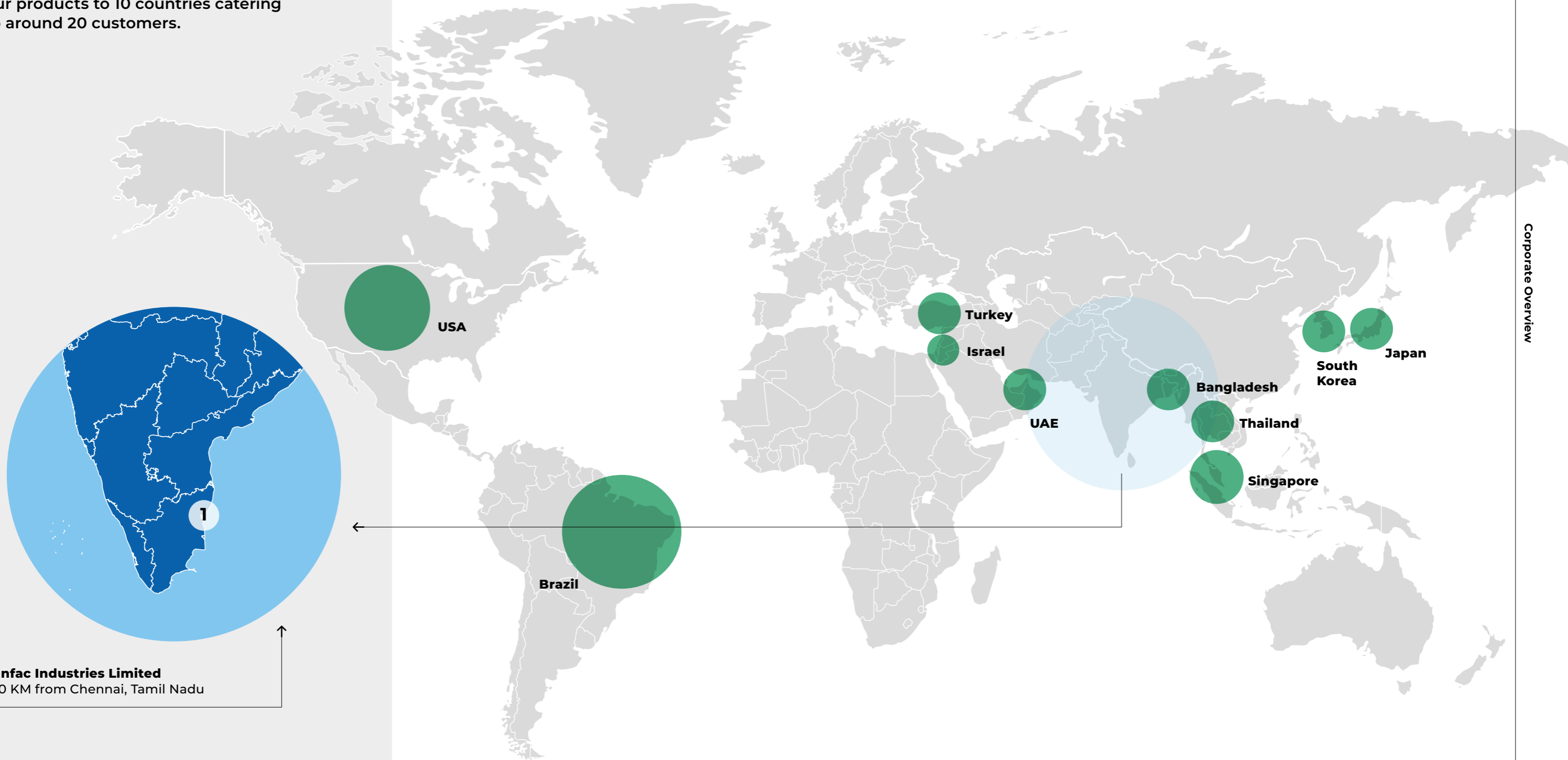
Exports (₹ in crores)

11.17
FY21

15.63
FY22

18.63
FY23

17.82
FY24



Tanfac Industries Limited
180 KM from Chennai, Tamil Nadu

Board of Directors and Leadership



Mrs. Mariam Pallavi Baldev (IAS)
Chairperson, and Non-executive and Non-independent Director

She is presently Additional Secretary to the Government of Tamil Nadu, I & IP&C Department, Chennai. With her experience and expertise in public administration, she has held many key positions in various departments of the Government of Tamil Nadu.



Mr. M. R. Sivaraman (IAS Retired)
Non-executive and Independent Director

He is a retired IAS officer with several years of experience in the Administration of State and Central Governments, which includes stints in the capacity of Finance and Planning Secretary. He served as Revenue Secretary in the Central Government, Department of Revenue, Ministry of Finance and as Additional Secretary in the Ministry of Commerce and Ministry of Civil Aviation. He also served as Executive Director of the International Monetary Fund (IMF).



Mrs. R. Rajalakshmi
Non-executive and Independent Director

She has two decades of experience in business handling, office administration and construction activities. She is actively involved in social activities and currently holds a directorship in real estate companies closely held by her family.



Mr. R. Karthikeyan
Non-executive and Non-independent Director

He is an Engineer and Management graduate and is currently handling industrial projects, as Sr. General Manager (Projects) at TIDCO. He has hand on experience in conceptualising, evaluating and developing industrial and infrastructure projects. His role is to facilitate the joint venture Companies in getting clearance / approvals of various Government department for smooth operations.



Mr. V. T. Moorthy
Non-executive and Independent Director

He is a Professional Engineer and has long-standing association with the Company since the beginning of the project and also served in Aditya Birla Group of Companies for over four decades both in India and overseas. During his stint as Managing Director of Tanfac, he oversaw the initial phase of the project and brought the Company to the path of profitability.



Dr. Shankar Narasimhan
Non-executive and Independent Director

He is a retired Professor of IIT Madras. Prior to joining IIT Madras, he was an Associate Professor in the Chemical Engineering Department at IIT Kanpur. His major research interests are in data mining, process design and optimisation, Fault Detection and Diagnosis (FDD) and fault tolerant control. Dr. Narasimhan is well known for his work in the area of data reconciliation and has co-authored several papers and a book.



Mr. Afzal Harunbhai Malkani
Non-executive and Non-independent Director

He has experience in corporate financing, fund raising from banks, financial institutions, private equity, treasury management, business development, and mergers and acquisitions. He joined Anupam Rasayan in October 2005 and was appointed as its Chief Financial Officer on December 1, 2014.



Mr. K. Sendhil Naathan
Managing Director

Managing Director since August 2020, he has M.Tech in Polymer Science from IIT Kharagpur and MBA from University of Leicester, UK. He has over 36 years of experience in the chemical industry and has extensive knowledge of the fluorine industry. He has been with Tanfac for the past 14 years and has been one of the persons instrumental in the turnaround and growth of the Company in the last 7 years.



Mr. N.R. Ravichandran
Chief Financial Officer

A Chartered Accountant and MBA graduate from University of Leicester, UK, he has over three decades of experience in managing corporate finance, fund raising from banks, treasury management, Commercial / Procurement and business development. He has been with Tanfac for the past 13 years and has been one of the persons instrumental in the turnaround and growth of the Company in the last 7 years.

Leadership team and Key Managerial Personnel

Leadership team



Mr. Afzal Harunbhai Malkani
Director



Mr. K. Sendhil Naathan
Managing Director



Mr. N. R. Ravichandran
Chief Financial Officer



Mr. Sramanraj Jain
Head – Sales and Marketing



Mr. S. Ilango
Head – HR, IT and Admin



Mr. N. Rajesh
Head – Technical

Key Managerial Personnel



Mr. K. Sendhil Naathan
Managing Director



Mr. N. R. Ravichandran
Chief Financial Officer

Ms. Mridula Dhoot
Company Secretary

From the Leaders' Desk

Advancing Chemistry for a Greener Tomorrow



Our theme, "Chemistry for a Better World," reflects our commitment to leveraging chemistry to enhance lives while ensuring sustainable growth.



Dear Shareholders,

As we conclude FY24, I am pleased to present the annual report of Tanfac Industries Limited. This year has been transformative, marked by significant strides in sustainability, innovation, and operational excellence. Our theme, "Chemistry for a Better World," reflects our commitment to leveraging chemistry to enhance lives while ensuring sustainable growth.

Operational Excellence and Financial Performance

Despite the headwinds & geo political issues faced by Chemicals industries in general, your Company has registered a good performance during the financial year in terms of revenue and profit. This year, we achieved the highest production volumes in the company's history, operating our plants at optimum capacity for both HF and sulphuric acid. Despite a slight decline in revenues due to reduced realisations, we recorded a volumetric growth of 20-22%. Our revenue from operations for the year stood at ₹385.22 crores, reflecting our ability to maintain strong operational performance amid challenging market conditions. Our EBITDA was ₹77.8 crores, and the profit after tax was ₹52.5 crores.

We have also undertaken small debottlenecking projects in our sulphuric acid plant, increasing capacity by approximately 10%. This strategic move has further enhanced our operational efficiencies and productivity.

Our export turnover decreased by 4% to ₹17.8 crores due to higher domestic demand, but we remain committed to expanding our export performance by penetrating new markets and broadening our customer base as we embark on our expansion plan.

Expanding Our Reach and Enhancing Customer Relationships

In FY24, we embarked on a journey of expansion, entering new geographies and broadening our customer base. This strategic move has allowed us to cater to a diverse clientele, offering customised products that precisely meet the evolving needs and wants of our customers. By widening our vendor base, we have strengthened our supply chain, ensuring resilience and reliability in our operations.

Recognising the growing demand for our products, we have made a substantial investment of ₹102 crores to double the capacity of our product, Anhydrous Hydrofluoric Acid (AHF).

This capacity expansion, expected to be completed by September 2024, is financed entirely through internal accruals, reflecting our strong financial health and commitment to remaining a debt-free company. This strategic investment is poised to significantly enhance our topline and profitability in the coming years.

Commitment to Sustainability and Innovation

Sustainability has been at the forefront of our agenda this year. We have undertaken numerous initiatives to reduce energy consumption, carbon footprint, and operational costs. Our R&D activities have been in full swing, focusing on developing futuristic pipeline products and downstream applications. These efforts are part of our long-term sustainability roadmap, aimed at embedding sustainability as a core element of our business strategy.

Our commitment to sustainability is further demonstrated through significant investments in green belt development and modernisation of safety and environmental security measures. We have introduced remote-operated valves, PLC systems, and automatic stop valves, alongside comprehensive safety audits and risk assessments. These initiatives reflect our dedication to creating a safe and sustainable work environment for our employees and stakeholders.

Safety, Health, and Environmental Management

Since the takeover by Anupam Rasayan, we have significantly invested in safety and maintenance. Our company operates under an Integrated Management System (IMS) certified by Intertek Certification Limited, UK, encompassing ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards. Given our coastal location and chemical complex, we have made substantial investments to enhance building stability, replace pipelines through predictive maintenance, and revamp cable trays and pipe racks.

₹77.8 crores
Our EBITDA was ₹77.8 crores, and the profit after tax was ₹52.5 crores.

Key safety enhancements include the introduction of remote-operated valves in the AHF storage tank farm, installation of PLC systems in batch-operated plants, and implementation of automatic stop valves and online respiratory systems in filling areas. Our SHE and Operations Teams have revised the P&ID of all plants and conducted a HAZOP study to ensure the highest safety standards.

Driving Innovation

Our R&D efforts have been pivotal in driving innovation and enhancing our product offerings. We are in the advanced stages of modernising our R&D and Pilot Plant facilities, focusing on developing processes for fluorinated specialties through AHF fluorination. Our engineers have successfully installed a back-pressure turbine to harness waste energy, and innovative heat exchanger designs have been developed for the DHF process.

We have consistently worked on improving the productivity of sulphuric acid production, utilising waste heat to distil AHF, leading to a reduction in steam consumption. Our engineers' out-of-the-box thinking has resulted in year-over-year reductions in average power and fuel costs. Additionally, we have implemented IoT and Energy Management Systems across various plant locations and operations, further enhancing our operational efficiencies.

Strategic Outlook and Future Plans

Looking ahead, we are optimistic about the opportunities that lie ahead. Our strategic roadmap includes forward integration using HF, capex for downstream value-added products like refrigerant gas and an increased focus on exports. The expected commissioning of the new Hydrofluoric Plant in the second half of FY25 positions us for further growth.

We plan to continue increasing the volume of our key products, including value-added products, through market penetration and process improvements. While we maintain a reduced focus on aluminium fluoride due to its lower contribution, we continue to serve long-term customers, ensuring a balanced approach to our product portfolio.

₹102 crores

We have made a substantial investment of ₹102 crores to double the capacity of our product, Anhydrous Hydrofluoric Acid (AHF).

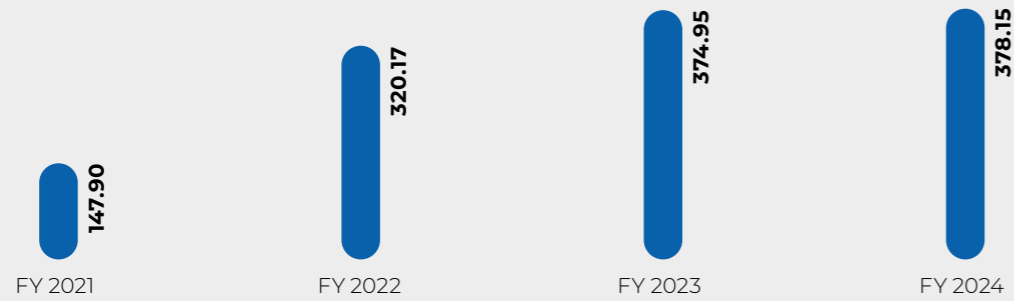
Conclusion and Acknowledgments

In conclusion, I would like to express my gratitude to our dedicated employees, partners, shareholders and stakeholders for their unwavering support. We are committed to future-proofing our company, ensuring sustainable growth and innovation.

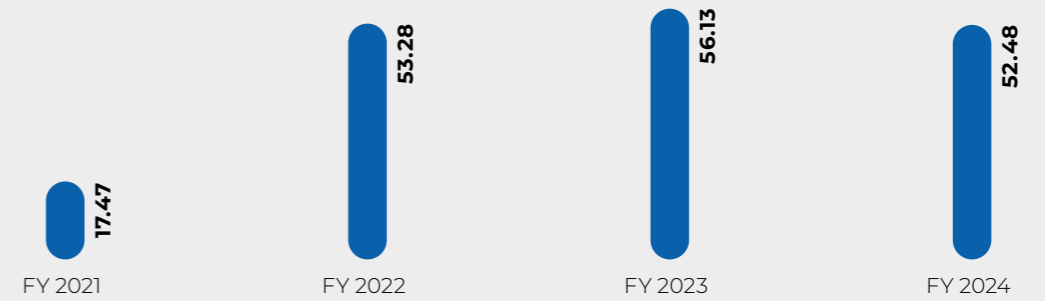
Thank you for your continued trust and support as we advance towards a better world through chemistry.

Tracking Our Performance Over the years

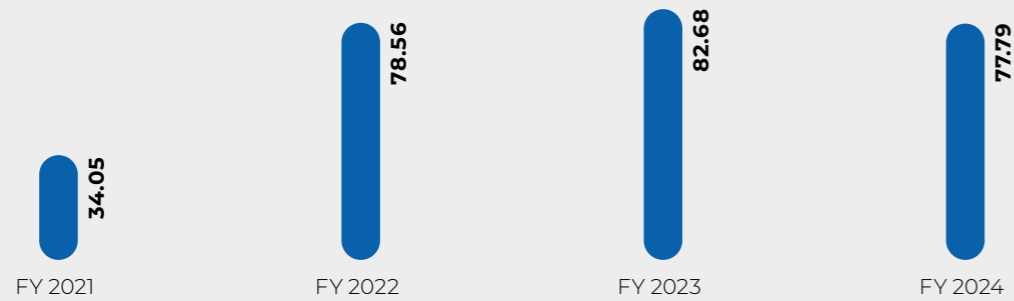
Revenue from Operations
(In ₹ crores)



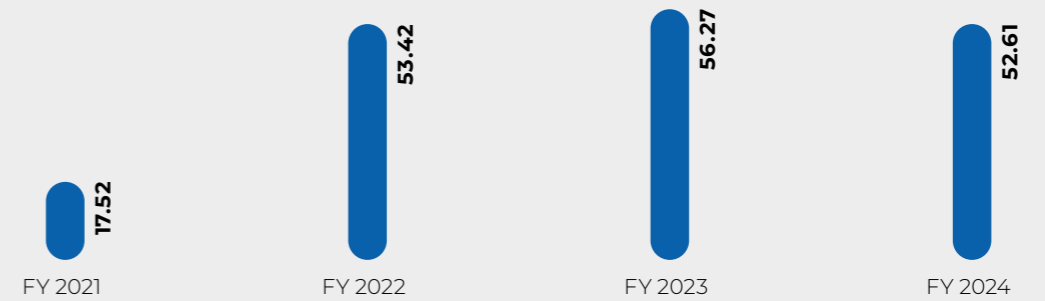
PAT
(In ₹ crores)



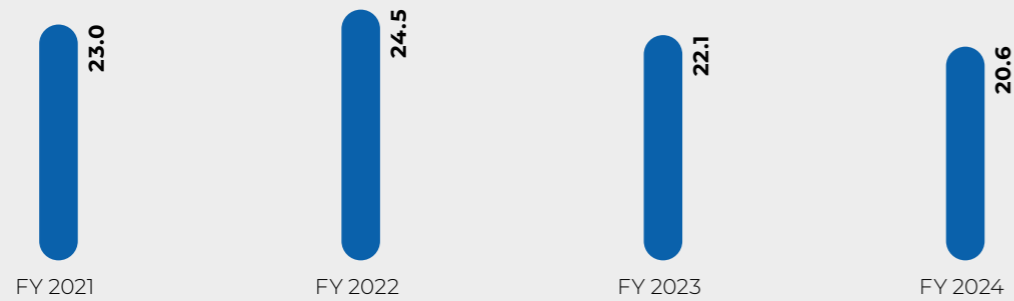
EBITDA
(In ₹ crores)



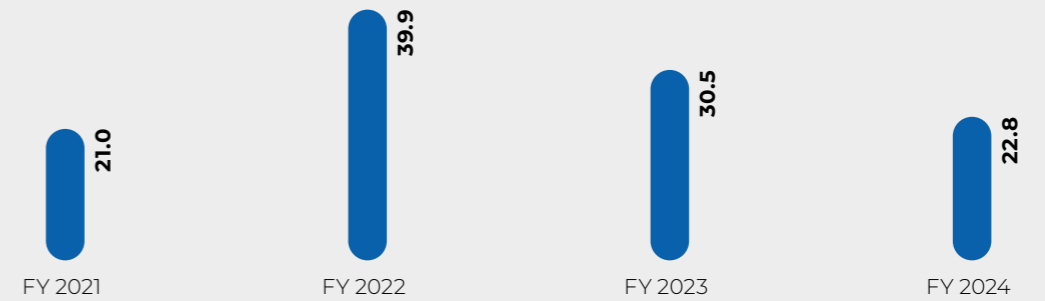
Earnings per shares
(In ₹ crores)



EBITDA Margins
(In ₹ crores)



Return on Equity(ROF)
(In ₹ crores)



Navigating the Future of Speciality Chemicals



The speciality chemical industry stands at the forefront of innovation, driven by a need to adapt to evolving market demands and environmental considerations. As industries worldwide strive for efficiency and sustainability, speciality chemicals play a pivotal role in enhancing product performance and meeting stringent regulatory standards. This dynamic sector is characterised by rapid technological advancements and a shift towards eco-friendly solutions, positioning it as a key player in the global economy.

Key Trends

Sustainability and Green Chemistry

The speciality chemical industry is increasingly prioritising sustainability, with a marked shift towards green chemistry practices. This trend is driven by both regulatory pressures and consumer demand for environmentally friendly products. Companies are investing in the development of bio-based chemicals and renewable resources to reduce their carbon footprint. For instance, the use of biodegradable materials in packaging and the formulation of non-toxic, water-based coatings are gaining traction. This movement towards sustainability is not only about compliance but also about creating competitive advantages as consumers become more environmentally conscious.

Technological Advancements

Technological innovation is at the heart of the speciality chemicals sector, with nanotechnology and biotechnology leading the charge. Nanotechnology enables the creation of materials with enhanced properties, such as increased strength and chemical resistance, which are crucial for applications in electronics and healthcare. Biotechnology is being leveraged to develop bio-catalysts and enzymes that improve process efficiency and reduce waste. These advancements are opening new avenues for application and are pivotal in the development of high-performance materials that meet the specific needs of various industries.

Regulatory Compliance and Safety

The speciality chemical industry operates under stringent regulatory frameworks aimed at ensuring environmental protection and consumer safety. Compliance with regulations such as REACH in Europe and TSCA in the United States is essential, prompting companies to adopt safer and more sustainable manufacturing processes. This regulatory landscape drives innovation as companies seek to develop chemicals that not only meet safety standards but also offer superior performance. The focus on compliance is also fostering transparency and accountability within the industry, as companies are required to disclose detailed information about their products and processes.

Growth in Emerging Markets

Emerging markets, particularly in the Asia-Pacific region, are experiencing robust growth in the speciality chemicals sector. This expansion is fuelled by rapid industrialisation, urbanisation, and increasing consumer spending. Countries like China and India are becoming major hubs for chemical manufacturing, offering vast opportunities for market players. The rising demand for speciality chemicals in these regions is driven by sectors such as automotive, construction, and electronics, which are experiencing significant growth. Companies are capitalising on these opportunities by establishing production facilities and forming strategic partnerships in emerging markets.

Increased R&D Investments

Research and development are critical to the speciality chemicals industry, as companies strive to create innovative solutions that meet evolving market demands. Significant investments are being made in R&D to develop advanced materials with unique properties, such as high thermal stability and chemical resistance. These efforts are essential for maintaining a competitive edge and addressing challenges such as raw material scarcity and environmental concerns. The focus on R&D is also fostering collaboration between industry players and academic institutions, leading to breakthroughs in chemical synthesis and process optimisation.

Digital Transformation and AI Integration

The integration of digital technologies and artificial intelligence is transforming the speciality chemicals industry. AI and machine learning are being utilised to optimise R&D processes, enhance supply chain efficiency, and predict market trends. For example, AI-driven predictive analytics can help companies anticipate changes in customer preferences and adjust their product offerings accordingly. Digital transformation is also enabling greater operational efficiency, as companies implement smart manufacturing technologies and IoT solutions to streamline production and reduce costs. This digital shift is crucial for driving innovation and maintaining competitiveness in a rapidly evolving market.

Challenges and Competitive Landscape

Despite its growth prospects, the speciality chemical industry faces several challenges, including raw material price volatility and intense competition. Companies are employing strategic measures such as supply chain optimisation and product differentiation to navigate these challenges. The focus on developing unique, high-value products is essential for standing out in a crowded market. Additionally, companies are exploring alternative raw materials and investing in recycling technologies to mitigate the impact of price fluctuations. The competitive landscape is also characterised by mergers and acquisitions, as companies seek to expand their capabilities and market reach.

Building a Sustainable Path with Hydrofluoric Expansion

Tanfac Industries Limited, a seasoned leader in chemical manufacturing, recognises the critical role of Hydrofluoric Acid in driving industrial innovation and sustainability. As industries evolve and expand, the demand for HF continues to surge, necessitating a strategic response to bridge the gap between supply and demand. Our plan to expand the HF plant by an annual production capacity of 14,500 MTPA is a testament to our commitment to supporting the industries that rely on this vital chemical.

Benefits of the Expansion

Ensuring a Stable Supply

The expansion of our HF production capacity is a strategic move to ensure a consistent and stable supply of this essential chemical. By increasing production, we aim to meet the burgeoning market demand, thereby facilitating the smooth operation of downstream industries. This stability is crucial for sectors such as electronics, pharmaceuticals, and agrochemicals, where HF plays a pivotal role in manufacturing processes.

1

Driving Economic Growth

Our expansion initiative is not only about meeting demand but also about contributing to economic growth. The project is expected to generate numerous job opportunities during both the construction phase and ongoing plant operations. Furthermore, the increased production capacity will stimulate regional economic growth by fostering associated activities and services, thereby creating a ripple effect that benefits the broader community.

2

Enhancing Industry Competitiveness

By expanding our HF production capabilities, Tanfac is well-positioned to enhance its competitiveness in the global market. A reliable and increased supply of HF will solidify our position as a preferred supplier for industries dependent on this compound. This strategic advantage will enable us to capture new market opportunities and strengthen our relationships with existing customers.

3

Prioritising Environmental and Safety Standards

While the expansion holds significant promise, we are acutely aware of the environmental and safety considerations associated with chemical production. Tanfac is committed to implementing state-of-the-art safety measures and environmentally friendly practices. This includes adopting technologies to mitigate emissions, ensuring efficient waste management, and adhering to stringent regulatory standards to minimise any potential environmental impact.

4

Fostering Innovation and Sustainability

The increased capacity will also enable us to explore new applications and innovations in HF usage, contributing to sustainable industrial practices. By investing in research and development, we aim to discover novel ways to utilise HF, enhancing its value proposition and aligning with our sustainability goals.

5



Balancing Risks with Robust Strategies

Risk	Description	Mitigation Strategy
Fluctuating US Dollar	The prices of key raw materials, such as Fluorspar and Potassium Carbonate, are significantly impacted by fluctuations in the US Dollar. This volatility poses a risk due to our reliance on imports, particularly from China, which is focusing on exporting more value-added products.	To mitigate this risk, we have expanded our vendor base beyond China, establishing reliable sources from other regions to reduce dependency. We are continuously exploring alternative options to sustain a stable supply chain.
HF Demand Volatility	The demand for Hydrofluoric Acid (HF) can be volatile, with potential downturns in end-user segments affecting sales. This volatility may impact our ability to maintain consistent production levels and profitability.	We are focusing on speciality grade HF and Value-Added Products (VAPs) to mitigate demand fluctuations. By retaining existing customers through competitive pricing and expanding our market presence in Asia-Pacific, we aim to increase export volumes.
Price Volatility	The prices of Sulphuric Acid and Sulphur are subject to fluctuations, which can affect our cost structure and margins. This volatility poses a risk to our financial stability. The regulatory framework in our industry is constantly evolving, increasing the risk of non-compliance and potential penalties. This poses financial and reputational risks to our business.	To address price fluctuations, we are developing alternative downstream products and enhancing production efficiency through process improvements and innovation. This approach helps stabilise costs and maintain competitive pricing.
Statutory Compliance Risk	The regulatory framework in our industry is constantly evolving, increasing the risk of non-compliance and potential penalties. This poses financial and reputational risks to our business.	We have implemented a comprehensive compliance programme, including training and adherence to the Code of Conduct. Regular reporting to internal committees and the Board ensures effective management of regulatory changes and compliance.
Environmental Risk	The risk of environmental pollution from waste and emissions is a significant concern. Non-compliance with environmental regulations can lead to legal liabilities and damage to our reputation.	We prioritise environmental protection by implementing stringent safety measures and adopting initiatives like rainwater harvesting. Our commitment to maintaining a green belt and effective waste management minimises environmental impact.

In the ever-evolving business landscape, risk is an inherent aspect that companies must navigate with agility and foresight. At Tanfac Industries Limited, we recognise the importance of a proactive approach to risk management as we strive to achieve our vision. While risks cannot be entirely eliminated, our comprehensive risk management framework is designed to identify, assess, and mitigate potential threats. By establishing a dedicated Risk Management Committee and implementing rigorous internal controls, we ensure that our business operations are conducted efficiently and in compliance with regulatory standards. This strategic approach enables us to adapt to challenges and seize opportunities for growth.

Risk	Description	Mitigation Strategy
Economic Risk	Economic slowdowns, such as those caused by the COVID-19 pandemic and geopolitical tensions, can disrupt supply chains and impact sales volumes, profitability, and growth.	We focus on expanding our VAPs and optimising costs through a comprehensive Business Continuity Plan (BCP), which is continuously monitored and adjusted as needed. This approach ensures resilience and adaptability in changing economic conditions.
Risk of Attrition	High employee attrition can disrupt daily operations and affect company performance. Retaining skilled talent is essential for maintaining operational efficiency and achieving strategic goals.	To retain talent, we offer competitive rewards and specialised training. We encourage employee innovation and recognise contributions through a structured reward system, fostering a motivated and engaged workforce.
Credit Risk	Excessive credit facilities to customers and higher inventory levels can strain financial resources and affect overall performance.	Our credit policy is reviewed regularly to manage customer credit limits prudently. We closely monitor inventory levels and customer collections to maintain financial stability and minimise risks associated with excess credit facilities.
Foreign Exchange Risk	Fluctuations in global economic conditions can significantly impact the prices of key raw materials, affecting margins and cash flows.	We mitigate foreign exchange risks through a well-defined Hedging Policy, ensuring that our net foreign exchange exposure is adequately covered to protect margins and cash flows.
IT Risk	The deployment of IT systems, including ERP, supports our business processes, communications, and operations. Risks could arise from downtime, data manipulation, and security breaches.	We safeguard our IT systems with regular updates and security protocols. By storing information at multiple locations and educating users on security policies, we minimise risks related to data integrity and system downtime.
Geopolitical Risk	Geopolitical tensions, such as rising fuel prices, can adversely impact manufacturing costs due to increased raw material, fuel, and energy expenses.	To mitigate these impacts, we pass on raw material price increases to customers and focus on operational efficiency and energy-saving initiatives to manage manufacturing expenses effectively.

Building a Future with Purpose

In today's interconnected world, businesses have a responsibility that extends beyond profitability. At Tanfac Industries Limited, we are committed to being a responsible corporate citizen by integrating sustainability and social responsibility into every aspect of our operations. Our dedication to safety, health, environmental stewardship, and community engagement reflects our belief that a sustainable business is a successful business.

ISO Certifications

ISO 9001:2015, ISO 14001:2015, ISO 45001:2018

Key Projects

Education, Healthcare, and Infrastructure Development

CSR Expenditure

₹117.88 Lakhs for the financial year

Community Impact

Over 50 initiatives benefiting local communities



Safety and Environmental Initiatives

Given our coastal location and the nature of our chemical operations, we have made significant investments to enhance safety and environmental protection. Key initiatives include the installation of remote-operated valves in our AHF storage tank farm, the introduction of PLC systems in batch-operated plants, and the implementation of automatic stop valves and online respiratory systems in filling areas. Our Safety, Health, and Environment (SHE) teams have conducted comprehensive Hazard and Operability (HAZOP) studies to ensure the safety of our operations. Additionally, we have adopted double-armed pipes for acid transfer lines and enforce stringent safety procedures in line with international standards.



Sustainability Efforts

Recognising the chemical industry's role in greenhouse gas emissions, we prioritise energy savings and the reduction of emissions through increased investments in efficient technologies and alternative energy sources. Our ongoing efforts in Environmental, Health & Safety aspects are part of a long-term sustainability roadmap that tracks and reports on progress related to environment, social, and governance (ESG) concerns.



Corporate Social Responsibility (CSR) Initiatives

Our CSR initiatives are designed to uplift underserved communities and promote inclusive growth. We focus on key areas such as education, healthcare, sustainable livelihoods, infrastructure development, and women and social empowerment. Our projects include supporting higher education, promoting health awareness, and developing infrastructure in local communities. Through these efforts, we aim to improve the Human Development Index and foster a better quality of life for the weaker sections of society.



Management Discussion and Analysis

Global Economy

The global economy is navigating a landscape marked by both resilience and challenges. According to the International Monetary Fund (IMF), global growth is projected to maintain a steady pace of 3.2% in 2024, with a slight increase to 3.3% in 2025. This stability comes despite significant central bank interest rate hikes aimed at restoring price stability and addressing inflationary pressures.

The global economy has shown remarkable resilience, supported by robust private consumption in key economies. However, persistent services inflation and trade tensions pose ongoing challenges, complicating monetary policy normalisation. The IMF highlights that the risk of elevated inflation has increased the prospects of higher-for-longer interest rates, which could heighten external, fiscal, and financial risks.

Regionally, growth trajectories vary. Advanced economies are expected to see a modest acceleration in growth from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025, while emerging markets and developing economies may experience a slight slowdown, from 4.3% in 2023 to 4.2% in 2024 and 2025.

The World Bank notes that despite improvements in near-term growth prospects, the outlook remains subdued compared to historical standards, with growth expected to underperform its 2010s average in nearly 60% of economies.

Global inflation is projected to decline steadily, from 6.8% in 2023 to 5.9% in 2024, and further to 4.5% in 2025. However, the pace of disinflation is slower than previously anticipated, prompting central banks to remain cautious in easing policies. The IMF advises that monetary policy adjustments should be carefully sequenced to achieve price stability and replenish diminished buffers. Geopolitical tensions, trade fragmentation, and climate change-related challenges continue to pose significant risks to the global economic outlook.

Indian Economy

As of 2024, the Indian economy continues to demonstrate robust growth, maintaining its position as the fastest-growing major economy globally. According to the World Bank's Global Economic Prospects report from June 2024, India's GDP growth is projected at 6.6% for the current financial year, with expectations of an average growth rate of 6.7% over the subsequent three fiscal years (2025-2027). This growth trajectory is supported by a strong performance in the manufacturing and services sectors, which have offset a slowdown in agricultural production caused by monsoon disruptions.

The Reserve Bank of India (RBI) has forecasted GDP growth at 7.2% for FY25, reflecting an increase from earlier projections of 7%. This optimistic outlook is underpinned by robust domestic demand, driven by infrastructure investments and a rebound in contact-intensive services. The Indian economy's resilience is further highlighted by its ability to maintain inflation within the RBI's target range of 2-6% since September 2023, contributing to a stable economic environment.

Despite these positive indicators, the Indian economy faces several challenges. Geopolitical tensions, elevated international commodity prices, and rising input costs continue to pose risks to the economic outlook. The RBI has maintained a cautious stance on monetary policy, keeping the policy repo rate unchanged at 6.50% to manage inflationary pressures and support growth.

Investment activity in India is gaining traction, driven by rising capacity utilisation, the government's capital expenditure push, and deleveraged corporate balance sheets. This positive trend is reflected in the increased demand for bank credit and persistent growth in imports of capital goods. The World Bank also highlights that India's fiscal health is gradually improving, with the fiscal deficit relative to GDP projected to decrease due to increased revenues from a broadened tax base.

Looking ahead, India's economic prospects remain promising, with strong macroeconomic fundamentals laying the foundation for sustainable growth. The country's large domestic market, untapped resources, and demographic advantages position it as a potential growth engine for the global economy. However, policymakers must remain vigilant in addressing external risks and ensuring macro-financial stability. Strengthening multilateral cooperation and implementing structural reforms will be crucial in navigating the uncertainties of the global economic landscape and achieving long-term growth objectives.

Global Chemical Industry Overview

As we progress through 2024, the global chemical industry faces a challenging landscape characterised by weak demand, abundant supply, and evolving geopolitical dynamics. According to Fitch Ratings, the sector is grappling with constrained volumes and margins, with little recovery anticipated in the near term. The sluggish post-lockdown demand recovery in China, a major player in the industry, has contributed to the deflation of global chemical prices and margins. Surplus capacity in regions such as Asia, North America, and the Middle East, where production costs are lower, has led to significant imports into Europe and Latin America, further exacerbating competitive pressures.

Persisting high inflation and interest rates continue to constrain demand, particularly in the US and Europe, where growth expectations remain weak. The construction sector, a crucial end-market for chemicals, is particularly sensitive to these constraints, given its reliance on government stimulus and interest rate levels. The head of Saudi Arabia's largest chemicals producer, Sabic, has warned of another challenging year in 2024, with profit declines reflecting the broader industry challenges.

Despite these headwinds, the global chemical sector is actively seeking opportunities to adapt and thrive. Companies are focusing on cost reduction and efficiency improvements to offset reductions in output. The industry is also exploring strategic investments in the energy transition, with some chemical companies venturing into lithium processing, battery manufacturing, and clean ammonia production. These efforts aim to secure clean energy supply chains and position the industry for future growth.

Indian Chemical Industry Overview

The Indian chemical industry, valued at USD 220 billion in 2023, is projected to grow to USD 383 billion by 2030, with an 8.1% compound annual growth rate (CAGR). As the sixth largest globally by chemical sales, India has attracted significant foreign direct investment (FDI), with cumulative inflows reaching USD 21.7 billion from April 2000 to September 2023. The sector benefits from 100% FDI under the automatic route, bolstering investor confidence and facilitating growth.

However, the industry faces challenges such as demand volatility, destocking, and logistics issues. The global scenario of surplus capacity and weak demand compounds these challenges, with China's aggressive capacity expansion posing a long-term threat. Despite these hurdles, the Indian chemical sector remains resilient, supported by favourable government policies, improving infrastructure, and the availability of skilled labour at competitive costs.



The government is committed to supporting the industry through structural reforms and investment-friendly policies. Initiatives such as the Petroleum, Chemical, and Petrochemical Investment Regions (PCPIRs) are expected to attract substantial investments, reflecting the sector's robust potential. Additionally, the establishment of Central Institutes of Petrochemicals Engineering & Technology (CIPET) and the Institute of Pesticide Formulation Technology (IPFT) will drive skill development, ensuring a skilled workforce to support the industry's growth.

Growth Drivers of the Chemical Industry in India

The Indian chemical industry is poised for significant growth, driven by a combination of factors that are propelling the sector forward. As one of the most diversified and rapidly expanding industries, it plays a crucial role in the country's economic development and global positioning.

- Rising Domestic Demand:** The increasing demand from end-user industries such as food processing, personal care, and home care is a major growth driver. As consumer preferences shift towards more sustainable and innovative products, the speciality chemicals segment is experiencing robust growth. According to the Indian Brand Equity Foundation (IBEF), the demand for chemicals and petrochemicals in India is expected to nearly triple, reaching USD 1 trillion by 2040.
- Favourable Government Policies:** The Indian government has introduced several initiatives to support the chemical industry, including the Production Linked Incentive (PLI) schemes and the development of Petroleum, Chemicals, and Petrochemicals Investment Regions (PCPIRs). These policies are designed to attract investment, enhance infrastructure, and promote sustainable practices, thereby boosting the industry's growth potential.
- Foreign Direct Investment (FDI):** The sector benefits from 100% FDI under the automatic route, which has bolstered investor confidence and facilitated growth. Cumulative FDI inflows in the chemicals sector (excluding fertilizers) reached USD 22.146 billion between April 2000 and March 2024. This influx of investment is enabling the industry to expand its capabilities and increase its global competitiveness.
- Strategic Location and Infrastructure:** India's strategic proximity to the Middle East, a major source of petrochemical feedstock, offers significant economies of scale. The establishment of chemical clusters in states like Gujarat, Maharashtra, and Tamil Nadu provides state-of-the-art infrastructure, supporting the industry's expansion and innovation efforts.
- Innovation and R&D:** Indian chemical companies are increasingly investing in research and development to create innovative products and processes. This focus on innovation is crucial for meeting the evolving needs of both domestic and international markets, particularly in speciality chemicals, agrochemicals, and polymers.
- Export Opportunities:** The Indian chemical industry is a significant player in the global market, contributing 12% to the country's total exports. With global companies seeking to de-risk their supply chains from China, India is emerging as a key alternative supplier. The sector's robust export performance is further supported by its strong production capabilities and competitive pricing.



Fluorine Chemicals

Global fluorochemical industry

Fluorochemical is estimated to grow at CAGR 5% and reach USD 40 billion by 2030, 30% being Fluorospeciality chemicals. The growth is triggered by robust increase in the sectors like refrigerants, automotive, electronics and pharma with Asia Pacific region expected to continue its domination. Fluorine plays a vital role in the pharmaceutical industry. Fluorine-based intermediates are the key starting materials to many APIs. ~20-30% of modern pharmaceutical molecules contain at least one Fluorine atom. In the pharmaceutical segment, the key driving factor is that one in every three new APIs will be based on fluorine chemistry. The increasing consumption of fluorochemicals in plasma etching for semiconductors, batteries, and other electronic products and components is boosting their demand. Moreover, the rising application of aluminium in the automotive industry is spurring the demand for fluorochemicals. The demand for Hydro Fluoric Acid (HF)(Hydrofluoride is expected to grow rapidly.

Indian fluorochemical industry

Fluorospeciality market in India is growing rapidly due to presence of pure play manufacturers who entered the industry a few years back, carving out a distinct presence on the global stage. Major consumer regions for fluorospecialties are showing interest in India to source their raw materials postpandemic. This favourable environment benefits fluorospeciality manufacturers, as the market remains relatively uncrowded with soaring demand from pharmaceutical and agrochemical sectors. The increased manufacturing and assembly of electronic devices, construction sector flourishes, there will be an increased demand for fluoropolymers, which is anticipated to drive the expansion of the fluoro polymers.

Source: Frost & Sullivan, Research and Markets; S&P Global, GlobeNewswire

Company Overview

Tanfac Industries Limited, a joint venture between Anupam Rasayan India Limited and the Tamil Nadu Industrial Development Corporation (TIDCO), is a leading manufacturer in the Indian chemical sector. Since its inception in 1985, Tanfac has established itself as a key player in the production of hydrofluoric acid and its derivatives, including aluminium fluoride and speciality chemicals. The company operates a state-of-the-art manufacturing facility in the SIPCOT Industrial Estate, Cuddalore, Tamil Nadu, strategically positioned to serve both domestic and international markets. Tanfac is committed to sustainability and innovation, adhering to international standards such as ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. With a focus on expanding its product portfolio and enhancing operational efficiencies, Tanfac continues to strengthen its market presence and deliver high-quality products that meet the evolving needs of its customers.

Financial Performance in FY24

In FY24, Tanfac Industries Limited recorded a revenue from operations of ₹378.15 crores, a slight increase from ₹374.95 crores in FY23. Despite this growth in revenue, the company faced challenges in maintaining its profitability, with EBITDA decreasing from ₹82.68 crores in FY23 to ₹77.79 crores in FY24. The decline in financial performance is primarily attributed to a drop in realisations, even as Tanfac achieved the highest production volumes in its history, with a 20-22% increase compared to the previous year. The Profit After Tax (PAT) also saw a reduction, from ₹56.13 crores in FY23 to ₹52.48 crores in FY24.



Key Financial Ratios

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	3.07	2.98	2.90%	
Debt-equity ratio	Total Debt	Shareholder's Equity	-	-	0.00%	Company has no debt (both short term and long term)
Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	1,655.30	1,214.12	36.34%	Company has no debt (both short term and long term) but incurred commitment charges on its working capital limits
Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.25	0.35	-28.31%	Due to decrease in profit in current year
Inventory turnover ratio	Cost of goods sold OR sales	Average inventory =(Opening + Closing balance/2)	3.96	4.80	-17.51%	
Trade receivables turnover ratio	Net Credit Sales=Net credit sales consist of gross credit sales minus sales return. Trade receivables includes sundry debtors and bill's receivables.	Average trade debtors = (Opening + Closing balance/2)	6.76	9.91	-31.78%	Higher level of Trade Receivables
Trade payables turnover ratio	Net Credit Purchases =Net credit purchases consist of gross credit purchases minus purchase return	Average Trade Payables	5.47	6.39	-14.30%	
Net capital turnover ratio	Net Sales=Net sales shall be calculated as total sales minus sales returns.	Working Capital =Working capital shall be calculated as current assets minus current liabilities.	2.79	2.99	-6.75%	
Net profit ratio	Net profit shall be after tax	Net Sales =Net sales shall be calculated as total sales minus sales returns.	0.14	0.15	-7.29%	

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Remarks
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.30	0.40	-25.63%	Due to reduction in EBITDA in current year.
Return on investment	Income from investment	Average Cost of Investment	0.07	0.05	64.78%	Due to Increase in Investment income compared to previous year

Outlook

Looking ahead, Tanfac Industries Limited is well-positioned to capitalise on growth opportunities in the chemical sector. The company plans to expand its production capacity and diversify its product offerings to meet the increasing demand for speciality chemicals. Strategic partnerships, such as the recent agreement with a leading Japanese firm for refrigerant gas supply, will further strengthen Tanfac's market position. With a continued focus on sustainability and innovation, Tanfac aims to enhance its competitive edge and deliver long-term value to stakeholders. As the global and Indian economies recover, Tanfac's robust operational framework and strategic initiatives will enable it to achieve its growth objectives and navigate the evolving market landscape effectively.

Human Resources

Employee engagement at Tanfac continues to be high with very low level of attrition.

The Company has robust system of understanding the training needs of each employee and continuously meet those needs promptly. In FY2024, the Company offered hours of training, compared to 2,903 hours in FY2023, leading to increased productivity. This allowed it to maximise the productivity of its existing workforce, resulting

in the highest capacity utilisation across all our plants and ultimately boosting productivity.

Internal Control Systems and their adequacy

Tanfac Industries Limited has established robust internal controls, including policies, guidelines and procedures, tailored to its industry's demands. This system ensures checks, balances, and reliable financial reporting. Compliant with regulations, the company follows strict processes, ensuring accurate financial and operational data. The internal team and audit committee monitor operations, maintaining strong financial controls.

The Company safeguards assets, detects anomalies and ensures accurate financial information. Deviations are reported and addressed promptly, maintaining business continuity through a solid internal control framework.

Credit Rating

ICRA Limited a credit rating agency has rated ICRA A (Stable) for Cash credit limit of Rs.22 crore and ICRA A1 for Non-Fund Based Limit of Rs.68 crore.

Acuite Rating & Research Limited have also rated ACUITE A (Stable) for Fund Based Limit of 32 crore and ACUITE A1 for Non-Fund Based Limit of 68 crore.

Fixed Deposit

The Company does not accept any fixed deposits from the public falling under Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

Cautionary Statement

Tanfac Industries Limited may, from time to time, issue further forward-looking statements through written or spoken means, including filings with BSE and reports to shareholders. The Company does not commit to revising these statements made periodically by or on its behalf. All content within this presentation is exclusively prepared by Tanfac Industries Limited. The Company bears no responsibility for any loss stemming from the use, reliance, or any other connection to this Annual Report or its contents.

Corporate Information

DIRECTORS

Mrs. Mariam Pallavi Baldev

Dr. Jaya Chandra Bhanu Reddy
(till 28th March 2024)

Mr. R. Karthikeyan
(with effect from 28th March 2024)

Mr. Afzal Harunbhai Malkani

Mr. V.T. Moorthy

Mr. M.R. Sivaraman, IAS [Retd.]

Dr. Shankar Narasimhan

Mrs. R. Rajalakshmi

Mr. K.Sendhil Naathan, Managing Director

CHIEF FINANCIAL OFFICER

Mr. N.R. Ravichandran

COMPANY SECRETARY

Ms. Mridula Dhoot (from 17th May 2024)

BANKERS

State Bank of India, Industrial Finance
Branch (IFB), Chennai

IDBI Bank, Chennai

HDFC Bank, Chennai

REGISTER AND SHARE TRANSFER AGENT

**Integrated Registry Management Services
Private Limited**

2nd Floor, Kences Towers, No.1 Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017.

Phone No(s): 2814 0801-0803

Fax No.: 2814 2479

Email: corpserv@integratedindia.in

AUDITORS

M/s Singhi & Co

Chartered Accountants

Unit 11D, 11th Floor

Ega Trade Centre

809, Poonamalle High Road, Kilpauk

Chennai - 600 010

Phone No.: +91-44-42918459

REGISTERED OFFICE AND WORKS

Plot No.14 SIPCOT Industrial Complex,
Kudikadu, Cuddalore – 607 005 Cuddalore
Dist. TAMIL NADU

Phone No.: +91-4142-239001 TO 239005

Fax No.: +91-4142-239008

Email: tanfac.invreln@anupamrasayan.com

CORPORATE OFFICE

Oxford Centre, First Floor

No.66 Sir C.P. Ramaswamy Road Alwarpet
Chennai - 600 018

Phone No.: +91-44-24990451 / 24990464

Fax No.: +91-44-24993583

Email: tanfac.finance@anupamrasayan.com

Notice of the 50th Annual General Meeting

NOTICE is hereby given that the 50th Annual General Meeting (AGM) of TANFAC INDUSTRIES LIMITED will be held on Friday, the 27th day of September 2024, at 11.30 AM through Video Conference (VC)/Other Audio-Visual means (OAVM), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2024, including the Audited Balance Sheet as at March 31, 2024, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend of 70% i.e., ₹ 7.00/- per equity share of face value of ₹ 10/- each for the financial year ended 31 March 2024.
3. To appoint a director in place of Mrs. Mariam Pallavi Baldev (DIN: 09281201) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Ratification of Remuneration to Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditor, viz., Mr. N. Krishna Kumar (Membership No.27885 and Firm Registration No.100814), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2024-25, amounting to ₹ 70,000/- (Rupees Seventy Thousand only) in connection with the above said audit, be and is hereby ratified and approved.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
for **TANFAC Industries Limited**

Place: Cuddalore
Date: 19th July 2024

Mridula Dhoot
Company Secretary

Notes

1. The Ministry of Corporate Affairs vide its Circular No. 10/2022 dated December 28, 2022 read with Circular No. 02/2022 dated May 05, 2022 read with Circular No.21/2021 dated December 14, 2021 read with Circular No.02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020, Circular No.14/2020 dated April 8, 2020 read with Circular No.17/2020 dated April 13, 2020 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is appended herewith and also available at the Company's website www.tanfac.com.
2. In accordance with the Secretarial Standard - 2 on General Meetings issued by the ICSI read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company i.e. 14, SIPCOT Industrial Complex, Kudikadu, Cuddalore 607 005 which shall be the venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21st September 2024 to Friday, 27th September 2024 (both days inclusive) for the purpose of AGM and determining the entitlement of the shareholders to the final dividend for the financial year 2023-24.
4. Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 (SS-2) with respect to the Directors seeking reappointment at the forth coming Annual General Meeting is appended to this Notice.
5. 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.

DIVIDEND RELATED INFORMATION:

6. Subject to the provisions of the Companies Act, 2013, final dividend as recommended by the Board of Directors in their meeting held on **22nd April 2024**, if declared at the Meeting, will be paid within the time prescribed under law, to those Members whose name appear on the Register of Members as on 20th September 2024. The dividend for the shares held in dematerialized form, will be paid to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, Members holding shares in physical form are requested to provide/update bank account details to the Registrar and Share Transfer Agent or Company.
8. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
9. (i) Pursuant to the Income Tax Act, 1961 and Rules made thereunder, with effect from 01.04.2020 Dividend income is taxable in the hands of shareholders under current tax law and the Company is required to deduct tax at source (TDS) from same at the prescribed rates. There will be no TDS from dividend payable to a resident individual shareholder, if the total dividend to be received during FY 2024-25 from the Company does not exceed ₹5000/-
- (ii) A resident individual shareholder with PAN who is not liable for income tax can submit declaration in Form 15G/15H as applicable to avail the benefit of non-deduction of tax. In case their PAN is not registered (with their Depository Participants (DPS) in the case of demat holding and with the RTA for physical holding), TDS would be at a higher rate of 20% Non-resident shareholders can avail beneficial rates under applicable Tax Treaty subject to furnishing Form-10F and providing necessary documents.

- (iii) Form 15G/15H or Form - 10F can be filed online with the RTA through their link <https://www.integratedindia.in/ExemptionFormSubmission.aspx>. These can also be downloaded from the Company website, duly completed, signed and scanned and emailed to the RTA at kalyan@integratedindia.in or tanfac.invreln@anupamrasayan.com on or before 20th September 2024. You may visit the Company's website at www.tanfac.com for all the relevant details and to download the necessary forms.
- (iv) Members who have not encashed their dividend pertaining to the dividend declarations as mentioned in the below table are advised to write to the Company/ RTA immediately claiming the dividends declared by the Company. The details of unpaid dividends that are due for transfer to Investor Education and Protection Fund (IEPF) along with due dates are furnished below. As per Section 124 (6) of the Companies Act, 2013 ("Act"), all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the name of IEPF. The shareholders are entitled to claim the shares and the dividend transferred to IEPF in accordance with such procedure and on submission of such documents as prescribed in the IEPF Rules, 2016.

Sr. No	Nature of Dividend	Date of Declaration of Dividend	Due Date for Transfer to IEPF on
1	Interim Dividend	13 th August 2021	16 th September 2028
2	Final Dividend	26 th September 2022	1 st November 2029
3	Final Dividend	27 th September 2023	2 nd November 2030

- 10. In terms of the extant provisions of IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the dividend declarations as mentioned in the above table on the website of Ministry of Corporate Affairs and also in the Company's Website www.tanfac.com
- 11. Mandatory furnishing of PAN, KYC details & Nomination by holders of Physical Securities: As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI through its Circular dated March 16, 2023 in super session of its earlier Circulars dated 3rd November 2021 and 14th December 2021 provides revised common and simplified

norms for processing investor's service request by RTAs and norms for mandatory furnishing of PAN, KYC details and Nomination including the fillable Forms are hosted on the Company's Website www.tanfac.com under the "Investors" tab. In this connection, the Company has issued reminder letters to all shareholders holding shares in physical, who have not updated any of the above said details. The RTAs shall not process any service requests or complaints received from the holder(s)/claimant(s), till PAN, KYC and Nomination documents/details are received. It is also to be noted that the Folios of holders of physical shares wherein any of the above cited documents/details are not available on or after October 01, 2023, particular folio shall be frozen by the RTA and with effect from April 01, 2024 any dividend payment with respect to such frozen folios will be only through electronic mode only upon complying with the requirements of updation of all the details by the Investor as said above. Further, such frozen folios would be referred under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

- 12. Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25th January 2022, any request for effecting transfer, transmission or transposition of shares will be processed only in demat form. Therefore, the Company advises you to take steps for dematerializing your shareholding in the Company.
- 13. The Company had already sent individual communication to the concerned shareholders by Registered Post, in this regard. The details are also available on the Company's website www.tanfac.com. No claim shall lie against the Company in respect of these shares post their transfer to IEPF. The shareholders will be able to claim these shares only from the IEPF Authority by making an online application, the details of which are available at www.iepf.gov.in. The Company had so far transferred 3,41,780 shares as per above Rules.
- 14. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the members in electronic mode. Members can send an e-mail to tanfac.cosecy@anupamrasayan.com requesting for inspection of the Registers.

15. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
16. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as of the cut-off date i.e. Friday, 20th September, 2024 only shall be entitled to avail of the remote e-voting facility as well as voting in the AGM.
18. The business set out in the Notice will be transacted through an electronic voting system and the Company is providing the facility for voting by electronic means. The details of e-voting procedure are given under Note No. 26.
19. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of Board Resolution duly authorizing their representative to our Registered Office to attend and to vote on their behalf at the meeting.
20. The shareholders can also access the Annual Report 2023-24 of the Company circulated to the Members and other information about the Company on the Company's website, i.e., on www.tanfac.com and on websites of BSE Limited on which the Company's shares are listed viz., www.bseindia.com
21. Members holding their shares with multiple folios in physical mode in identical names or joint holding in the same order of names are requested to send their Share Certificates with a request to our Registrar and Transfer Agent (RTA) viz., M/s. Integrated Enterprises (India) Limited, Kences Towers, Second Floor, No.1, Ramakrishna Street, Off. North Usman Road, T. Nagar, Chennai – 600 017 for consolidation. All documents relating to share transfer, transmission, change of address, change of bank account details may be sent to our above RTA.
22. Members desirous of obtaining any information as regards Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be complied in advance.
23. Members holding shares in physical form are requested to consider converting their holding to dematerialized form as pursuant to SEBI norms, with effect from 1st April 2019, share transfers cannot be effected in physical form.
24. Members holding shares in physical form can avail of the nomination facility by filing Form SH-13 (in duplicate) with the Company's Registrar and Share Transfer Agents which will be made available on request and in the case of shares held in dematerialized form, the nomination has to be lodged with their Depository Participant.
25. **As on 31.03.2024, 97.55% of the Company's shares have been dematerialized. Members, who have not yet dematerialized their shares, at their own interest, may please get their shares dematerialized to avail the benefits of electronic holding/trading.**
26. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 5, 2023, Notice of the AGM along with the Annual Report 2023-24 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and Annual Report has been uploaded on the website of the Company at www.tanfac.com. The Notice can also be accessed from the website of the Stock Exchange i.e. Bombay Stock Exchange Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the VC/OAVM facility, Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com. For any communication, the shareholders may also send requests to the Company's investor email id: tanfac.inverln@anupamrasayan.com.
27. Voting Through Electronic Means Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated December 28, 2022 read with May 05, 2022, December 14, 2021, January 13, 2021, May 05, 2020, April 08, 2020 and April 13, 2020, the Company shall provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.

For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

Mrs. Kalyani Srinivasan, Practicing Company Secretary (FCS No 5854 & C.P.No. 3109) has been appointed as the Scrutinizer to scrutinise the e-voting (Insta Poll) during the AGM and remote e-voting process in a fair and transparent manner.

THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
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- | | |
|--|---|
| | 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|---|

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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- (i) The voting period begins on September 24, 2024 (Tuesday) 9.00 a.m. and ends on September 26, 2024 (Thursday) 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

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

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

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

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> · Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> · If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for TANFAC INDUSTRIES LIMITED to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non-Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same with a copy to email address cskalyanisrinivasan@gmail.com.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address cskalyanisrinivasan@gmail.com and to the Company at the email address tanfac.invreln@anupamrasayan.com, if they have voted from individual tab

& not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (Company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (Company email id). These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

- 1. For Physical shareholders:** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- 2. For Demat shareholders:** Please update your email id & mobile no. with your respective Depository Participant (DP)
- 3. For Individual Demat shareholders:** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at +91-22- 23058738 and +91-22-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on +91-22-23058542/43.

- 20. 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 “remote e-voting” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 21. The Scrutinizer shall after the conclusion of voting at the general meeting, 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.
- 22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.tanfac.com and on the website of CDSL 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.

By Order of the Board
for TANFAC Industries Limited

Place: Cuddalore
Date: 19th July 2024

Mridula Dhoot
Company Secretary

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to Items 3 to 5 mentioned in the accompanying Notice.

ITEM NO. 4

On the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 22nd April, 2024, had appointed Mr. N. Krishna Kumar, Cost Accountant (Membership No.27885), as the Cost Auditor of the Company for the Financial Year 2024-25 at a remuneration of ₹ 70,000/- (Rupees Seventy Thousand only) besides out of pocket expenses, if any, at actual.

As per Section 148 of The Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company at their Annual General Meeting. In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board recommends the Ordinary Resolution as set out in Item No.4 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel OR their relatives are in any way interested in the said resolution of the Notice.

By Order of the Board
for TANFAC Industries Limited

Place: Cuddalore
Date: 19th July 2024

Mridula Dhoot
Company Secretary

PARTICULARS OF THE DIRECTOR SEEKING RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS - 2 (SS-2)

Name of the Director	Mrs. Mariam Pallavi Baldev , (DIN: 09281201)
Date of Birth	07 th August 1979
Date of Appointment/Re-appointment	23 rd August 2022
Brief Resume - Qualification	IAS
Expertise in Specific Functional Areas	Mrs. Mariam Pallavi Baldev, IAS., is presently Additional Secretary to the Government of Tamil Nadu, I & IP & C department, Chennai. She has held many key positions in various departments of Government of Tamil Nadu and has many years of wide experience in public administration.
Other Directorships in Listed Companies	1. TITAN Company Limited 2. Tamil Nadu Petro Products Limited
Listed entities from which resigned in the past three years	Nil
Memberships/Chairmanships of Committees in Listed Companies	Nil
Disclosure of relationship	She is not related to any of the Director or Key Managerial Personnel of the Company
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2024	Nil
Skills and capabilities required for the role and the manner the proposed Independent Director meets such requirements	Not Applicable
Number of Board Meetings Attended	4

Note: Pursuant to SEBI (LODR) Regulations, 2016, only two Committees viz., Audit Committee and Stakeholders' Relationship Committee are considered.

By Order of the Board
for TANFAC Industries Limited

Place: Cuddalore
Date: 19th July 2024

Mridula Dhoot
Company Secretary

Regd. Office:
14, SIPCOT Industrial Complex,
Kudikadu
Cuddalore 607 005
Tel: 91 4142 239001 Fax: 91 4142 239005

Board's Report

To
The Members,

Your directors are pleased to present the report on the Company's business operations together with the audited Statement of Accounts for the financial year ended March 31, 2024, for your review.

FINANCIAL RESULTS:

[₹ in Crores]

Particulars	Financial Year 2023-24	Financial Year 2022-23
Sales	378.15	374.95
Other Income (including operating income)	7.08	7.92
Operating Expenditure	307.44	300.20
Profit before Depreciation, Finance Cost and Taxation (PBDIT)	77.79	82.67
Finance Cost	0.73	0.88
Depreciation/Impairment/Amortization	7.00	6.33
Profit before Tax (PBT)	70.06	75.46
Current Tax/Deferred Tax (Net of MAT Credit Entitlement)	17.58	19.33
Profit After Tax (PAT)	52.48	56.13
Other Comprehensive Income/(Loss)	0.17	(0.06)
Total Comprehensive Income	52.65	56.07

OPERATIONS AND OVERALL PERFORMANCE:

During the year under review, the Company had registered EBIDTA of ₹ 77.8 Crores and Net Profit of ₹ 52.5 Crores on the back of strong performance of its key products Hydrofluoric Acid, Sulphuric Acid and Speciality Fluorine Chemicals supported by significant improvements in operation.

Earnings before Depreciation, Finance Cost and Taxation had decreased by 9% at 77.8 Crores during the year, compared to 82.7 Crores in the corresponding period of the previous year.

Total comprehensive Income for the year was higher at 52.7 crores during the year against 56.1 crores during previous year.

Detailed analysis of performance of the Company is provided under Management Discussion and Analysis (MD & A) which forms part of the Annual Report.

DIVIDEND:

The Board of Directors have recommended dividend at the rate of 70%, ₹ 7.00/- (Rupees Seven only) per equity share of ₹ 10/- each, for the financial year ended March 31, 2024. Dividend, if approved by the Members at this Annual General Meeting to be held on 27th September, 2024, will be paid on or before 25th October 2024 to those Members whose names

appear in the Company's Register of Members as of the close of business hours on 20th September 2024.

Your Company paid the dividend for the year 2022-23 at the rate of @ 65%, ₹ 6.50/- (Rupees Six and Fifty paise only) per equity share of ₹ 10/- each, on 7th October 2023 to the shareholders whose names appeared in the Register of Members on 20th September 2023.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

In terms of Section 125 of the Companies Act, 2013, the Company had transferred the Dividend amount for the year 2022-23 to the respective shares which were already been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

As briefed under Management Discussion and Analysis section, the ongoing initiatives taken by the Company during the past few years have helped in continuous improvements in the operations of the Company across all spheres. With the expected commissioning of the new Hydro Fluoric Plant during the second half of the financial year 2024-25, your Company is poised to further growth in the coming years.

The Company plans to continue its focus on increasing the volume of its key products including the value-added products (VAP) during the coming years through market penetration and process improvements.

Your Board of Directors is optimistic of continuous improvements in the operational performance of the Company in the coming years.

ALUMINIUM FLUORIDE:

Your Company continues with its strategy of reduced focus on Aluminum Fluoride due to its lower contribution. However, your Company will continue to serve its long-term customers while keeping an eye on the overall bottom-line.

HYDROFLUORIC ACID (HF) & VALUE-ADDED PRODUCTS (VAPS):

Your Company continues to widen the Customer base and has also made significant progress in stringent speciality applications. Your Company was able to increase the volume during the year. The expanded capacity of 14,850 MT is expected to be commissioned during October-24. Your Company will embark upon identification of downstream VAPs in the future to reduce its over dependence on the traditional markets which are getting increasingly competitive.

SULPHURIC ACID:

Your Company continued its robust performance in Sulphuric Acid due to the concerted & continuous efforts made to improve the productivity and overall operational efficiencies.

EXPORTS:

Export turnover had decreased by 4% to ₹ 17.82 Crores against ₹ 18.63 crores in the previous year due to higher demand from the domestic customers. Your Company endeavors continuously to improve export performance by expanding the customer base in the current market and penetrating to new markets.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under

Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as **Annexure – A** to the Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Your Company has not provided any loan(s), guarantee(s) to any person or body corporate and has not made any investment(s) during the year under Section 186 of the Companies Act, 2013.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from Public within the meaning of Section 73(1) of the Companies Act, 2013, during the year under review.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is available on Company's website www.tanfac.com. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

During the financial year, the transactions with related parties were entered on an arm's length basis and in the ordinary course of business. There were no 'material' contracts or arrangements or transactions, and therefore disclosure in form AOC-2 is not required.

The Company has obtained necessary prior omnibus approval of Audit Committee and the Board pertaining to Related Party Transactions which were in the ordinary course of business and on an arm's length basis. All such transactions which are foreseen and repetitive in nature and/or entered in the Ordinary Course of Business and are at Arm's Length are placed before the Audit Committee on a quarterly basis for its review and approval.

AUDITORS & AUDITORS' REPORT:

In terms of the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Singhi & Co., Chartered Accountants, Kolkata (Firm Registration No.302049E) were appointed as Statutory Auditors of the Company for a first term of five years from the conclusion of the 47th Annual General Meeting held on 28th September, 2021 up to the conclusion of the 52nd Annual General Meeting.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by the Auditors on the financial statements of the Company forms part of the Annual Report. There were no qualifications, reservations or adverse remarks made by the Auditors in their report and no fraud was reported under Section 143(12) of the Companies Act, 2013.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Compliance Certificate on Corporate Governance given by the Statutory Auditors, viz., M/s. Singhi & Co., is forming part of the Annual Report.

COST AUDITOR:

The Board of Directors of the Company had, on the recommendation of the Audit Committee, approved the appointment of Shri N. Krishna Kumar, Cost Accountant, Cuddalore (Membership No.27885) for conducting the audit of cost records of the Company pertaining to Inorganic and Organic products manufactured by the Company covered under Central Excise Tariff Heading Chapter Nos. 28 and 29 respectively in compliance with The Companies (Cost Records and Audit) Rules, 2014.

The Board of Directors at their meeting held on 22nd April 2024, have appointed Shri N. Krishnakumar, Cost Accountant as cost auditor for the Financial Year 2024-25 and necessary filing has been made with the Central Government.

The Cost Audit Report for the financial year 2023-24 due to be filed with Ministry of Corporate Affairs (MCA) had been filed within the due date and there were no qualifications, observations or adverse remarks made by the Cost Auditor in his report.

SECRETARIAL AUDITOR:

The Board, in their meeting held on 23rd January 2024, had appointed Ms. Kalyani Srinivasan (Practicing Company Secretary, Chennai (C.P. No. 3109 & FCS No.5854) to conduct Secretarial Audit for the Financial Year 2023-24, which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India.

The Secretarial Audit Report as required under Section 204 of The Companies Act, 2013 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished under **Annexure – C**, does not contain any qualification, reservation or adverse remark.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR:

There are no significant and material orders passed by the Regulators/Courts that would impact the

going concern status of the Company and its future operations.

ANNUAL PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual Performance Evaluation of the Board, its committees and of individual directors in the format (questionnaire) prescribed by the Nomination and Remuneration Committee of the Company.

The structured questionnaire covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc.

The performance evaluation of the Directors (without participation of the relevant Director) was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company met during the year to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board without the presence of the Non-Independent Directors and members of the Management.

RISK MANAGEMENT POLICY:

The Company has internally constituted a Risk Management Committee to define its roles and responsibilities and laid down the procedure to assess the risk and minimization procedures. The Risk Management includes identifying types of risks and its assessment, risk handling & monitoring and reporting. The Board through its Audit Committee shall also be responsible for framing, implementing and monitoring the risk management plan for the Company. The details of identified risk and mitigation plan would be reviewed by the Committee every quarter and forwarded with their recommendation, if any to the Audit Committee/Board for its review.

The details of Risk Management as practiced by the Company are provided as part of Management Discussion and Analysis Report.

Your Company continues to be a top 1000 Company based on the market capitalization of BSE as on March 31, 2024. To comply with the listing requirement for the top 1,000 companies, the Board had constituted Risk Management Committee. The details of the members of the Committee have been given elsewhere in the report.

POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated the formulation of certain policies for all listed entities. The policies are reviewed periodically by the Board and updated based on need and new compliance requirements and are available on the Company's official website viz, www.tanfac.com.

Name of Policy	Brief description	Web URL
Related Party Transaction	The policy to regulate all transactions between the Company and its Related Parties in compliance with various applicable laws, including under The Companies Act, 2013/ SEBI (LODR) Regulations, 2015	http://www.tanfac.com/documents/policy_Materiality_Of_Related_Party_Transactions.pdf
SEBI (prohibition of Insider Trading) Regulations, 2015	The Policy provides for fair disclosure of unpublished price sensitive information in dealing with securities of the Company.	http://www.tanfac.com/documents/policy_sebi.pdf
Whistle Blower Policy (vigil mechanism)	The Company has established a vigil mechanism for its Directors and Employees to report their genuine concerns or grievances or violation of the Company's code of conducts and ethics, which will be monitored by the Audit Committee	http://www.tanfac.com/documents/policy_Whistle_Blower.PDF
Criteria for making payment to Non-Executive Directors	Except sitting fee for attending Board, Audit Committee and Stakeholders Relationship Committee meetings NO other remuneration paid to Directors.	http://www.tanfac.com/documents/who_non_executive_directors.pdf
Policy for determination of materiality of information or event	This Policy facilitating prompt disclosure of material price sensitive information to the listed Stock Exchange(s) prepared in terms of SEBI (LODR) Regulations, 2015.	http://www.tanfac.com/documents/policy_matrl_event.pdf
Policy on Archival of documents	The policy framed for archival of the Company's records as required under SEBI (LODR) Regulations, 2015	http://www.tanfac.com/documents/policy_archival_policy.pdf
Policy on preservation of documents	The policy deals with retention of documents in permanent nature and not less than eight years after completion of the relevant transactions.,	http://www.tanfac.com/documents/policy_preservation_Doc.pdf
Risk Assessment and Management Policy	The purpose of this Policy is to define, design and implement a risk management framework across the Company to identify, assess, manage and monitor risks.	http://www.tanfac.com/documents/Risk-Management-policy.pdf
Dividend Distribution Policy	Recognising the need to lay down a broad framework for deciding the matters pertaining to distribution of dividend and/or retaining the profits of the Company, the Board of Directors the Company (the "Board") has laid down and adopted this policy	http://www.tanfac.com/documents/Tanfac-Dividend-Distributionpolicy.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mrs. Mariam Pallavi Baldev (DIN: 09281201), Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

During the last AGM held on 27th September 2023, shareholders have approved the reappointment of Mr. K. Sendhil Naathan, (DIN: 08850046) as Managing Director for a period of eighteen months from 27th August 2023.

In terms of the provisions of Section 203 of the Act, Mr. K. Sendhil Naathan, Managing Director, Mr. N.R. Ravichandran, Chief Financial Officer and Ms. Mridula Dhoot, Company Secretary are the Key Managerial Personnel of your Company.

DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors of your Company have given their certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013. The details of the training and familiarization programs and the Annual Board Evaluation process for Directors have been provided in the Corporate Governance Report.

The terms and conditions of appointment of Independent Directors, in line with the provisions of Schedule IV of the Companies Act, 2013 are available on the Company's official website link viz., http://www.tanfac.com/documents/who_appointment_independent_directors.pdf

All Independent Directors of your Company have registered their name in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

BOARD EVALUATION:

The evaluation of Board of Directors and the Board, as required under Section 149(8) of The Companies Act, 2013, read with Schedule IV under Chapter VIII were done through selected parameters related to their roles, responsibilities and obligations of the Board and functioning of the Committee.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the key function of the Board of Directors includes:

- To review and guide Corporate Strategy, major Plan of Action, Risk Policy, Annual Budgets & Business Plans, setting Performance Objectives.
- Monitoring the effectiveness of the Company's governance practices.

- Ensuring the integrity of the Company's Accounting and Financial Reporting Systems, including the Independent Audit.
- To provide strategic guidance.
- To maintain high ethical standards in the interest of the stakeholders.
- To exercise objective independent judgement on corporate affairs.

Accordingly, the performance of the Board was evaluated after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. Similar evaluation was carried out by the Committee of the Board of Directors after seeking their inputs.

NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2023 - 24, the Board met five times and further details are provided in the Report on Corporate Governance that forms part of this Annual Report.

The intervening gap between any two meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars thereon.

BOARD COMMITTEES:

Presently, the Board has four Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and CSR Committee comprising of the required combination of Non-Independent and Independent Directors. For further details, please refer to the Report on Corporate Governance section of the Annual Report.

Your Company continues to be among top 1000 Company based on the market capitalization of BSE as on March 31, 2024. To comply with the listing requirement for top 1,000 Company, the Board had constituted Risk Management Committee consisting of following Directors and Senior management.

1. Mr. Afzal Malkani, Chairperson of the Committee
2. Mr. M.R. Sivaraman
3. Mr. V.T. Moorthy
5. Mr. K. Sendhil Naathan
6. Mr. N.R. Ravichandran, Chief Financial Officer

Chief Financial Officer will act as the Chief Risk Officer (CRO) and convener of the Committee.

ANNUAL RETURN:

Annual Return as required under Section 92(3), copy of Annual Return is placed on the Company's website. The web link to access the annual return is <https://www.tanfac.com/annual.php>

INTERNAL FINANCIAL CONTROL (IFC):

The Internal Financial control (IFC) stipulates 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.

The observations by the Internal Auditors and corrective actions thereon are presented at the Audit Committee which also oversees and evaluates the IFC periodically.

The Directors Responsibility Statement required under Section 134(5) of the Companies Act, 2013, are available elsewhere in the Directors' Report.

CORPORATE GOVERNANCE:

Your Company is strongly committed towards its philosophy of Corporate Governance. The Corporate Governance Report, along with the Auditors certificate regarding compliance of the conditions of the Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement is forming part of the Annual Report.

A Certificate of the Managing Director and Chief Financial Officer of the Company, in terms

of Regulation 17(8) as specified in Part B of Schedule II read with SEBI (LODR) Regulations, 2015, confirming the correctness of the Financial Statements, adequacy of the Internal Control measures and reporting of matters to the Audit Committee, is annexed.

Your directors are pleased to report that the Company has fully complied with the SEBI guidelines and Corporate Governance as on Financial Year ended March 31, 2024 and will continue to comply with the same.

LISTING WITH STOCK EXCHANGES:

The Company is listed in The Bombay Stock Exchange of India Limited (BSE) and the Stock Code is 506854 & ISIN INE639B01015. The Company confirms that it has paid the Annual Listing Fees for the year 2024-25 to BSE where the Company's Shares are listed.

INSURANCE:

The Company's properties, Fixed Assets (including Building, Plant and Machinery & other insurable assets) and Currents Assets (including stock of Raw Materials, Finished Goods, Stores and Spares etc.,) are adequately insured.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Listing Agreement, the Management's Discussion and Analysis Report (MD & A) for the year under review has been made & forming part of the Annual Report.

PERSONNEL:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

Particulars pursuant to Section 197(12) and the relevant Rules:

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company, is as follows:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Apart from remuneration to the Managing Director as per terms of appointment approved by the members, except for sitting fees for attending meetings of the Board & Board Committees, no other remuneration is being paid to other directors. For this purpose, Sitting fees paid to the Directors have not been considered as Remuneration.

Name of the Director	Ratio to median remuneration	Remuneration Paid (₹ In Lakhs)
Mr. K. Sendhil Naathan, Managing Director	32.89:1	237.14

- b. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year 2023-24 and Ratio of remuneration of Director to the medium remuneration of the employees of the Company for the financial year is as under:

Sr. No.	Particulars of Director and Other Key Managerial Personnel (KMP) and Designation	#Remuneration of Director and KMP for financial year 2023-24 (₹ in lacs)	% Increase in remuneration in financial year 2023-24	Ratio of remuneration of each Director to medium remuneration of employees
1	Mr. K. Sendhil Naathan, Managing Director	237.14	Nil	32.89:1
2	Mr. N.R.Ravichandran, Chief Financial Officer	89.38	Nil	Not Applicable
3	Mr. H.Narayanarao, Company Secretary*	9.50	Nil	Not Applicable

*Part of the year

- c. The percentage increase in the median remuneration of employees in the financial year was 13%:

During the Financial year 2023-24, there was an increase of 11% over the previous financial year, in the Median remuneration of the employees. The calculation of percentage increase in the Median remuneration is based on comparable employees.

- d. The number of permanent employees on the rolls of Company:

There were 143 permanent employees on the rolls of the Company as on 31st March, 2024 (131 no. of permanent employees as on March 31, 2023).

- e. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase for Managing Director, Chief Financial Officer and the Company Secretary was at 10% compared to 13% increase considered for other Non-Manual Personnel.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid to employees is as per the Group HR Policy duly adopted by the Company through its Nomination and Remuneration Committee.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under

Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection in electronic mode. Any Member interested in obtaining a copy of the same may write to the Company.

INDUSTRIAL RELATIONS:

Employee relations continued to be cordial throughout the year. The whole-hearted support of employees in the implementation of ISO-9001 systems, ISO 14001, ISO 45001 in energy contribution initiatives and amply demonstrates the high level of teamwork, sense of belonging to the organization, and solidarity with the Management.

RESEARCH AND DEVELOPMENT (R&D):

Your Company has made significant strides in Research & Development, with the following key initiatives:

- The Company is in the advanced stages of modernizing its R&D and Pilot Plant facilities.
- R&D efforts are focused on developing processes for Fluorinated Specialties through AHF Fluorination.
- R&D Engineers successfully installed a back-pressure turbine to harness waste energy in the PRDC.
- Innovative and reliable Heat Exchanger designs for the DHF process were developed, along with improvements to the AHF scrubber for enhanced efficiency.
- The team has continuously worked on improving the productivity of Sulphuric Acid production.
- Waste heat has been utilized to distil AHF, leading to reduction in steam consumption.

- Consistent out-of-the-box thinking by engineers has resulted in year-over-year (YOY) reduction in average power and fuel costs.
- Your Company has implemented IoT and Energy Management Systems across various plant locations and operations.

SAFETY, HEALTH AND ENVIRONMENT PROTECTION (SHE):

Your Company remains committed to maintaining a robust Safety, Health, and Environmental Management System. The Company operates under an Integrated Management System (IMS) certified by Intertek Certification Limited, UK, encompassing ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018 (Occupational Health and Safety Management Systems).

Given the Company's coastal location and chemical complex, significant investments have been made to enhance building stability, replace pipelines through predictive maintenance, revamp cable trays and pipe racks, and replace MCC panels with the latest LOTO (Lockout/Tagout) features.

Key safety enhancements include:

- Introducing remote-operated valves in the AHF storage tank farm.
- Installing PLC systems in batch-operated plants.
- Implementing automatic stop valves and online respiratory systems in filling areas.
- SHE and Operations Teams, in light of various process improvements and energy-saving measures, have revised the P&ID of all plants and conducted a HAZOP (Hazard and Operability) Study.

Further, double-armored pipes have been introduced in acid transfer lines to replace standard pipelines. The Company follows safety procedures and a permit-to-work system in line with international standards and practices.

Stringent safety and environmental protection measures are enforced, as mandated by the Board. Safety visuals, pictorials, and signboards have been implemented across all plant areas. Regular safety audits and risk assessments are conducted to monitor potential risks and ensure the implementation of countermeasures. Your directors also periodically visit the plant and review the safety performance.

Additionally, the Company conducts onsite mock drills, coordinating with local government authorities, nearby companies, and customers. Continuous training and retraining are provided on safety and sustainability, with employees and

contract workers who contribute to sustainable development being rewarded.

In alignment with Tamil Nadu Government's Vision 2023 "Green Tamil Nadu Mission," your Company has expanded its green belt coverage both inside and outside the factory premises.

Sustainability:

Sustainability is embedded as a core element of the Company's business and strategy. Recognizing that the chemical industry is a significant emitter of greenhouse gases (GHGs), your Company prioritizes energy savings and the reduction of GHG emissions from plant operations.

This is being accomplished through:

- Increased investments in more efficient technologies.
- Reduced energy consumption.
- Adoption of alternative energy sources to minimize overall GHG emissions.

Through ongoing efforts in Environmental, Health & Safety aspects, the Company continuously tracks and reports on progress, performance, and best practices related to environment, social, and governance (ESG) concerns. These efforts are part of the Company's long-term sustainability roadmap.

Your Company has prepared the Business Responsibility and Sustainability Report (BRSR) for FY-24 in accordance with the National Guidelines on Responsible Business Conduct (NGRBC) and the United Nations Guiding Principles on Business & Human Rights (UNGPs). The report is annexed as **Annexure-D** to this report.

MANAGEMENT POLICY

At TANFAC Industries Limited, we are dedicated to the continual improvement of our Management Systems, which impact quality, cost, and delivery while minimizing environmental impact. We are committed to preventing pollution, complying with customer and stakeholder requirements, and upholding public responsibilities.

SUSTAINABLE DEVELOPMENT – COMMUNITY DEVELOPMENT INITIATIVES – CORPORATE SOCIAL RESPONSIBILITY (CSR):

CSR is a continuing commitment by business to behave ethically and contribute to economic development of the local community and society at large. Creating value for the society is one of the major initiatives of CSR.

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a

Corporate Social Responsibility (“CSR”) Committee chaired by Mr. V.T. Moorthy, Independent Director. Other Members of the CSR Committee are Mr. M.R.Sivaraman, IAS Retd., Independent Director, Mrs. R. Rajalakshmi, Independent Director, Mr.R. Karthikeyan, Non-Executive and Non-Independent Director (upto 28th March 2024) and Mr. Afzal Harunbhai Malkani, Non-Executive Director (with effect from 21st April 2023).

Your Company also has in place a CSR Policy which is available at: [TANFAC-CSR-Policy.pdf](#).

Your Company’s CSR activities are focused on Social Empowerment and Welfare, Infrastructure Development, Sustainable Livelihood, Healthcare and Education. Various activities across these segments have been initiated during the year around the plant location, neighboring villages around Cuddalore and Cuddalore District.

Focused areas are Education, Health, Sustainable Livelihood, Infrastructure development and social empowerment. All our CSR activities are carried out under the support and guidelines of Aditya Birla Centre for Community Initiatives and Rural Development. Your Company is carrying out its community welfare activities in and around Cuddalore for more than a decade to underserved communities.

Your Company motivates and encourages its employees to actively participate in the various community development and CSR activities.

During the year ₹ 117.88 lakhs was spent on CSR activities which is more than the obligation of 2% of the average net profits of the last 3 financial years. A detailed report on CSR initiatives is annexed as **Annexure-C** to this report.

OTHER DISCLOSURES:

- No Material changes and Commitments affected the financial position of your Company between the end of the financial year and the date of this Report.
- Your Company has not issued any shares with differential voting rights.
- There was no revision in the financial statements.
- There has been no change in the nature of business of your Company.
- Your Company has not issued any sweat equity shares.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Company has zero tolerance for sexual harassment at workplace. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules framed thereunder. Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the POSH Act. During the year under review your Company did not receive any complaint of sexual harassment.

HUMAN RESOURCES DEVELOPMENT:

Human resources play a significant role in your Company’s growth strategy. Your Company believes that its knowledge capital will drive growth and profitability. The ongoing focus is on attracting, retaining and engaging talent with the objective of creating a robust talent pipeline at all levels. Your Company’s Employee Engagement Score reflects high engagement and pride in being part of the organization.

Corporate Human Resources plays a critical role in your Company’s talent management process. Initiatives like robust talent reviews, career development conversations and best-in-class development opportunities will help enhance the employee experience at your Company.

Your Company is engaged in a constructive relationship with employees with an emphasis on productivity and efficiency and underlining safe working practices. As on March 31, 2024, your Company’s employee strength was 142 employees (previous year 131 employees).

CAUTIONARY STATEMENT:

Statements in the Board’s Report and the Management Discussion and Analysis describing your Company’s objectives, projections, estimates, expectations or predictions and plans 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 could make a difference to your Company’s operations include global and Indian demand- supply conditions, sales realizations, feed stock prices, cyclical demand and pricing in the Company’s principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts business, geopolitical tensions, risks related to an economic downturn or recession in India, the ongoing efforts

of the government and other factors. Your Company is not obliged to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events, or otherwise

ACKNOWLEDGEMENT:

Your directors wish to express their appreciation for the continued assistance and cooperation of the consortium banks, Government authorities,

customers, vendors and members during the year under review.

On behalf of the Directors and all shareholders, I would like to place on record my sincere appreciation of the committed services by the entire TANFAC family, comprising officers, staff and workers.

Finally, I look forward to your continued understanding and support in taking your Company forward in these challenging times.

For and on behalf of the Board

Place: Chennai
Date: 19th July 2024

(Mariam Pallavi Baldev)
Chairperson

Annexure – A to Board’s Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under The Companies (Accounts) Rules, 2014

1. CONSERVATION OF ENERGY:

(a) Steps taken for Conservation of Energy

During the financial year 2023-24, the Company implemented several energy conservation measures across its manufacturing units in Cuddalore, including the Hydrofluoric Acid, Sulphuric Acid, and Speciality Fluorides plants.

(b) Major Energy Conservation initiatives taken during the Financial Year 2023 -24

- Waste heat from the PRDC was utilized in a back-pressure turbine to generate additional electricity.
- Sulphuric acid production was further increased by 8%, resulting in higher steam generation. This, along with reduced steam consumption and increased waste heat steam generation from the Sulphuric Acid Plant, allowed the complete cessation of the operation of the coal-based process boiler.
- Variable Frequency Drives (VFDs) were installed on additional equipment to optimize energy use.
- Losses of AHF were reduced, and scrubber efficiency was improved, leading to lower Fluorspar usage.
- The Company continues to implement various energy conservation measures in the Power Plant and across all process plants.

Through these initiatives, the Company has realized significant cost savings.

(c) Steps taken by the Company for utilizing alternate sources of energy

No alternative energy sources were employed for the processes mentioned in point 1(b) above.

(d) The capital investment on energy conservation equipment

The Company invested around ₹ 100 Lakhs in energy conservation equipment.

RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

Research and Development Initiatives

- Completed a pilot study for the production of Speciality Fluoride from the waste stream of a group Company.

- The R&D team successfully developed a process for Organic Fluorine products and is actively working on the development of various other Organo-Fluorine Specialties.
- Ongoing efforts to improve the quality of Hydrofluoric Acid to meet specific customer requirements.
- Continued production of speciality chemicals tailored to customer needs.
- Implementing water reduction schemes, including ongoing efforts to reduce water consumption and effluent discharge through effective recycling in the plant.
- The Company continues to focus on environmental conservation by recycling solid waste generated in the manufacturing process through cement industry partnerships.

Technology Absorption

- The Company has formed cross-functional teams to optimize existing processes through in-house efforts, resulting in cost savings.
- The Company is collaborating with renowned technology suppliers for High-Value Fluorine Specialties.
- Continuous implementation of sustainable business practices, rewarding innovative ideas, and recognizing employee performance through Spot Awards have encouraged young engineers and scientists to develop creative solutions to improve production efficiency, energy savings, water conservation, waste minimization, safety, and system improvements.

A. FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in Lakhs)

Details	2023-24	2022-23
Forex Earned	1,782.00	1,863.49
Forex Used	17,383.93	14,072.69

Details of technology imported during the past five years:

Year	Technology imported	Status
- NIL -		

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(C) & 5 OF THE COMPANIES ACT, 2013:

Your Directors would like to inform members that the Financial Statements of the Audited Accounts for the Financial Year 2023-24 are prepared in accordance with mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of The Companies (Accounts) Rules, 2014 and are in full conformity with the requirement of the Act. They believe that the Financial Statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial conditions and results of operations.

Your Directors further confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Annexure - B to Board's Report

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2024

[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,
TANFAC INDUSTRIES LIMITED
CIN L2411TN1972PLC006271
14 SIPCOT Industrial Complex
CUDDALORE – 607 005

Direct Investment and External Commercial Borrowings: Not Applicable

I have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to good corporate practices by TANFAC INDUSTRIES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the TANFAC INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute Books, forms and returns filed and other records maintained by TANFAC INDUSTRIES LIMITED ("the Company") for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign Direct Investment, Overseas

- (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 (Listing Obligation and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not Applicable.
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not Applicable;
 - (g) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable: and
 - (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - Not Applicable;
- (vi) Other laws applicable to the Company as per the representation made by the Management:
 - (a) The Explosives Act, 1884.

(b) The Narcotic Drugs and psychotropic Substances Act, 1985.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered in to by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There was change in the composition of the Board of Directors during the period under review. Adequate Notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through by the Directors and there were No dissenting views

by any Directors/Members of the board during the period under the review.

I further report that on the examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and also on the review of monthly compliance reports by respective department heads, taken on record by the Board of Directors of the Company. In my opinion that there are adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable other general laws, rules, regulations and guidelines including Industrial Laws, Labour laws.

I further report that I have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.

I further report that the compliance by the Company of the applicable financial 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 auditor.

Place: Chennai
Date: 22.04.2024
UDIN: F005854F000202952

KALYANI SRINIVASAN
 FCS No. 5854
 CP No. 6047

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and form part of this report.

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
TANFAC Industries Limited
Cuddalore

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. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Where required I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 22.04.2024
UDIN: F005854F000202952

Signature:

KALYANI SRINIVASAN
FCS No. 5854
CP No. 6047

Certificate from Company Secretary in Practice

[In terms of Regulation 34(3) read with Schedule V Para C (10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
TANFAC INDUSTRIES LIMITED
CIN: L2411TN1972PLC006271
14 SIPCOT Industrial Complex
CUDDALORE – 607 005

I, Ms.Kalyani Srinivasan hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors of TANFAC Industries Limited ("the Company) as on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA) or any such other Statutory Authority.

Sr. No.	Name of the Director	Nature of Directorship	Director's Identification Number
1	Ms. Mariam Pallavi Baldev	Chairperson, Non-Executive, Non-Independent Director	09281201
2	Mr. Jaya Chandra Bhanu Reddy [#]	Non-Executive - Non-Independent Director	10057412
3	Mr. Afzal Harunbhai Malkani	Non-Executive-Non-Independent Director	07194226
4	Mr. Sendhil Kalyanasundaram Naathan	Managing Director	08850046
5	Mr. M.R. Sivaraman	Non-Executive - Independent Director	00020075
6	Mr. V.T. Moorthy	Non-Executive - Independent Director	00007648
7	Mr. Shankar Narasimhan	Non-Executive - Independent Director	01484214
8	Mr. R. Rajalakshmi	Non-Executive - Independent Director	01985132
9	Mr. R. Karthikeyan*	Non-Executive - Non-Independent Director	00824621

[#]Resigned with effect from 28th March 2024

*Joined with effect from 28th March 2024

I am issuing this certificate based on the following, which to the best of my knowledge and belief were considered necessary in this regard:

- Information relating to the directors available in the official website of MCA; and
- Disclosures/declarations/confirmations provided by the said Directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

I wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment/continuation as a Director on the Board of the Company. My responsibility is to express an opinion on this based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment/continuation of a person as a Director of the Company.

Place: Chennai
Date: 06.06.2024
UDIN: F005854F000541686

Signature:

KALYANI SRINIVASAN
FCS No. 5854
CP No. 6047

Annexure to Board's Report

REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes

To actively contribute to the social and economic development of the underserved communities, lifting the burden of poverty and helping bring in inclusive growth and in doing so, build a better, sustainable way of life for the weaker sections of society and raise the Country's Human Development Index. The projects which are identified includes Education, Health Care, Sustainable Livelihood, Infrastructure Development and Women and Social Empowerment.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the weblink <http://www.tanfac.com/policy.php>. The CSR Policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the Company and applicability, scope (area/localities to be covered and activities), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

2. The Composition of the CSR Committee

The Company has constituted the CSR Committee with the following Directors:

Sr. No.	Name of Directors	Designation	Number of meetings held during the year	Number of meetings attended during the year
1	Mr. V.T. Moorthy	Chairman, Non-Executive - Independent Director	1	1
2	Mr. M.R. Sivaraman	Member, Non-Executive - Independent Director	1	1
3	Mrs. R. Rajalakshmi	Member, Non-Executive - Independent Director	1	1
4	Mr. Afzal Harunbhai Malkani**	Member, Non-Executive - Non-Independent Director	1	1

**Mr. Afzal Harunbhai Malkani, was appointed as committee member on 21st April 2023.

Details of actual CSR expenditure during each quarter is presented to the Board.

3. Provide the web link where composition of the CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

<http://www.tanfac.com/policy.php>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
(i)	2023-2024	4.33	Nil
(ii)	2022-2023	2.90	Nil

6. Average net profit of the Company as per Section 135(5)

Sr. No.	For the Financial Year	Annual Net Profit (₹ Lakhs)
(i)	2022-2023	7,546.24
(ii)	2021-2022	7,194.65
(iii)	2020-2021	2,506.01
Total		17,246.9
Average Annual Net Profit		5,748.97

7. (a) Two percent of average net profit of the Company as per Section 135(5):

2% of Average Net Profit works out to ₹ 114.98 lakhs.

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years:

Nil

(c) Amount required to be set off for the financial year, if any:

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 114.98 Lakhs

8. (a) CSR Amount spent or unspent for the financial year:

Total amount spent for the Financial year (amount in ₹ Lakhs)	Amount Unspent (in ₹ In lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
117.88	Nil		Nil		

(b) Details of CSR Amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the Project (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number

No ongoing project was approved during the financial year 2023 - 2024

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Contribution towards Higher Education Support	Education Promotion	Yes	Tamilnadu	Cuddalore & Chennai	5.00	NA	Namma School Foundation of TN Govt	
						20.00	No	Higher Education Support - Anandham Foundation	CSR00011123
						24.40	Yes	Various Schools	N.A

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
2	Promotion of Health	Promoting health care – permanent structure	Yes	Tamilnadu	Cuddalore	3.00	Yes	Dialysis Machine to Lions Eternal Empathy Foundation	N.A
						2.65	Yes	Cot & Bed for Kannarapet Health Centre	
						3.00	Yes	Medicine support to cancer affected children (Shine Home & JAL)	N.A
						9.40	Yes	Health Awareness Campaign of Government	N.A
3	Social Empowerment & Infrastructure	Social Empowerment	Yes	Tamilnadu	Cuddalore	4.00	Yes	Construction of Class room at Tiruvendhipuram School	N.A
						0.50	Yes	District Administration - Kodai Vizha	N.A
						1.03	Yes	Provided Furniture to Kudikadu Communityhall	N.A
						0.15	Yes	Printer to E- Seva Centre	N.A
						4.00	No	Tanjore Painting Training Program	N.A
						2.31	Yes	Furniture to old age home	
4	Environmental sustainability & ecological balance	Environment	Yes	Tamilnadu	Cuddalore	0.15	Yes	Environment awareness programmes at various schools	N.A
						10.30	No	Support through District Administration	N.A
						24.99	No	Green Belt Development	N.A
						3.00	Yes	Anti Plastic Campaign	N.A
Total						117.88			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 117.88 Lakhs

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	114.98
(ii)	Total amount spent for the Financial Year	117.88
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.90
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial Years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	7.23 (2.9+4.33)

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	

NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years:

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project Completed/ Ongoing
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No ongoing project was undertaken during last three financial year

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- a) Date of creation or acquisition of the capital asset(s)
- b) Amount of CSR spent for creation or acquisition of capital asset
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc
 Name of the Trust
 Section 12AA Registration No.
 Section 80C Registration No.
 Address of the Trust
 No Capital Assets was created or acquired during the financial year.
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

 Capital asset(s) created
 Address where capital assets located

No Capital Asset was created or acquired during the financial year as CSR spend.

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5).

Not Applicable as the Company had spent 2% of the Average Net Profit during the financial year 2023-24.

Mr. M.R. Sivaraman
 Member: CSR Committee
 DIN: 00020075

(V.T. Moorthy)
 Chairman: CSR Committee
 DIN: 00007648

Place: Cuddalore
Date: July 19, 2024

Annexure - D

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

TANFAC INDUSTRIES LIMITED

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

Sr.	Particulars	Details
1	Corporate Identity Number (CIN) of the Listed Entity	L24117TN1972PLC006271
2	Name of the Listed Entity	Tanfac Industries Limited ("Company/Tanfac")
3	Year of incorporation	20-12-1972
4	Registered office address	No. 14, SIPCOT Industrial Complex, Cuddalore 607005, Tamil Nadu, India
5	Corporate address	Oxford Centre, 1 st Floor, 66 Sir C P Ramaswamy Road, Alwarpet, Chennai-600018, Tamil Nadu, India
6	E-mail	Tanfac.Invreln@anupamrasayan.com
7	Telephone	+91-4142-239001-05
8	Website	www.tanfac.com
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11	Paid-up Capital	9,97,50,000
12	Contact Person	
	Name of the Person	Mr. P. Kirubakaran
	Telephone	Tel: +91-4142-239005
	E-mail address	Tanfac.Invreln@anupamrasayan.com
13	Reporting Boundary Type of Reporting - Select from the Drop-Down List	Standalone basis
14	Name of assurance provider	TÜV SÜD SOUTH ASIA PVT. LTD
15	Type of assurance obtained	Limited Assurance

II. Product/Services

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

Sr.	Description of Main Activity	Locations	Description of Business Activity	% Turnover of the Entity
1	Manufacturing of HF, Sulphuric Acid, Aluminium Fluoride & Speciality fluorides & chemicals	Tanfac Industries Limited	Manufacturing of Fluorine Based Chemicals	100%

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

Sr.	Product/Service	NIC Code	% of Total Turnover contributed
1	Chemical Sector	20119	100%

III. Operations

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

Location	Number of plants	No. of Offices	Total
National	1	1	2
International	Nil	Nil	Nil

19. Market served by the entity

	Locations	Numbers
a. No. of Locations	National (No. of States)	18
	International (No. of Countries)	12
b. What is the contribution of exports as a percentage of the total turnover of the entity?		4.77%
c. A brief on types of customers	Company is working with the top Fluoro Carbon manufacturing units, Fluorine derivatives manufacturing, Aluminium manufacturing, Electronics manufacturing, LABSA and Soap manufacturing industries, Steel Pickling, Pharma & Agrochemicals.	

IV. Employees

20. Details as at the end of Financial Year

Sr.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees and workers (including differently abled)						
Employees						
1	Permanent Employees (D)	134	129	96.27%	5	3.73%
2	Other than Permanent Employees (E)	0	0	0.00%	0	0.00%
3	Total Employees (D+E)	134	129	96.27%	5	3.73%
Workers						
4	Permanent (F)	9	9	100%	0	0.00%
5	Other than Permanent (G)	382	372	97.38%	10	2.62%
6	Total Workers (F+G)	391	381	97.44%	10	2.56%
b. Differently abled employees and workers						
Employees						
1	Permanent Employees (D)	Nil	Nil	Nil	Nil	Nil
2	Other than Permanent Employees (E)	Nil	Nil	Nil	Nil	Nil
3	Total Employees (D+E)	Nil	Nil	Nil	Nil	Nil
Workers						
4	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6	Total Differently Abled Employees (F+G)	Nil	Nil	Nil	Nil	Nil

21. Participation/Inclusion/Representation of women

Sr.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1.	Board of Directors	8	2	25%
2.	Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2023-2024 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.82%	0%	4.67%	4.13%	0%	4.13%	2.5%	0.83%	3.33%
Permanent Workers	0%	0%	0%	9.52%	0%	9.52%	7.14%	0%	7.14%

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

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

Sr.	Name of the holding/subsidiary/associate companies/joint ventures	Indicate whether it is a holding/Subsidiary/Associate/or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Anupam Rasayan India Limited	Holding	25.79	Yes
2	Tamil Nadu Industrial Development Corporation (TIDCO)	Holding	26.02	No

VI. CSR Details

24.

a. Whether CSR is applicable as per Section 135 of Companies Act, 2013:	Yes
Turnover (in ₹) (for FY 2023-24)	*3,85,22,43,633
Net worth (in ₹) (as on 31 March 2024)	2,30,44,51,236

*This figure is on standalone basis.

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Re-dressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints			Number of complaints		
		filed during the year	pending resolution at close of the year	Remarks	filed during the year	pending resolution at close of the year	Remarks
Communities	The Company has established a whistle blower Mechanism Policy and a Grievance Redressal Mechanism for Stakeholders, both of which are accessible on the intranet.	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)		Nil	Nil	NA	Nil	Nil	NA
Shareholders		Nil	Nil	NA	Nil	Nil	NA
Employees and workers		Nil	Nil	NA	2	Nil	JMC Union
Customers		Nil	Nil	NA	Nil	Nil	NA
Value Chain Partners		Nil	Nil	NA	Nil	Nil	NA

26. Overview of the entity's material responsible business conduct issues - Anupam Rasayan India Limited

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
---------------------------	--------------------------------------	--	--	--

We are currently undertaking a materiality assessment to deepen our understanding of sustainability and corporate responsibility.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Policy and Management Processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	We adhere to Anupam Rasayan India Limited's Code of Conduct and policies, which are available on website at www.anupamrasayan.com/sustainability/policies/ .								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	We are practicing following Standards: 1. ISO 9001:2015 – Quality Management System 2. ISO 14001:2015 – Environment Management System 3. ISO 45001:2018 – Occupational Health & Safety Management System								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Sustainable Development Goals and targets will be set from FY 2024-25 onwards								
6	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	NA								

Governance, Leadership and Oversight

7 **Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:**

The strong presence of our sustainable culture throughout all Company operations is truly inspiring. Our commitment to sustainability is clear, and we are determined to advance our ESG (Environmental, Social, and Governance) efforts, aiming to set the industry stand-ard for sustainability and responsible business practices by 2030. To achieve this, we have established a robust governance structure that prioritizes sustainability within our business objectives. Our comprehensive ESG roadmap is aligned with the UN Sustainable De-velopment Goals (SDGs) and the Global Reporting Initiative (GRI) framework. Over the past year, we have made significant progress toward our sustainability goals.

8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(i.es).	1. Mr. K. Sendhil Naathan Managing Director 2. Mr. N. R. Ravichandran Chief Financial Officer
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9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Currently, we do not have a sustainability committee in place.
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10. Details of Review of NGRBCs by the company:	P1	P2	P3	P4	P5	P6	P7	P8	P9
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Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee

Performance against above policies and follow up action	This will be reviewed by our committee members on half yearly basis.				
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Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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Frequency (Annually/Half yearly (HY)/ Quarterly/ Any other – please specify)

Performance against above policies and follow up action	HY	HY	HY	HY	HY	HY	HY	HY	HY
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Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	HY	HY	HY	HY	HY	HY	HY	HY	HY
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11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No, The Company regularly evaluates and updates its policies internally as needed.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
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The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
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The entity does not have the financial or/human and technical resources available for the task (Yes/ No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
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It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
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Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA
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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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



The operations which are driven by integrity, transparency, and accountability demonstrate the Company's commitment to ethical practices, which can have several benefits, including enhanced reputation, improved stakeholder relationships, increased customer loyalty, and a competitive advantage in the marketplace. Moreover, ethical behavior contributes to a positive business environment, fosters social trust, and contributes to sustainable economic development.

Essential Indicators

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

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	Nil	Nil	Nil
Key Management Personnel	Nil	Nil	Nil
Employees other than BODs & KMPs	17	1. Code of Conduct	100%
Workers		2. Human Rights	
		3. Anti-discrimination	
		4. Anti-harassment	
		5. POSH	
		6. Safety and Health Policy	
		7. Induction Training for new employees	

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:

a. Monetary

Type	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred?? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

b. Non-Monetary

Type	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

There have been no instances where appeals or revisions have been sought in cases involving monetary or non-monetary actions.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has implemented an anti-corruption and anti-bribery policy, showcasing its commitment to high ethical standards and fair business practices. This policy is readily accessible to all employees on the Company's intranet.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

Topic	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of conflict of Interest of KMPs	Nil		Nil	

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

During FY 2023-24, the Company did not report any such cases.

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

Topic	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	7	Nil

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	47.65%	-
	b. Number of trading houses where purchases are made from	200	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	92.41%	-
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	9.32%	-
	b. Number of dealers/distributors to whom sales are made	2	-
	c. Sales to top 10 dealers/Distributors as % of total sales to dealers/distributors	100%	-
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0.12%	-
	b. Sales (Sales to related parties/Total Sales)	9.64%	-
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	Nil	-
	d. Investments (Investments in related parties/Total Investments made)	100%	-

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the NGRBC Principles during the financial year:

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
Not Available*		

*The Company has developed a plan of undertaking the awareness programmes for the value chain partners.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company's Code of Conduct for Senior Management and Board of Directors outlines the process for preventing and managing conflicts of interest. While personal transactions or investments are not prohibited, senior management and board members must ensure that their personal interests do not compromise their ability to act in the organization's or the public's best interests.

This code, available on the Company's intranet, provides guidelines for senior management and board members concerning conflicts of interest in various areas, including:

- Employment and outside employment
- Business interests
- Related parties (disclosure standards, compliance with applicable laws, use of Company assets and resources, confidentiality, and fair dealings)
- Acceptance of gifts and payments

The Code of Conduct can be accessed at [Code of conduct for the Company's Board of Directors and the Senior Management Team – Anupam Rasayan](#).

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



Anupam Rasayan has established a sustainability policy that acknowledges the contemporary challenges, such as climate change, and endeavors to employ mitigation strategies for a sustainable future for generations to come. The Company strives to promote a clean environment and safe society by utilizing safe and resource-efficient technologies to reduce emissions and waste in its operations and those of its suppliers. Anupam Rasayan aims to implement sustainable production and consumption practices that are vital for enhancing people's quality of life and preserving natural resources on the planet.

Essential Indicators

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

Location	Type	FY 2023-24 (Current Financial Year)*	FY 2022-23 (Previous Financial Year)*	FY 2021-22 (Previous Financial Year)*	Details of improvement in social and environmental aspects
Anupam Rasayan India Limited	Research & Development (R&D)	17.53%	12.69%	20.29%	Environment friendly and energy conservation projects.
	Capital Expenditure (CAPEX)	82.47%	87.31%	79.71%	

*This value is on standalone basis.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

While we are committed to advancing, the Company will be developing its Sustainable Procurement Policy in the upcoming year, further demonstrating our dedication to responsible and ethical practices.

b. If yes, what percentage of inputs were sourced sustainably?

Nil

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company supplies customized chemicals tailored to meet our customers' specific requirements. We prioritize responsible end-of-life practices and advocate for adherence to industry best practices in product disposal.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The Company adheres to Extended Producer Responsibility (EPR) principles in its business activities.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes provide web-link
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NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Sr.	Name of the product	Description of the risk	Action Taken
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NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lime sludge	1.30%	0.39%
Sulphur sludge	0.12%	0.04%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Product	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of products sold for their respective category
Nil	Nil

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



Promoting equitable treatment and dignity for employees and workers within the Company and value chains is a crucial aspect of responsible and sustainable business practices. The commitment of safeguarding the health and safety of the workforce demonstrates a focus on their well-being and underscores the importance of providing a safe work environment. Implementing policies, processes, and systems that empower the workforce is a proactive step towards ensuring equal opportunities, fair working conditions, pay, and career development. By establishing transparent and inclusive practices, the Company promotes a sense of trust, motivation, and loyalty among your workforce.

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No.(E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	129	129	100%	129	100%	0	0%	129	100%	129	100%
Female	5	5	100%	5	100%	5	100%	0	0%	5	100%
Total	134	134	100%	134	100%	5	3.73%	129	96.27%	134	100%
Other than Permanent Employees											
Male	0	0	0%	0	0%	0	0%	0	0%	NA	NA
Female	0	0	0%	0	0%	0	0%	0	0%	NA	NA
Total	0	0	0%	0	0%	0	0%	0	0%	NA	NA

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	9	9	100%	9	100%	0	0%	9	100%	9	100%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	9	9	100%	9	100%	0	0%	9	100%	9	100%
Other than Permanent Workers											
Male	372	0	0%	372	100%	0	0%	NA	NA	NA	NA
Female	10	0	0%	10	100%	10	100%	NA	NA	NA	NA
Total	382	0	0%	382	100%	10	2.62%	NA	NA	NA	NA

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Topic	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the Company	5.37%	-

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

Sr.	Benefits	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1.	PF	100%	100%	Yes	100%	100%	Yes	100%	100%	Yes
2.	Gratuity	100%	100%	Yes	100%	100%	Yes	100%	100%	Yes
3.	ESI	0%	0%	Yes	0.8%	0%	Yes	5%	0%	Yes

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

In accordance with the Rights of Persons with Disabilities Act, 2016, the Company has ensured that its premises are accessible to differently-abled employees and workers. This support ensures that every individual feels valued and included, irrespective of their abilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has implemented a policy aligned with the Rights of Persons with Disabilities Act 2016 and its associated Rules, accessible to all employees via the Company's local intranet. This policy underscores our commitment to fostering inclusivity and addressing the needs of differently-abled individuals in the workplace.

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

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

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Yes, the Company has a well-defined grievance mechanism that allows any member of the workforce to address their concerns through the designated process. If dissatisfied with the resolution, employees, including workers, have the opportunity to escalate grievances directly to their reporting manager or even the managing director, ensuring accessibility to discuss any organizational matters of concern.
Other than Permanent Workers		
Permanent Employees		
Other than Permanent Employees		

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

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil
Permanent Workers						
Male	9	9	100%	9	9	100%
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total	9	9	100%	9	9	100%

The Company's workers are members of the Tanfac Employees Union, affiliated with CITU.

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current FY)					FY 2022-23 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	129	98	75.97%	125	96.89%	120	98	81.67%	88	73.33%
Female	5	3	60%	3	60%	3	3	100%	3	100%
Total	134	101	75.37%	128	95.52%	123	101	82.11%	91	73.98%
Workers										
Male	9	5	55.55%	8	88.88%	9	4	44.44%	8	88.88%
Female	0	0	0%	0	0	0	0	0%	0	0%
Total	9	5	55.55%	8	88.88%	9	4	44.44%	8	88.88%

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

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	129	129	100%	120	120	100%
Female	5	5	100%	3	3	100%
Total	134	134	100%	123	123	100%
Workers						
Male	9	9	100%	9	9	100%
Female	0	0	0%	0	0	0%
Total	9	9	100%	9	9	100%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) If yes, the coverage such system? Yes, the health and safety management system, ISO 45001:2018, is implemented uniformly across all sites, including new ones.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	<p>The Company has established comprehensive methodologies for hazard identification and assessment, aimed at identifying work-related hazards in both routine and non-routine activities:</p> <ul style="list-style-type: none"> • Process-Related Hazards: The Company uses Hazard Operability (HAZOP) to ensure thorough identification and assessment. • Routine and Non-Routine Activities: These are managed through the implementation of Hazard Identification and Risk Assessment (HIRA) procedures. • Exposure-Related Activities: Health Risk Assessment (HRA) is conducted to identify and evaluate these activities.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes, the Company has a robust incident reporting procedure in place, including provisions for training on accident reporting. This training covers the reporting of accidents, near-misses, unsafe acts, and unsafe conditions.
d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes

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

Safety Incident/Number	Category	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

The Company has established comprehensive methodologies for hazard identification and assessment to address work-related hazards, including both routine and non-routine activities. Specific methods are employed for thorough evaluations of different types of hazards:

- 1. Hazard and Operability (HAZOP):** Used for process-related hazards.
- 2. Hazard Identification and Risk Assessment (HIRA):** Applied to routine and non-routine activities.
- 3. Health Risk Assessment (HRA):** Implemented to identify and address exposure-related activities.

Additionally, the Company conducts regular site reviews, inspections, and audits to evaluate safety preparedness and identify areas for improvement. Recognizing the importance of continuous training, the Company provides regular occupational health and safety training to employees. This training ensures employees are aware of potential risks, safety protocols, and best practices, enhancing their ability to handle various workplace situations.

During this year, the Company has:

- Undertaken internal and external audits to systematically and comprehensively evaluate its occupational health and safety practices, policies, and procedures.
- Prioritized employee training in occupational health and safety, providing regular sessions that amounted to an average of 6.20 hours per employee.

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

Topic	FY 2023-24 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	NA	NA	Nil	NA	NA
Health & Safety	Nil	Nil		Nil	Nil	

14. Assessments for the year:

Topic	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

The assessments conducted for health and safety practices and working conditions did not highlight any major concerns this financial year. However, the Company continues to actively pursue Hazard Identification and Risk Assessment (HIRA) for routine and non-routine activities, as well as Health Risk Assessment (HRA) for identifying exposure-related activities.

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

- Employees (Yes/No): Yes
- Workers (Yes/No): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has implemented essential systems, such as General Conditions and Contracts, which mandate contractors and vendors to deduct and deposit statutory dues, ensuring compliance with regulatory requirements. Additionally, the Company conducts periodic reviews of its vendors to verify that dues related to GST (Goods and Services Tax), PF (Provident Fund), and ESIC (Employee's State Insurance Corporation) are properly deducted and deposited according to applicable norms.

These measures reflect the Company's commitment to upholding legal and financial responsibilities, fostering a transparent and compliant relationship with its contractors and vendors.

3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current FY 2023-24	Previous FY 2022-23	Current FY 2023-24	Previous FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No).

No, the Company doesn't provide such assistance programs.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working Conditions	The Company is actively developing a plan of undertaking the process of assessment of the value chain partners in the current financial year.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable.

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



At our company, we recognize the importance of our stakeholders and their interests, including those who are vulnerable and marginalized. We prioritize engaging with our stakeholders and valuing their feedback through comprehensive policies and processes. Our goal is to create positive impact and maximize value for our stakeholders through our activities, products, processes, and decisions. By working collaboratively with our stakeholders, we aim to build a stronger society and uplift our business.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity:

Key stakeholders are individuals or groups impacted directly or indirectly by the Company's operations and activities. We engage with them regularly for purposes such as reporting, relationship building, and business interactions.

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

Stakeholder Group	Whether identified as a Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ol style="list-style-type: none"> Feedback from customers Surveys on customer satisfaction Communication via phone calls, emails, and meetings Execution of signed contracts Participation in exhibitions and events Customer visits and audits Information available on websites 	As and When Required	<ol style="list-style-type: none"> On-time delivery Product quality Pricing Post-sales support Product certifications Environmental, health, and safety (EHS) management systems

Stakeholder Group	Whether identified as a Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ol style="list-style-type: none"> 1. Communication through emails and meetings 2. Surveys on employee satisfaction 3. Training programs 4. Reviews during performance appraisals 5. Mechanisms for grievance redressal 	As and When Required	<ol style="list-style-type: none"> 1. Fair compensation and rewards 2. Work-life balance 3. Training and skill development 4. Opportunities for career growth 5. Occupational health and safety 6. Job security 7. Clear and transparent communication
Suppliers	No	<ol style="list-style-type: none"> 1. Communication through emails and meetings 2. Evaluation of vendors 3. Execution of signed contracts 	As and When Required	<ol style="list-style-type: none"> 1. Prompt payment 2. Order continuity 3. Building capacity 4. Transparency
Communities	No	<ol style="list-style-type: none"> 1. Training & Workshops, 2. Regular meetings, 3. Need assessment & Satisfaction surveys, 4. CSR reports 	As and When Required	<ol style="list-style-type: none"> 1. Local Employment, 2. Environmental pollution control, 3. Infrastructure development, 4. Training & livelihood programs, 5. Participation in social services
Investors & Shareholders	No	<ol style="list-style-type: none"> 1. Shareholders Meetings, 2. Publishing requisite notices/press releases/ other communications through Newspapers Advertisements/e-mails/ websites, 3. Annual Reports, 4. Company's Website/ dissemination of requisite information on website of stock exchanges and depositories, 5. Investor interactions/ Calls 	As and When Required	<ol style="list-style-type: none"> 1. Sustainable growth & returns, 2. Risk Management, 3. Corporate Governance, 4. Market Share, 5. Operational Performance

Stakeholder Group	Whether identified as a Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Governments and Regulatory Bodies	No	1. Annual Reports, 2. Statutory filings, 3. Communication with regulatory bodies, 4. Formal Dialogues	As and When Required	
Media	No	1. Social media, 2. Press releases, 3. Interviews, 4. Website	As and When Required	

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company prioritizes the diverse goals of its stakeholders and interacts with them through tailored communication channels that suit their preferences and relevance.

The Stakeholders Relationship Committee plays a crucial role in fostering productive engagement and addressing any emerging issues. Furthermore, the committee consistently reviews initiatives aimed at improving stakeholder interaction.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is integral to identifying and managing environmental and social issues. The business identifies stakeholders based on its experience, knowledge, sectoral landscape, and organizational influence.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Each neighborhood near our factories is viewed as a critical stakeholder due to the energy, water, and raw materials we consume, as well as the emissions and waste we generate. We recognize the immediate and indirect socioeconomic and environmental impacts on these communities. Our dedication to Corporate Social Responsibility is an opportunity to maximize positive outcomes and minimize negative ones. For example, we are committed to empowering vulnerable and marginalized groups through education and skill development programs. Additionally, the Company strengthens its bond with the local community by organizing various events such as community drives, women's day celebrations, cricket tournaments, and road safety campaigns. These initiatives underscore our firm commitment to social responsibility and creating a better future for everyone.

PRINCIPLE 5: Businesses should respect and promote human rights



The Company is actively steering a work environment that is free from harassment and discrimination and fosters a healthy and inclusive workplace. The commitment of developing robust policies and systems demonstrates the dedication towards ensuring the well-being and empowerment of the workforce. Conducting training and awareness programs which encompasses aspects like dignity, well-being, and human rights further reinforces the importance of treating every stakeholder with respect and fairness.

Essential Indicators

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

Topic	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	134	17	12.69%	123	99	80.48%
Other than permanent	0	0	0%	0	0	0%
Total	134	17	12.69%	123	99	80.48%
Workers						
Permanent	9	0	0%	9	9	100%
Other than permanent	382	0	0%	356	40	11.23%
Total	391	0	0%	365	49	13.42%

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

	FY 2023-24 (Current FY)					FY 2022-23 (Previous FY)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	129	NA	NA	129	100%	120	NA	NA	120	100%
Female	5	NA	NA	5	100%	3	NA	NA	3	100%
Other than Permanent										
Male	0	NA	NA	0	0%	0	NA	NA	0	0%
Female	0	NA	NA	0	0%	0	NA	NA	0	0%
Workers										
Permanent										
Male	9	NA	NA	9	100%	9	NA	NA	9	100%
Female	0	NA	NA	0	0%	0	NA	NA	NA	NA
Other than Permanent										
Male	382	298	78.02%	84	21.98%	340	91	27%	249	73%
Female	10	10	100%	0	0%	16	16	100%	0	0

3. Details of remuneration/salary/wages,

a. Median remuneration/wages:

Category	Male		Female	
	Number	Median remuneration/salary/wages of respective category (₹ in Lacs)	Number	Median remuneration/salary/wages of respective category (₹ in Lacs)
Board of Directors (BoD)				
A) Executive Directors	1	NA	0	NA
B) Non-Executive Non-Independent Director	3	NA	1	NA
C) Non-Executive Independent Director	4	NA	1	NA
Key Managerial Personnel	2	152.19	0	NA
Employees other than BoD and KMP	127	7.20	5	6.75
Workers	9	7.19	0	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Topic	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	1.88%	-

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company places a strong emphasis on safeguarding and advancing fundamental human rights for all employees and workers. The proactive efforts of the HR department in addressing human rights impacts or issues stemming from the Company's operations are highly commendable.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, the Company has established a structured approach to addressing human rights grievances. Employees have a dedicated channel through the human resource department to submit such concerns.

If an employee is dissatisfied with the resolution provided by HR, the Company's open-door policy enables them to escalate the matter to the managing director's office. Additionally, the Company ensures the confidentiality and protection of the employee's identity throughout the entire grievance handling process. This is supported by the Whistle blower Mechanism Policy, which safeguards the anonymity of the employee, promoting a secure environment for reporting sensitive issues.

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

	FY 2023-24 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	NA	NA	Nil	NA	NA
Discrimination at workplace	Nil	NA	NA	Nil	NA	NA
Child Labour	Nil	NA	NA	Nil	NA	NA

	FY 2023-24 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Forced Labour/ Involuntary Labour	Nil	NA	NA	Nil	NA	NA
Wages	Nil	NA	NA	Nil	NA	NA
Other human rights related issues	Nil	NA	NA	Nil	NA	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Topic	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company's whistle-blower Mechanism Policy and Prevention of Sexual Harassment (POSH) policy both incorporate measures to prevent adverse consequences for complainants involved in cases of discrimination and harassment. These policies underscore the importance of maintaining confidentiality throughout the investigation process. Additionally, robust safeguards are implemented to shield complainants from any potential victimization.

The Company is firm in its commitment to prevent any form of retaliation against whistle-blowers due to their disclosures. To facilitate a smoother process for Protected Disclosures, the Company ensures that appropriate safeguards are in place. Confidentiality is upheld to the fullest extent possible and in accordance with legal requirements to safeguard the identity of the whistle-blower.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company includes human rights issues in its well-structured supplier code of conduct, which forms an integral part of business agreements and contracts.

10. Assessments for the year:

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

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

No concerns have been identified that necessitate any corrective action.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Company has not modified/introduced business processes in response to grievances/complaints related to Human Rights.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company conducts a thorough internal Human Rights Due Diligence process on a quarterly basis. This procedure is designed to identify, prevent, and address actual or potential human rights impacts arising from its own activities or those of its stakeholders.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

In accordance with the Rights of Persons with Disabilities Act, 2016, the Company has made its premises accessible to visitors with disabilities. This support ensures that every individual feels valued and included, irrespective of their abilities.

4. Details on assessment of value chain partners:

The Company is currently in the process of developing a plan to assess its value chain partners.

% of value chain partners (by value of business done with such partners) that were assessed	
Child labour	The Company acknowledges the significance of maintaining ethical working conditions and upholding human rights throughout its supply chain. In pursuit of this goal, the Company is currently developing a rigorous assessment framework aimed at identifying specific suppliers or subcontractors that may not meet accepted standards for working conditions and human rights.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	To address these concerns, the Company is executing an active mitigation plan through its updated Supplier Policy. This policy mandates that all suppliers and vendors adhere strictly to the Company's standards regarding labour practices, health and safety, ethical conduct, and environmental responsibility.
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment



At Anupam Rasayan, we are dedicated to promoting sustainable progress and improving societal well-being in the long run. We believe in a comprehensive approach to managing natural resources that aligns with our business goals. We are cognizant of our impact on the triple bottom line: people, planet, and profit. Therefore, we have implemented initiatives to turn our policies and commitments into concrete actions that minimize our environmental impact. We take our responsibility to raise environmental awareness seriously through our operations and community relationship. We are committed to making our operations more sustainable and environmentally friendly.

Essential Indicators

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (in GJ)	Nil	Nil
Total fuel consumption (B) (in GJ)	Nil	Nil
Energy consumption through other sources (c) (in GJ)	Nil	Nil
Total energy consumption (A+B+C) (in GJ)	Nil	Nil
From non-renewable sources		
Total electricity consumption (D)	13592	7296.24
Total fuel consumption (E)	132177	123009.07
Energy consumption through other sources (F)	55001	56118.24
Total energy consumed from nonrenewable Sources (D+E+F)	200770	186423.55
Total energy consumed (A+B+C+D+E+F)	200770	186423.55
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (in GJ per INR)	0.0000521	0.0000503
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.0043452	-
Energy intensity in terms of physical output	0.001662459	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA. The Company does not operate any sites or facilities designated as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India. Therefore, no targets have been established under the PAT scheme.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	4,68,265	4,82,641
(iv) Seawater/desalinated water	-	-

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(v) Others (Rainwater storage)	-	-
Total volume of water withdrawal (in kiloliters) (I + ii + iii + iv + v)	4,68,265	4,82,641
Total volume of water consumption (in kiloliters)	3,62,180	4,03,488
Water intensity per rupee of turnover (Water consumed/turn-over) (liters per INR)	0.09402	0.000109
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) (KL per USD)	0.007838642	-
Water intensity in terms of physical output	0.002999001	-
Water intensity (optional) – the relevant metric may be select-ed by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	m ³	-	-
- No treatment	m ³	-	-
- With treatment	m ³	-	-
(ii) Into Groundwater	m ³	-	-
- No treatment	m ³	-	-
- With treatment	m ³	-	-
(iii) Into Seawater	m ³	-	-
- No treatment	m ³	-	-
- With treatment	m ³	-	-
(iv) Sent to third-parties	KL	-	-
- No treatment	m ³	-	-
- With treatment – We have primary, secondary (MEE & ATFD) and tertiary treatment facility available for effluent treatment after stream segregation at source.	KL	1,06,085	79,153
(v) Others	m ³	-	-
- No treatment	m ³	-	-
- With treatment	m ³	-	-
Total water discharged (in kilolitres)	KL	1,06,085	79,153

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we discharge treated effluent containing inorganic compounds through a common discharge system in compliance with defined norms. Additionally, we utilize a Zero Liquid Discharge System (ZLDS) for Synthetic Organic Consent Product, incorporating a Multiple Effect Evaporator system.

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

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Tonne/Year	13	Within permissible limit
SOx	Tonne/Year	30	Within permissible limit
Particulate matter (PM)	Tonne/Year	8	Within permissible limit
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	Within permissible limit
Hazardous air pollutants (HAP)	NA	NA	Within permissible limit
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	tCO ₂ e	9896	9633.58
Total Scope 2 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	tCO ₂ e	2704	1641.66
Total Scope 1 and Scope 2 Emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO ₂ e/ Rs	0.00327082	0.00000304
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted		-	-
for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2GHG emissions/Revenue from operations adjusted for PPP)	Kg CO ₂ e/ \$ US	0.00027270	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.10433325	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

Yes, at Tanfac, we take our responsibility towards the environment seriously. In line with this:

- Energy Conservation measures implemented, which resulted in CO₂ Equivalent reduction of 175.43 MT of CO₂ in FY'24. This is equivalent to planting mature trees of 7,975 trees/yr.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	97	68.73
E-waste (B)	0.45	8.37
Bio-medical waste (C)	0.02	0.02
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	4.56
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	1531	1968.39
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	593	759.28
Total (A+B + C + D + E + F + G+ H)	2221	2809.35
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.000000577	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.000048069	-
Waste intensity in terms of physical output	0.018390805	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Re-used	30502	23400
(ii) Re-used by product	0	0
(iii) Steam Condensate reuse	105944	86861
(iv) Recycled	440	114
(v) Coprocessing	799	1388
(vi) Non-Hazardous waste	593	44
Total	138278	111807
For each category of waste generated, total waste disposed by nature of disposal method		
(i) Incineration	Nil	Nil
(ii) Landfilling	217	186
(iii) Other disposal operations	Nil	Nil
Total	217	186

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your product and processes and the practices adopted to manage such wastes.

As a chemical manufacturing Company committed to environmental stewardship, our primary focus is on waste management starting at the source through effective segregation practices. Key initiatives include:

- Implementing the 3R waste management principles (reduce, reuse, recycle), including the partial recycling of ETP Sludge in our processes and co-processing ETP Sludge in cement industries, thereby conserving natural resources.
- Recycling effluent and utilizing it on-site to achieve zero liquid discharge objectives.
- Recovering waste heat for efficient energy use and reduction of our environmental footprint.
- Enhancing safety and hygiene standards with advanced technologies for handling hazardous and toxic chemicals.
- Promoting employee awareness and training on the proper handling and usage of chemicals to ensure safety and environmental compliance.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
NA	NA	NA	NA

Our Company operates exclusively within designated industrial areas and does not have offices located in or near ecologically sensitive regions, such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, or coastal regulation zones. Consequently, our operations do not necessitate environmental approvals or clearances.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

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

In the fiscal year 2023-2024, the Company did not conduct any environmental impact assessments for its projects as required by applicable laws.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NIL	NIL	NIL	NIL	NIL

We comply with pertinent environmental laws, regulations, and guidelines in India, which include:

- Water (Prevention and Control of Pollution) Act 1974,
- Air (Prevention and Control of Pollution) Act 1981,
- Environment Protection Act 1986,
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016,
- Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules, 1996,
- Central Motor Vehicles Rules 1989,

and their associated rules.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)			
(i) Surface water	m ³	Nil	Nil
(ii) Groundwater	m ³	Nil	Nil
(iii) Third party water	m ³	Nil	Nil
(iv) Seawater/desalinated water	m ³	Nil	Nil
(v) Others	m ³	Nil	Nil
Total volume of water withdrawal (in kilolitres)	m ³	Nil	Nil
Total volume of water consumption (in kilolitres)	m ³	Nil	Nil
Water intensity per rupee of turnover (Water consumed/turnover)	KL per crore INR	Nil	Nil
Water intensity (optional) – the relevant metric may be selected by the entity			
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil
(ii) Into Groundwater	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil
(iii) Into Seawater	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(iv) Sent to third-parties	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil
(v) Others	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil
Total water discharged (in kilolitres)	m³	Nil	Nil

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	92622	90950.114
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/ INR	0.0000240	0.0000246
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable. The Company does not have operations/offices in/around any ecologically sensitive areas (ESAs) or ecologically fragile areas (EFAs).

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary) by Anupam Rasayan	Outcome of the initiative
1.	NA	NA	NA

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Our Company has implemented a thorough business continuity and disaster management plan, which includes assessing potential threats and opportunities using a threat matrix. This matrix determines the essential operational requirements for each department to maintain functionality. Each site has a detailed action plan to ensure business operations can continue with minimal resources when needed. Furthermore, we have comprehensive onsite and offsite emergency plans readily accessible at all locations. Our employees are trained to effectively respond to emergency situations, ensuring preparedness across the organization.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No, as part of our commitment to sustainability, we have not identified any significant adverse environmental impacts within our value chain thus far. We acknowledge the environmental footprint of our operations and are proactive in mitigating potential impacts. Looking ahead, we will continue to evaluate and minimize the environmental effects of our operations and supply chain through ongoing assessment and implementation of mitigation measures. We are actively exploring and investing in new technologies and processes to reduce our carbon footprint and waste generation. Furthermore, we collaborate with our suppliers and partners to promote sustainable practices across our value chain. Our objective is to build a sustainable and resilient business that positively contributes to the environment and communities where we operate.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

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



Anupam Rasayan prioritizes transparency by providing disclosing the public and regulatory bodies with timely and adequate information. Interactions with regulatory bodies and relevant authorities should indeed be based on principles such as integrity and transparency. Authorizing and training qualified officials to engage with trade chambers and industry associations ensures that the Company's positions and concerns are effectively communicated. This allows for a constructive dialogue with key stakeholders and helps influence policy-making processes in a way that aligns with sustainability objectives. The Company is actively participative in representing the opinions and concerns to regulatory bodies which demonstrates the commitment towards driving positive change and contributing to the development of a conducive business environment.

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/associations.

The Company has a total 10 affiliations with trade and industry chambers/associations.

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

Sr.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Madras Management Association (MMA)	National
2	Chemical Industries Association (CIA)	National
3	Indian Chemical Council (ICC)	National
4	Confederation of Indian Industry (CII)	National
5	The Madras Chamber of Commerce & Industries (MCCI)	National

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

In the fiscal year 2023-24, the Company upheld an outstanding record, receiving no adverse rulings from regulatory authorities. This accomplishment underscores our dedication to fostering a workplace environment centered on integrity, fairness, and ethical decision-making.

Name of Authority	Brief of the case	Corrective action taken
NA	NA	NA

Leadership Indicators

1. Details of public policy positions advocated by the entity.

Sr.	Public policy advocated	Method resorted for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/Half yearly/Quarterly/Other please specify)	Web Link, if available
1	NA	NA	NA	NA	NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development



Our goal is to promote equitable and sustainable community development, with a significant emphasis on inclusivity. We believe in connecting with the community and we have a comprehensive framework for engaging. We aim to foster a culture that prioritizes the integration of Corporate Social Responsibility (CSR) values with our business objectives. Our unwavering belief in the philosophy of compassionate care drives our commitment to act on the principles of generosity and compassion. We are fully dedicated to creating a society that serves everyone, and to that end, we pursue initiatives focused on quality management, environmental preservation, and socio-economic upliftment.

Essential Indicators

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

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

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

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

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

We have established a comprehensive grievance redressal mechanism accessible to all stakeholders. This inclusive process allows grievances to be submitted in written or verbal form, in local languages, through various channels including email (grievances@anupamrasayan.com), postal mail, and local community relations staff. Anonymous grievances and those submitted on behalf of others are also welcomed, extending to our local suppliers.

Upon receipt of a grievance, we promptly acknowledge it and assess its severity before assigning it to a designated person from the HR or Legal department. This individual oversees the process to ensure effective resolution. Grievances identified as serious are escalated to senior management for further investigation. The designated grievance manager collaborates with relevant departments to thoroughly investigate the grievance and propose a resolution. Additional information may be requested from the complainant as needed for a comprehensive review.

Our approach emphasizes dialogue to resolve grievances collaboratively with the complainant. Solutions are tailored on a case-by-case basis, and if the proposed resolution is not accepted, the complainant may appeal. Appeals are reviewed by alternate investigators to ensure impartial evaluation.

Our priority is swift resolution of grievances, and once the proposed solution is accepted by the complainant, the grievance is considered resolved.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers: Anupam Rasayan India Limited

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/Small producers	7.12%	4.23%
Sourced directly from within the district and neighboring districts	24.49%	40.87%
Sourced from outside India (Import)	65.59%	54.90%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	5.76%	-
Semi-urban	NA	NA
Urban	NA	NA
Metropolitan	NA	NA

(Place to be categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr.	State	Aspirational District	Amount Spent in INR
NA	NA	NA	NA

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No

(b) From which marginalized/vulnerable groups do you procure?

NA. The Company does not purchase from suppliers comprising of marginalized/vulnerable groups.

(c) What percentage of total procurement (by value) does it constitute?

NA. The Company does not purchase from suppliers comprising of marginalized/vulnerable groups.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

In the current financial year, our Company did not possess or acquire any intellectual property derived from traditional knowledge. As a result, no benefits were generated or distributed from such properties.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

The Company has not faced any adverse rulings in intellectual property disputes involving the use of traditional knowledge. As a result, no corrective actions are currently required on these matters.

6. Details of beneficiaries of CSR Projects.

Sr.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	<p>Education</p> <ul style="list-style-type: none"> Higher Education Support provided to economically backward and bright students of Cuddalore District. SMART Education support to nearby villages – Four Government Schools by providing of Computers, Projector, Projector screens and accessories Education Support to Five Government Schools through NAMMA SCHOOL FOUNDATION formed by Tamil Nadu Government. Education support to Nearby villages – 2 Government Anganwadi centres Supported Nearby villages 4 Government Schools during Independence and Republic Day Programme by providing of education materials. <p>Education Support for differently abled children</p>	4,900	100% beneficiaries are from vulnerable and marginalized group
2	<p>Health</p> <ul style="list-style-type: none"> Provided Dialysis Machine to Lions Eternal Empathy Foundation for benefit of Dialysis Patients. Supported for Physiotherapy and Sensory integration therapy for children to improve Health Conditions. Support for medical camps for society by Mahatma Gan-dhi Welfare Foundation, Cuddalore Supported for health and other requirements for Cancer affected children. <p>Support to District Administration for basic relief measures to Flood affected people.</p>	5,810	100% of beneficiaries are from villages, who are from vulnerable and marginalised group.
3	<p>Infrastructure & Others</p> <ul style="list-style-type: none"> Contributed to District Administration towards infrastructure improvement of schools and public improvement related projects Supported for Anti plastic campaign and distribution of Manjapai to prevent use of plastics to conserve Environment in co-ordination with TNPCB & District Administration. Supported to Central Prison by providing computer system for behavioural improvement of prisoners. Supported to District Administration for Cuddalore 30th event Clean India, Environment Protection etc Supported to District Administration for Sports awareness Programme to maintain Health conditions of society. Infrastructure improvement for Community Hall improvement in Kudikadu Village Provided Medical & Hospital items to Advanced Primary Health Centre, Karaikadu. Supported to Old Age Home for infrastructure improvement Environment awareness, competitions, tree saplings in the nearby villages schools. <p>Developed and maintaining of Green belt</p>	48,490	100% beneficiary are from vulnerable and marginalised group.

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



We prioritize establishing a sensitive and responsible partnership with our customers to enhance their experience. Our engagement with consumers happens through multiple channels, and we have a clear and straightforward process for registering feedback and complaints. Our customers have access to all our engagement platforms and communications, and we continuously improve our business processes to provide exceptional service. Meeting our customers' needs, adding value, and surpassing their expectations is our top priority, and we always conduct ethical operations with them.

Essential Indicators

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

Corrective actions are identified through root cause analysis and the resolution of complaints. Once implemented, these actions are systematically communicated to consumers. Furthermore, we maintain ongoing interaction with consumers to ensure their satisfaction. Periodic consumer feedback surveys are conducted to gauge satisfaction levels effectively.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information.

Information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints

	FY 2023-24 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Others	Nil	Nil	NA	Nil	Nil	NA

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has established a comprehensive policy addressing cyber security and data privacy risks. This includes implementing a robust Information Security and Data Protection Policy, underscoring our commitment to safeguarding consumer information and sensitive data. This well-defined policy ensures secure handling of consumer information and adherence to best practices in data protection. By mitigating potential risks, it enhances consumer trust and confidence in the organization. It is currently accessible through our intranet platform.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Throughout the financial year, our Company did not receive any penalties or regulatory actions concerning the safety of our products.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Nil

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

All the services available on website. It is available at link <https://www.tanfac.com/gallery.php>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company rigorously follows essential safety protocols for chemical handling, exemplified by providing comprehensive material safety data sheets (MSDS) to all customers. These sheets contain detailed information about chemical compositions, specific hazards, and safe handling instructions.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

To ensure continuous essential services for our customers, the Company has implemented change procedures that automatically trigger communication through relevant channels, such as emails, in the event of potential risks of disruption or discontinuation.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, The Company complies with the Classification, Labelling, and Packaging (CLP) Regulation under the United Nations' Globally Harmonized System (GHS) for its products, ensuring that customers receive accurate and essential product information. Soliciting feedback from customers reflects our proactive commitment to continuous improvement. We actively listen to their opinions and suggestions regarding our systems and processes.

Furthermore, we regularly evaluate customer satisfaction levels to uphold high service standards and adapt to evolving customer preferences and market demands.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to the adoption of best governance practices and adherence to it in letter and spirit. Our philosophy of governance rests on Six basic tenets, viz., Board accountability to shareholders and other stakeholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, the equitable treatment of all shareholders as well as transparency, Safety and Security of the plant the population around and the environment and accountability and timely disclosure.

TANFAC Industries Limited, a Joint Venture of Anupam Rasayan India Limited (ARIL) with Tamil Nadu Industrial Development Corporation Limited (TIDCO), believes in adopting the "best practices" that are followed in the area of corporate governance across various geographies and is committed to protecting and facilitating the exercise of shareholders' rights, encouraging cooperation between the Company and the stakeholders, competing more effectively and building long-term value for its Shareholders on a continuous basis. Over the years we have strengthened/continued to strengthen its principles of transparency, fairness, and accountability. Your Company is in compliance with provisions under The Companies Act, 2013 & Rules made thereunder and SEBI (LODR) Regulations, 2015.

The Company has adopted a Code of Conduct applicable to the Board of Directors and Senior Management as stipulated under The Companies Act, 2013.

The details of the composition of the Board of Directors, category of Directors who have no relationship between inter se in any manner and their attendance in the Board meetings are as under.

Composition and Directorship(s)/Committee Membership(s)/Chairmanship(s) as on March 31, 2024:

Name of Director	Directors Identification No.	Category/Representing	Directorship held in other Companies		Membership in other Companies' Board Committees	Chairmanship in other Companies' Board Committees
			Public	Private		
Ms. Mariam Pallavi Baldev	9281201	Non-Executive – Promoter	10	1	1	1
Mr. Jaya Chandra Bhanu Reddy*	10057412	Non-Executive – Promoter	2	-	2	-
Mr. Afzal Harunbhai Malkani	07194226	Non-Executive – Promoter	3	-	1	-
Mr. K. Sendhil Naathan	08850046	Managing Director	1	-	-	-
Mr. V.T. Moorthy	00007648	Independent – Non-Executive	1	-	2	-
Mr. M.R. Sivaraman, IAS (Retd.)	00020075	Independent – Non-Executive	1	-	-	2

Your Company's compliance with requirements is presented in the subsequent sections of this Report.

I. Board Of Directors

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction, and performance of the Company and has been vested with the requisite powers, authorities, and duties.

Composition of the Board

TANFAC's Board consists of eight Directors (Seven Non-Executive Directors and the Managing Director) as of March 31, 2024, who have varied experience in their respective areas. The Board has four Independent Directors, including a woman Director, who do not have a business relationship with the Company. This is in conformity with Regulation 17 of SEBI (LODR) Regulations 2015 read with Section 149 of the Companies Act, 2013.

The Company has defined guidelines and an established framework for the meetings of the Board and Board Committees.

None of the Directors, including Independent Directors are holding Directorship and Chairman/Member in other Listed Companies and Public Limited Companies in excess of the limit prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Other Directorships shall not consider holding Directorship in foreign companies.

Name of Director	Directors Identification No.	Category/Representing	Directorship held in other Companies		Membership in other Companies' Board Committees	Chairmanship in other Companies' Board Committees
			Public	Private		
Dr. Shankar Narasimhan	01484214	Independent – Non-Executive	1	-	1	-
Mrs. R. Rajalakshmi	01985132	Independent – Non-Executive	1	1	1	-
Mr. R. Karthikeyan*	00824621	Non-Executive –Promoter	3	-	4	-

*Part of the year. Dr. Jaya Chandra Bhanu Reddy resigned with effect from 28th March 2024. Mr.R. Karthikeyan was appointed as Non-Executive and Non-Independent Director w.e.f. 28th March 2024 and was subsequently confirmed by shareholders on 30th May 2024 through postal ballot.

Names of other Listed Companies in which the Directors of the Company is a director and their category:

Sr. No.	Name of Director	Name of Other Listed Company	Category of Directorship
1.	Ms. Mariam Pallavi Baldev	TITAN Company Limited	Non-Executive – Nominee Director
2.	Dr. Jaya Chandra Bhanu Reddy	Not Applicable	Not Applicable
3.	Mr. R.Karthikeyan*	1. Sree Maruthi Marine Industries Limited 2. Suvarna Florex Limited 3. Tanflora Infrastructure Park Limited 4. Ascendas IT Park (Chennai) Limited 5. Tamilnadu Telecommunications Limited 6. Mahindra World City Developers Limited	Non-Executive – Non-Independent Director

Board/General Meeting attendance details of Directors for the year 2023-24:

Name of Director	Category/Representing	No. of Board Meeting held (2023-24)	Nos. Attended	Whether attended last AGM held on 27.09.2023
Ms. Mariam Pallavi Baldev	Non-Executive - Promotor	7	4	Yes
Dr. Jaya Chandra Bhanu Reddy**	Non-Executive - Promotor	7	3	No
Mr. Afzal Harunbhai Malkani	Non-Executive - Promotor	7	7	Yes
Mr. K. Sendhil Naathan	Managing Director - Promotor	7	7	Yes
Mr. V.T. Moorthy	Independent - Non-Executive	7	7	Yes
Mr. M.R. Sivaraman, IAS (Retd.)	Independent - Non-Executive	7	7	Yes
Dr. Shankar Narasimhan	Independent - Non-Executive	7	6	Yes
Mrs. R. Rajalakshmi	Independent - Non-Executive	7	7	No
Mr. R. Karthikeyan*	Non-Executive - Promoter	-	-	-

*Mr. R.Karthikeyan was appointed as Non-Executive and Non-Independent Director w.e.f. 28th March 2024 and was subsequently confirmed by shareholders on 30th May 2024 through postal ballot.

**Dr. Jaya Chandra Bhanu Reddy had resigned as Director with effect from 28th March 2024.

Notes:

During the year 2023-24, seven Board meetings were held and the gap between two meetings did not exceed the maximum days prescribed under 173(1) of the Companies Act, 2013. The dates of Board meetings were 21.04.2023, 16.06.2023, 19.06.2023, 17.07.2023, 17.08.2023, 20.10.2023 and 23.01.2024 and the necessary quorum was present at all the Board Meetings.

None of the directors are holding any Equity Shares in the Company.

Familiarization program for Independent Directors:

A Familiarization program for Independent Directors of the Company was being conducted either before or after the Board Meetings and the terms and conditions of appointment of the Independent Directors and the details of their familiarization program are available on the Company's website, viz., www.tanfac.com.

Core skills, expertise and competencies of the Board of Directors:

The Board of Directors has identified the following core skills, expertise and competencies in the context of the Company's business and sector for it to function effectively which are given below:

The Directors shall possess hands on expertise on technical, academic skills, general management, global business, technology, manufacturing/operations, risk management etc. The Directors shall understand Company's structure, policies, and culture including the mission, vision, values, goals, current strategic plan and governance structure and also in which the Company operates including the industrial trends, challenges and opportunities, unique dynamics within the sector that are relevant to the success of the Company.

The Directors shall have the ability to understand and analyze financial reports/key financial statements to review and analyze budgets, annual operating plans considering Company's resources, strategic goals, and priorities, analyze various reports, create and incorporate multiple viewpoints with different perspectives. The Directors shall also possess the ability to identify key risks to the Organization in a wide range of areas including Production, Marketing, legal and regulatory compliance management and systems.

The following matrix sets out the skills, expertise and competence of each of the Directors in the Company:

Sr. No.	Name of the Directors	Skills, Expertise and Competence
1	Mrs. Mariam Pallavi Baldev DIN: 9281201	Appointed in 23 rd August 2022, as the Non-Executive and Non-Independent Director of the Company, Mrs. Mariam Pallavi Baldev, IAS, is presently Additional Secretary to the Government of Tamil Nadu, I & IP&C Department, Chennai. She has held many key positions in various departments of Government of Tamil Nadu. Has many years of wide experience in public administration. She is also Chairperson of the TANFAC Board.
2	Mr. R. Karthikeyan DIN: 00824621	Appointed on 28 th March 2024, as the Non-Executive and Non-Independent Director of the Company. Mr. R. Karthikeyan, an Engineer and Management graduate, is handling industrial projects, as Sr. General Manager (Projects) at TIDCO. He has hand on experience in conceptualising, evaluating and developing industrial and infrastructure projects. His role is to facilitate the joint venture Companies in getting clearance/approvals of various Government department for smooth operations.
3	Mr. Afzal Harunbhai Malkani DIN: 7194226	Mr. Afzal Harunbhai Malkani, Non-Executive and Non-Independent Director of the Company, since March 2022 has experience in corporate financing, fund raising from banks, financial institutions, private equity, treasury management, business development, mergers & acquisitions. He had joined M/s. Anupam Rasayan India Limited (a Chemical manufacturing entity listed in March 2021 on BSE & NSE) in October 2005 and was appointed as its Chief Financial Officer from December 1, 2014.
4	Mr. K. Sendhil Naathan DIN: 8850046	Mr. K. Sendhil Naathan, Managing Director of the Company since August 2020, has MTech in Polymer Science from IIT Kharagpur and MBA from University of Leicester, UK. He has over 35 years of experience in Chemical industry and has extensive knowledge of the market of fluorine industry. He has been with TANFAC for the past 12 years and has been instrumental in the turnaround & growth of the Company in the last 6 years.

Sr. No.	Name of the Directors	Skills, Expertise and Competence
5	Mr.M.R.Sivaraman IAS (Retd.) DIN: 0020075	Mr. M.R. Sivaraman, Non-Executive and Independent Director of the Company since January 2006, is a retired IAS with several years of experience in the Administration of State and Central Governments which includes stints in the capacity of Finance and Planning Secretary. He had served as Revenue Secretary in the Central Government, Department of Revenue, Ministry of Finance and as Additional Secretary in the Ministry of Commerce and Ministry of Civil Aviation. He had also served as Executive Director in the International Monetary Fund (IMF).
6	Mr.V.T.Moorthy DIN: 0007648	Mr. V.T. Moorthy, Non-Executive and Independent Director of the Company, is a Professional Engineer, has long association with the Company since the beginning of the project and also served in Aditya Birla Group of Companies for over four decades both in India and overseas. During his stint as Managing Director of TANFAC, he had overseen the initial phase of the project and brought the Company to the path of profitability.
7	Dr.Shankar Narasimhan DIN: 1484214	Dr. Shankar Narasimhan, Non-Executive and Independent Director of the Company since April 2007, is a retired Professor of IIT Madras. Prior to joining to IIT Madras, he was an Associate Professor in Chemical Engineering Department at IIT Kanpur. His major research interests are in Data Mining, Process Design and optimization, Fault Detection and Diagnosis (FDD) and Fault Tolerant Control. Dr. Narasimhan is well known for his work in the area of Data Reconciliation & co-authored several papers and a book. He has been a visiting professor at the Centre for Automatic Control in Nancy, France, Purdue University and Texas Tech University in USA.
8	Mrs. R. Rajalakshmi DIN: 1985132	Mrs. R. Rajalakshmi, Non-Executive and Independent Director of the Company since March 2015, has two decades of experience in business handling, office administration and construction activities. She is actively involved in social activities. She currently holds directorship in Real Estate Companies closely held by her family.

Considering the skills, expertise and competencies required for effective functioning and discharge of Board's duties, your Board is satisfied with the present composition of the Board of Directors. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management

Changes in the composition of the Board after March 31, 2024:

There is no change in the composition of the Board after March 31, 2024.

Mr. R. Karthikeyan was appointed as Additional and Non-Executive Director of the Company on 28th March 2024 in place of Dr. Jaya Chandra Bhanu Reddy, who had resigned with effect from 28th March 2024. As per the provisions of the Act, appointment of Mr. R. Karthikeyan was regularized by members through postal ballot on 30th May 2024. Board has made necessary disclosures to Stock Exchange as per SEBI (LODR) regulations 2015.

The composition of the Board is in accordance with the Regulation 17 of SEBI (LODR) Regulations 2015 read with Section 149 of the Companies Act, 2013.

II. COMMITTEES OF THE BOARD

Audit Committee:

Upon the appointment of Mr. R.Karthikeyan, Non-Executive & Non Independent Director in place of Dr. Jaya Chandra Bhanu Reddy, the Board of Directors at their meeting held on 22nd April 2024, reconstituted the Audit Committee with six Non-Executive Directors including four Independent Directors as per the terms of reference contained in the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 read with the Section 177 of the Companies Act, 2013.

The role of the Audit Committee will be in accordance with Section 177 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder the provision contained in Part C Schedule II of SEBI (LODR) Regulations, 2015 read with the Listing Agreement.

The Members of the Audit Committee chart, monitor and provide effective supervision of the Management's handling of finances, stocks, loans, and advances and the financial reporting process, with a view to ensuring effective and efficient financial control. The Committee reports to the Board. The Audit Committee invites the Chief Financial Officer (CFO), key Function Heads, representatives of Statutory Auditors and Internal Auditors to be present at its meeting. The Chairman of the Audit Committee has rich experience and expertise in accounting and financial management. All the members of the Committee have financial literacy, with relevant experience.

The details of meetings attended by the Members of the Audit Committee are as under:

Name of Director	Category/Representing	Designation	No. Of Meetings held during the financial year 2023-24	
			Held	Attended
Mr. M.R. Sivaraman, IAS (Retd.)	Independent - Non-Executive	Chairperson	5	5
Dr. Shankar Narasimhan	Independent - Non-Executive	Member	5	5
Mr. V.T. Moorthy	Independent - Non-Executive	Member	5	5
Mrs. R. Rajalakshmi	Independent - Non-Executive	Member	5	5
Dr. Jaya Chandra Bhanu Reddy [#]	Non-Executive	Member	5	2
Mr. Afzal Harunbhai Malkani	Non-Executive	Member	5	5
Mr. R. Karthikeyan*	Non-Executive	Member	-	-

*Appointed w.e.f. March 28, 2024.

[#]Resigned w.e.f. March 28, 2024

During the year 2023-24, five Audit Committee meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The Audit Committee meetings were held on 08.04.2023, 21.04.2023, 17.07.2023, 20.10.2023 and 23.01.2024 and necessary quorum was present at all the Meeting.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been constituted pursuant to Section 178(1) of The Companies Act, 2013, read with the provision contained under Regulation 19 of SEBI (LODR) Regulations, 2015, read with Listing Agreement.

The role of the Nomination and Remuneration Committee is in accordance with the provision contained in Part D Schedule II of SEBI (LODR) Regulations, 2015 read with the Listing Agreement, which includes:

- Recommend to the Board the composition of the Board and its Committees, including the "formulation of criteria for evaluation of Independent Directors.
- Recommend to the Board the appointment or reappointment of Directors/Key Managerial Personnel.

The composition of the Committee was reconstituted on 21st April 2023 with the three Non-Executive Directors (including two Independent Directors). The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 27th September 2023. The Committee met one time during the year on 17.08.2023.

The details are as follows:

Name of the directors	Designation	No. of meetings held	No. of meetings attended
Mr. V.T. Moorthy	Chairman	1	1
Mr. M.R. Sivaraman, IAS (Retd.)	Member	1	1
Mr. Afzal Harunbhai Malkani	Member	1	1

REMUNERATION POLICY:

The Board of Directors has been paid sitting fee for attending the Board Meeting and Board Committee Meetings. No other remuneration is paid to the Non-Executive Directors. Remuneration of Managing Director is paid in accordance with Company's Remuneration Policy for the Senior Management.

The Company has adopted a remuneration policy as applicable across Anupam Rasayan India Limited with effect from 11th March 2022 for its Senior Management and other employees.

Details of Remuneration to Board of Directors:

(₹ in lacs)

Name of Director	Relationship with other Directors	Business relationship with the Company if any	Remuneration paid during 2023-2024			
			Sitting fees [@]	Salary and Perks	Commissson	Total
Ms. Mariam Pallavi Baldev* [#]	Non-Executive - Promoter	NIL	2.40	-	-	2.40
Dr. Jaya Chandra Bhanu Reddy* [#]	Non-Executive - Promoter	NIL	3.00	-	-	3.00
Mr. Afzal Harunbhai Malkani	Non-Executive - Promoter	NIL	-	-	-	-
Mr. V.T. Moorthy	Non-Executive-Independent	NIL	8.50	-	-	8.50
Mr. M.R. Sivaraman, IAS (Retd.)	Non-Executive-Independent	NIL	8.50	-	-	8.50
Dr. Shankar Narasimhan	Non-Executive-Independent	NIL	6.40	-	-	6.40
Mrs. R. Rajalakshmi	Non-Executive-Independent	NIL	7.30	-	-	7.30
Mr. K. Sendhil Naathan	Managing Director	NIL	-	231.16	-	231.16
Mr. R. Karthikeyan* [#]	Non-Executive	NIL	-	-	-	-
Total			36.10	231.16	-	267.26

*Ms. Mariam Pallavi Baldev and Mr. R Karthikeyan were appointed as Non-Executive and Non-Independent Director w.e.f. 23th August 2022 & 28th March 2024 respectively.

*Mr. Jaya Chandra Bhanu Reddy resigned on 28th March 2024.

*Mr. R. Karthikeyan appointed with effect from 28th March 2024.

@includes the sitting fee paid for Board Committee Meetings.

#paid to Tamil Nadu Industrial Development Corporation Limited.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been reconstituted on 21st April 2023 pursuant to Section 178(5) of The Companies Act, 2013, read with the provision contained under Regulation 20 of SEBI (LODR) Regulations, 2015, read with listing agreement.

The Stakeholders Relationship Committee is empowered to perform all the functions of the Board in relation to the handling of investors' grievances.

The primary focus of the Stakeholders Relationship Committee includes:

- to address the grievances of security holders of the Company with regard to the transfer of shares, the transmission of shares, non-receipt of the annual report, non-receipt of declared dividend, etc.;
- to consider and approve the issue of share certificates (including the issue of renewed/duplicate share certificates).

- to ensure an expeditious share transfer process through the Registrar and Share Transfer Agent.
- to evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company.

The Committee comprises the following directors:

1. Mr. M.R. Sivaraman, IAS (Retd.), Chairman
2. Mr. V.T. Moorthy
3. Mr. R. Karthikeyan (with effect from 28th March 2024).
4. Dr. Jaya Chandra Bhanu Reddy (resigned on 28th March 2024).

During the year, the Stakeholders Relationship Committee met one time on 21.04.2023 and a necessary quorum was present at the Meetings.

The details of attendance by the Committee Members are as follows:

Name of Member	Designation	No. of Meetings	
		Held	Attended
Mr. M.R. Sivaraman, IAS (Retd.)	Chairman	1	1
Mr. V.T. Moorthy	Member	1	1
Mr. R. Karthikeyan [#]	Member	1	1
Dr. Jaya Chandra Bhanu Reddy [*]	Member	-	-

*Resigned on 28th March 2024.

[#]Effective from 28th March 2024.

The Compliance Officer/Company Secretary acts as Secretary to the Committee.

As required under regulation 13(3) of SEBI (LODR) Regulations, 2015, read with the listing agreement, the Company has filed status of investor complaints on a quarterly basis with BSE Limited.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year.

Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility Committee ("CSR Committee") was reconstituted on 21st April 2023 in line with the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 & provision contained under Regulation 19 of SEBI (LODR) Regulations, 2015, read with Listing Agreement. On the recommendation of the CSR Committee, the Board of Directors have approved the CSR policy which is available on the Company's website link [TANFAC-CSR-Policy.pdf](#).

The CSR Committee recommends to the Board the activities to be undertaken during the year and the amount to be spent on these activities.

The composition of the Committee consists of the following four Non-Executive Directors (including three Independent Directors):

1. Mr. V.T. Moorthy, Chairman
2. Mr. M.R. Sivaraman, IAS (Retd)
3. Mrs. R. Rajalakshmi
4. Mr. Afzal Harunbhai Malkani – joined as Member on 21st April 2023

Managing Director and the Chief Financial Officer are the invitees to the Committee.

The Compliance Officer/Company Secretary acts as Secretary to the Committee.

During the year one meeting of the Committee was held on 21.04.2023 and necessary quorum was present at the Meetings. Please refer "**Annexure C**" to Board's Report for detailed report on CSR activities during the year 2023-24.

GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings (AGMs) were held:

Year	Type	Location	Date and Time	Details of Special Resolution
2022-23	A.G.M.	Meeting was held through Video Conferencing (VC)/	27.09.2023/ 12.00 P.M.	Nil
2021-22	A.G.M.	Other Audio visual Means (OAVM) at the Registered Office i.e., Plot No.14	26.09.2022/ 11.30 A.M.	1
2020-21	A.G.M.	SIPCOT Industrial Complex, Cuddalore – 607 005	28.09.2021/ 11.30 A.M.	Nil

Annual General Meeting for the financial year 2023-24:

Date and Time	27.09.2024; 11.30 A.M. (Friday)
Venue	The meeting will be held through Video Conference (VC)/ Other Audio Visual Means (OAVM) at the Registered Office, i.e, Plot No.14, SIPCOT Industrial Complex, Cuddalore – 607 005 TAMIL NADU
Period of Book Closure	21.09.2024 to 27.09.2024 (both days inclusive)

Means of Communication:

Quarterly results – Which newspapers normally published in	BUSINESS STANDARD/MAKKAL KURAL (REGIONAL LANGUAGE)
Any Web site, where displayed	Information with regard to Quarterly Unaudited/Annual Audited Results, Shareholding pattern, and Annual Reports can be accessed from - BSE Limited website www.bseindia.com , where your Company shares are listed and your Company's website www.tanfac.com
Whether it also displays official news releases	-NO-
Presentation made to Institutional Investors or to the analysts	-NO-

General Shareholder Information:

A.G.M., Date, Time and Venue	27.09.2024 (11.30 A.M) Friday at the Registered Office of the Company at - 14 SIPCOT Industrial Complex CUDDALORE – 607 005, TAMIL NADU
Financial Year	1 st April to 31 st March
Dividend Payment Date	Final Dividend for the year 2023-24 was recommended by the Board of Directors at their Meeting held on 22 nd April 2024 subject to the declaration of Member at the ensuing Annual General Meeting to be held on 27.09.2024. if declared, the final Dividend for the financial year 2023-2024 will be paid on or before 25 th October 2024.
Date of Book Closure	21.09.2024 (Saturday) to 27.09.2024 (Friday), both days inclusive.

Name and address Stock Exchange at which the Company's securities are listed	21.09.2024 (Saturday) to 27.09.2024 (Friday), both days inclusive. BSE Limited Phiroze Jeejeebhoy Towers 25 th Floor, Dalal Street MUMBAI – 400 001.
Confirmation for the Payment of Annual Listing fee	Listing fee for the financial year 2024-25 has been paid
Stock Code	506854
Registrar to an issue and Share Transfer Agent	Integrated Registry Management Services Private Limited
Corporate Identity Number of the Company	L24117TN1972PLC006271
Credit Rating obtained by the Company	ICRA Limited a credit rating agency has rated ICRA A (Stable) for Cash credit limit of ₹ 22 crores and ICRA A1 for Non-Fund Based Limit of ₹ 68 Crores. Acuite Rating & Research Limited have also rated ACUITE A (Stable) for Fund Based Limit of ₹ 32 crores and ACUITE A1 for Non-Fund Based Limit of ₹ 68 crores.
Outstanding of ADR's/GDR's/ Warrants or Convertible Instruments	Nil
Commodity Price Risk or Foreign exchange risk and hedging activities	The Company hedges its Foreign Exchange Risk from time to time in accordance with the Hedging Policy approved by the Board.

Market Price Data (High/Low During Each Month in Last Financial Year):

MONTH	BSE LIMITED (BSE) SCRIP CODE: 506854	
	HIGH (₹ Ps.)	LOW (₹ Ps.)
APRIL 2023	1,684.85	1,011.50
MAY 2023	2,043.90	1,550.00
JUNE 2023	2,055.00	1,865.80
JULY 2023	2,047.95	1,679.05
AUGUST 2023	1,999.00	1,699.00
SEPTEMBER 2023	1,960.00	1,785.20
OCTOBER 2023	2,190.00	1,805.10
NOVEMBER 2023	2,329.00	2,010.00
DECEMBER 2023	2,778.70	2,205.00
JANUARY 2024	2,575.00	2,052.90
FEBRUARY 2024	2,182.80	1,749.95
MARCH 2024	2,214.35	1,690.00

Performance in comparison to broad-based indices such as BSE Sensex

Tanfac share price on BSE vis-à-vis BSE Sensex April - March 2024

Month	BSE Sensex Close	High ₹	Low ₹	Close ₹	No. of shares traded during the month	Turnover ₹
APRIL 2023		1,684.85	1,011.50	1,605.75	20,298	73,27,60,314
MAY 2023		2,043.90	1,550.00	1,979.00	17,954	46,29,74,863
JUNE 2023		2,055.00	1,865.80	1,930.20	12,667	20,74,69,512
JULY 2023		2,047.95	1,679.05	1,701.90	21,211	31,79,02,722
AUGUST 2023		1,999.00	1,699.00	1,935.85	15,221	20,94,16,810
SEPTEMBER 2023		1,960.00	1,785.20	1,926.80	9,739	11,17,38,472
OCTOBER 2023		2,190.00	1,805.10	2,111.80	16,036	33,04,03,089
NOVEMBER 2023		2,329.00	2,010.00	2,229.60	7,581	17,11,10,359
DECEMBER 2023		2,778.70	2,205.00	2,461.10	18,344	1,45,54,53,110
JANUARY 2024		2,575.00	2,052.90	2,123.15	17,715	65,13,68,098
FEBRUARY 2024		2,182.80	1,749.95	1,860.40	13,079	31,86,50,961
MARCH 2024		2,214.35	1,690.00	1,967.35	12,503	32,52,19,405

Distribution of Shareholding as on March 31, 2024

Category of shares	No. of Holders	% to Holders	No. of Shares	% to Holders
Upto 500	18,366	97.30	10,63,698	10.66
501-1000	266	1.41	2,01,911	2.02
1001 - 2000	115	0.61	1,69,519	1.70
2001 - 3000	37	0.2	94,182	0.94
3001 - 4000	18	0.1	64,841	0.65
4001 - 5000	19	0.1	89,155	0.89
5001 - 10000	23	0.12	1,69,294	1.70
Above 10001	31	0.16	81,22,400	81.43
Total	18,875	100.00	99,75,000	100.00
No. of shareholders in physical mode	3,038	16.10	2,44,381	2.45
No. of shareholders in electronic mode	15,837	83.90	97,30,619	97.55
Total	18,875	100.0	99,75,000	100.00

Categories of Shareholding as on March 31, 2024

CATEGORY	[₹ in Crores]			
	2024		2023	
	No. of Shares Held	% Age of Shareholding	No. of Shares Held	% Age of Shareholding
PROMOTERS/PROMOTERS GROUP	51,68,081	51.81	51,68,081	51.81
UTI AND MUTUAL FUNDS	5,550	0.06	5,550	0.06
BANKS, FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES	250	0.00	700	0.01
NON RESIDENT INDIANS (NRIs/OCBs)	53,453	0.54	63,906	0.64
CORPORATES	16,12,822	16.17	20,71,680	20.77
CLEARING MEMBER			1,870	0.02
RESIDENT INDIVIDUALS	25,32,495	25.39	22,18,385	25.06
TRUST	100	0.00	100	0.00
LIMITED LIABILITY PARTNERSHIP	2,57,435	2.58	26,500	0.27
IEPF	3,39,630	3.40	3,43,880	3.45
ALTERNATIVE INVESTMENT FUND	5,184	0.05	-	-
TOTAL	99,75,000	100.00	99,75,000	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on March 31, 2024, 97,30,619 Equity Shares, against subscribed fully paid equity shares of 99,75,000, were converted from the physical to electronic form. Over 97.55% of the outstanding equity shares have been dematerialized up to March 31, 2024.

In view of the advantages offered by the Depository System, members who have not yet dematerialized their shares are requested to avail of the facility of dematerialization of the equity shares. They have the choice to open an account with Depository Participants of either of the Depositories by quoting the Company's **ISIN No. INE639B01015**.

Plant location	14 SIPCOT Industrial Complex, CUDDALORE – 607 002, TAMIL NADU
Address for correspondence	Integrated Registry Management Services Private Limited "Kences Towers", Second Floor, No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017. TEL: +91-44-28140801 TO 3; FAX: +91-44- 28142479/28143378 Email Id: corpseerv@integratedindia.in .
	Regarding non-receipt of payment of declared dividend may be addressed to our Secretarial Department at our Registered Office at – 14, SIPCOT Industrial Complex, Cuddalore – 607 005, Tamilnadu, Tel: +91-4142-239001 to 239005 or Mail to – tanfac.invreln@anupamrasayan.com

Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

OTHER DISCLOSURE:

Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.	<p>All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis.</p> <p>None of the transactions with any of the related parties were in conflict with the interest of the Company during the year.</p>
Details of non-compliance by the Company, penalties, strictures imposed by stock exchanges/SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	None
Details of establishment of vigil mechanism, whistleblower policy and affirmation that no personnel has been denied access to the Audit Committee.	<p>The Company has a Group's Whistle Blower Policy to articulate the Group's point of view on whistleblowing,</p> <p>And the objective is to strengthen the whistleblowing mechanism.</p> <p>The objectives of the policy are:</p> <p>To provide a platform and mechanism for the employees and Directors to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal</p> <ul style="list-style-type: none"> To provide an environment that promotes responsible and protected whistle blowing. It reminds employees and directors about their duty to report any suspected violation of any law that applies to the Company and any suspected violation of the Group Values. Whistle Blower Policy is made available on the Company's website, www.tanfac.com. <p>As per whistle blower mechanism of the Company, it is hereby confirmed that no personnel has been denied access to the Audit Committee.</p>
Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.	<p>The Company has complied with all the mandatory requirements as per SEBI (LODR) Regulations, 2015 read with the listing agreement.</p> <p>The Company has also adopted the following non-mandatory requirements:</p> <p>(a) Auditor's Report does not contain any qualifications.</p> <p>(b) The Internal Auditors report directly to the Audit Committee.</p>
Weblink where policy on determining "material" subsidiaries is disclosed.	Not Applicable
Weblink where policy on dealing with related party transactions	<p>Policy on dealing with related party transactions is available in Company's website at:</p> <p>http://www.tanfac.com/documents/policy_Materiality_Of_Related_Party_Transactions.pdf</p>
Total fees for all services paid to the Statutory Auditor of the Company for the financial year 2023-24.	<p>The Audit Committee approved the fee for other services rendered by the Statutory Auditors other than the Statutory Audit.</p> <p>Total Remuneration applicable for the Statutory Auditors for the year 2023-24 amounts to ₹ 15 lakhs.</p>
Disclosure of commodity price risks and commodity hedging activities	The Company hedges its Foreign Exchange Risk from time to time in accordance with the Hedging Policy approved by the Board.
Disclosure as required under Section 22 of the sexual harassment of Women at the Workplace (Prevention, Prohibition and redressal) act, 2013.	There were no Complaints filed or disposed of during the year and no complaints were pending as on the end of the financial year.

DISCRETIONARY REQUIREMENTS:

(Refer Schedule II Part E of SEBI (LODR) Regulations, 2015)

The Board

Your Company is a Joint Sector undertaking with Tamilnadu Industrial Development Corporation Limited (TIDCO), a Government of Tamilnadu undertaking. The Chairperson of the Company is nominated by TIDCO as per Joint Venture Agreement and performs his/her duty at their office. Hence no separate Chairperson's office is maintained at your Company.

SHAREHOLDERS' RIGHTS:

The Company's quarterly and half-yearly results are published in the English and vernacular newspapers and the results are also uploaded on Company's website www.tanfac.com. As per the SEBI (LODR) Regulations, 2015 requirements with BSE Limited, the Company has uploaded the Unaudited/Audited Financial Results and also Shareholding Pattern, etc. on its designated website.

Therefore, no individual communications with respect to quarterly/half yearly financial performance are sent to the Shareholders. However, based on a request from the Shareholders, if any, the Company would provide the same to them individually.

Modified Opinion(S) in Audit Report

There are no qualifications/modified opinions in the Auditors' Report on the accounts for the financial year 2023-24.

Separate Posts of Chairperson and MD/CEO

Mrs. Mariam Pallavi Baldev was appointed as Non-Executive Non-Independent Director & also Chairperson of the Board with effect from 23rd August 2022. Mr. K. Sendhil Naathan was reappointed as Managing Director of the Company on 17th August 2023 for a term of 18 months from 27th August 2023 subject to confirmation by the members at the ensuing Annual General Meeting.

REPORTING OF INTERNAL AUDITOR

The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

Certificate from Practising Company Secretary Confirming Directors are not Debarred/Disqualified

A Certificate from a Company Secretary in Practice has been obtained confirming that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority.

PARTICULARS OF LOANS AND ADVANCES TO THE RELATED ENTITIES:

There are no loans and advances were given to the firm/companies in which directors are interested.

Disclosure as per regulation 34(2) under Schedule V of SEBI (LODR) Regulations, 2015 read with the listing agreement.

Sr. No.	Disclosure of loans/advances/investments outstanding during the year	As at March 31, 2024 (₹)	Maximum amount during the year (₹)
1.	Loans and advances in the nature of loans to subsidiaries	Not Applicable	Not Applicable
2.	Loans and advances in the nature of loans to associates	Not Applicable	Not Applicable
3.	Loans and advances in the nature of loans to firms/companies in which Directors of the Company are interested	Not Applicable	Not Applicable
4.	Investments by the loanee in the shares of parent Company and Subsidiary Company, when the Company has made a loan or advance in the nature of loan.	NIL	NIL

CODE OF CONDUCT

The Company has laid down the Code of Conduct (the “code”) as required under The Companies Act 2013 and as per regulation 17(5) of SEBI (LODR) Regulations, 2015 read with listing agreement applicable to all members of the Board of Directors, Key Management Personnel (KMPs) and Senior Management of the Company. The details of the code of conduct have been posted on the Company’s website www.tanfac.com.

The Board, KMPs and the senior management have affirmed compliance with the code as on March 31, 2024.

A declaration to this effect has been given by the Managing Director and forms part of the Annual Report.

SEBI (Prohibition of Insider Trading) Regulations, 2015:

The Board of Directors of the Company has adopted the formulation of “Code of Conduct” and Code of Practices and Procedure as required under The SEBI (Prohibition of Insider Trading) Regulations, 2015. The details are made available on the Company’s website, viz., www.tanfac.com.

DISCLOSURE ON COMPLIANCES:

Your Company has complied with regulations on corporate governance requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever Applicable.

CEO/CFO CERTIFICATION:

The Managing Director and the Chief Financial Officer of the Company duly authorised by the Board have given their annual certification on financial reporting and internal controls to the Board as required under regulation 17(8) of SEBI (LODR) Regulations, 2015 read with the listing agreement is available in this annual report.

DECLARATION

This is to confirm that the Company has adopted a Code of Conduct for Board of Directors, KMPs and Senior Management, available on the Company’s website.

I confirm that the Company has received from the Board of Directors of the Company, KMPs and the Senior Management, a declaration of compliance with the Code of Conduct for the year ended March 31, 2024, as applicable to them.

19th July 2024

K. Sendhil Naathan
Managing Director

CEO/CFO Certification

Mr.K.Sendhil Naathan, Managing Director and Mr. N.R. Ravichandran, Chief Financial Officer of the Company have certified to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge, no transactions entered into by the Company during the year which are fraudulent, illegal or a violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee;
 - (i) that there no significant changes in internal control during the year;
 - (ii) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

and

 - (iii) that there is no fraud of which they have become aware and the involvement therein, of the management or an employee having a role in the Company's internal control system.

K. Sendhil Naathan
Managing Director

N. R. Ravichandran
Chief Financial Officer

Date:19.07.2024

Certificate on Corporate Governance

As required under SEBI (LODR) Regulation, 2015 of Schedule V paragraph E read with listing agreement, the Chartered Accountant's Certificate on compliance of the Corporate Governance norms is attached.

The Members of

TANFAC INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by TANFAC Industries Limited ('the Company') for the financial year ended March 31, 2024 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable with effect from December 1, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Listing Agreement/Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Listing Agreement/Regulations.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
M/s. Singhi & Co.,
Chartered Accountants
Registration No.302049E

Place: Mumbai
Date: 22.04.2024

(Sudesh Choraria)
Membership No. 204936
ICAI UDIN: 24204936BKGDZZ1631

Certificate of Non-Disqualification of Directors

Pursuant to Regulation 34(3) read with Schedule V Para C (10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Ms. Kalyani Srinivasan hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors of TANFAC Industries Limited ("the Company) as on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA) or any such other Statutory Authority.

Sr. No.	Name of the Director	Nature of Directorship	Director's Identification Number
1.	Ms. Mariam Pallavi Baldev	Chairperson, Non-Executive, Non-Independent Director	9281201
2.	Dr. Jaya Chandra Bhanu Reddy [#]	Non-Executive - Non-Independent Director	10057412
3.	Mr. R. Karthikeyan*	Non-Executive - Non-Independent Director	00824621
4.	Mr. Afzal Harunbhai Malkani	Non-Executive - Non-Independent Director	07194226
5.	Mr. K. Sendhil Naathan	Managing Director	08850046
6.	Mr. M.R. Sivaraman	Non-Executive - Independent Director	00020075
7.	Mr. V.T. Moorthy	Non-Executive - Independent Director	00007648
8.	Mr. Shankar Narasimhan	Non-Executive - Independent Director	01484214
9.	Mrs. R. Rajalakshmi	Non-Executive - Independent Director	01985132

[#]Resigned with effect from 28th March 2024

- Appointed with effect from 28th March 2024

I am issuing this certificate based on the following, which to the best of my knowledge and belief were considered necessary in this regard:

1. Information relating to the directors available in the official web site of MCA; and
2. Disclosures/declarations/confirmations provided by the said Directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

I wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment/continuation as a Director on the Board of the Company. My responsibility is to express an opinion on this based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment/continuation of a person as a Director of the Company.

Place: Chennai
Date: 06/06/2024
UDIN: F005854E000136160

Kalyani Srinivasan
FCSNo.5854
CP No.6047

Independent Auditor's Report

To the Members of Tanfac Industries Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **Tanfac Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("The Act" or "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion

on these matters. Based on our judgement, we have determined that there is no key audit matter to be communicated in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments

and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, (hereinafter referred to as the "Order"), we give in the **"Annexure 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** to this report;
 - (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 28.4 to the financial statements;
 - ii. The Company has accounted for material foreseeable losses, if any, for long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The dividend declared or paid during the year as well as the dividend proposed (which is subject to members approval at the ensuing Annual General Meeting) by the Company are in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled at database level, as described in note 28.17 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For Singhi & Co.,
Chartered Accountants
Firm Registration No: 302049E

Sudesh Choraria
Partner
Membership No: 204936
UDIN: 24204936BKGDZY8290

Date: April 22, 2024
Place: Mumbai

Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 1 of the Independent Auditors’ Report of even date to the members of TANFAC INDUSTRIES LIMITED on the financial Statements as of and for the year ended March 31, 2024)

We report that:

- i. In respect of its Property Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has a regular program of physical verification of its property, plant and equipment by which all such assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management. In our opinion, and 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 to us and on the basis of our examination, title deeds of the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in schedule of Property, Plant and Equipment to the financial statements, are held in the name of the Company.
 - d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
 - e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(1)(e) of the Order are not applicable to the Company.
- ii. In respect of its Inventories:
 - a) As per information and explanations provided to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods and by products and no material discrepancies were noticed on such physical verification.
 - b) Based on our examination of the books of accounts of the Company, with respect to the sanctioned working capital limits availed from banks or financial institutions, the Quarterly return/statements have been regularly submitted by the company and no material discrepancies were noticed.
- iii. According to the information and explanations provided to us, the Company has not made investments in, provided guarantee or security or granted loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us and records examined by us, Company has not given any loan, made investments or given Guarantee and Securities and covered under Section 185/186. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost records is mandated by Government of India U/S 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and the records of the Company examined by us:

- a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There was no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.
- b) There are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the dispute	Period to which the amount relates	Forum where Dispute is Pending	Amount Unpaid/ (refund) ₹ in lakhs
TNGST Act, 1959	Levy of sales tax from sales affected through Pondicherry	1989-90 & 1990-91	Appeal before Tamil Nadu Sales Tax Appellate Tribunal	52.77
Custom Act, 1962	Duty on fluorspar shipment shortage	1998-99	Customs Officer	10.79
Finance Act, 1994 (Service Tax)	Service Tax on Lease Rent	2001-02 to 2004-05	Additional Commissioner of Central Excise, Puducherry	12.30
Finance Act, 1994 (Service Tax)	Reversal of ITC on sales to SEZ in other state	2012-13	Hon'ble High Court of Madras	1.51
Goods and Service Tax Act, 2017	ITC claimed in TRAN 1 disallowed	2017-18	Appellate Deputy Commissioner (GST), Vellore	16.65

viii. According to the information and explanation given to us, there were no transactions which have not been recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

our examination of the records of the Company, the Company has availed loans from banks and financial institutions. The amount of loan was applied for the purpose for which the loan was obtained. Further the Company has not availed any loans from Government or has not issued any debenture during the year.

ix. In respect of its Borrowings:

- a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders.
- b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and based on

- d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.
- e) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, provisions of clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.
- x. a) According to the information and explanations given to us and based on our examination. of the records of the Company, the Company did not raise any money

- by way of initial public offer or further public offer (including debt instruments) during the year. Thus, the provisions of clause 3(x)(a) of the order are not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- xi. a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b) We have not come across any instance of fraud, therefore report under sub-section 12 of Section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As reported to us by the management, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- xiv. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business; We have considered internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
- b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company;
- c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company;
- d) According to the representations given by the management, the Group does not have any CIC. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company;
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of statutory auditors during the year. However, during the year, the existing statutory auditors of the Company had rotated out on completion of their term. We have taken into consideration the issue, objections or concern raised, if any, by the out-going auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the

date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In respect of Corporate Social Responsibility Expenditure:

- a) According to the information and explanations given to us and based on our examination of the records of the Company, in respect of CSR Expenditure other than ongoing CSR projects, there were no amount remaining unspent u/s 135(5) of the Companies Act, Hence no amount was required to be transferred to a Fund specified in Schedule VII to the Companies Act.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, there were no amount remaining unspent u/s 135(5) of the Companies Act pursuant to any ongoing CSR project. Therefore, no amount was required to be transferred to a special account in compliance with provision of sub section (6) of Section 135 of the said Act.

For Singhi & Co.,
Chartered Accountants
Firm Registration No: 302049E

Sudesh Choraria
Partner
Membership No: 204936
UDIN: 24204936BKGDZY8290

Date: April 22, 2024
Place: Mumbai

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of TANFAC INDUSTRIES LIMITED on the financial Statements as of and for the year ended March 31, 2024)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. We have audited the internal financial controls over financial reporting of **Tanfac Industries Limited** ('the Company') as of March 31, 2024 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

2. 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. 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.

4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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:
 7. (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 authorizations' of management and directors of the Company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

8. 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

9. 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, 2024, 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 Singhi & Co.,
Chartered Accountants
Firm Registration No: 302049E

Sudesh Choraria

Partner

Membership No: 204936
UDIN: 24204936BKGDZY8290

Date: April 22, 2024

Place: Mumbai



Balance Sheet

As at March 31, 2024

(₹ in Lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
1) Non-Current Assets			
a) Property, Plant and Equipment	2	6,064.08	5,471.04
b) Capital Work-in-Progress	2	2,910.12	593.03
c) Financial Assets			
i) Investments	3	144.82	141.93
ii) Other Financial Assets	4	10.31	13.09
d) Other Non-Current Assets	5	838.41	82.55
Total Non-Current Assets (A)		9,967.74	6,301.64
2) Current Assets			
a) Inventories	6	5,870.61	5,292.90
b) Financial Assets			
i) Investments	7	6,516.92	6,562.37
ii) Trade Receivables	8	6,112.33	5,077.85
iii) Cash & Cash Equivalents	9	712.27	1,046.98
iv) Bank balances other than (iii) above	9	218.75	221.02
v) Other Financial Assets	10	0.76	0.75
c) Current Tax Assets	11A	80.00	68.47
d) Other Current Assets	11B	621.63	608.93
Total Current Assets (B)		20,133.27	18,879.27
Total Assets (A+B)		30,101.01	25,180.91
EQUITY & LIABILITIES			
Equity			
a) Equity Share Capital	12	997.50	997.50
b) Other Equity	13	22,047.01	17,429.96
Total Equity (C)		23,044.51	18,427.46
Liabilities			
1) Non-Current Liabilities			
a) Financial Liabilities		-	-
b) Provisions	14	148.46	110.38
c) Deferred Tax Liability (net)		352.12	317.40
Total Non-Current Liabilities (D)		500.58	427.78
2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	-	-
ii) Trade Payables	16		
- Outstanding Dues of Micro and Small Enterprises		150.47	183.38
- Outstanding Dues of Creditors other than Micro and Small Enterprises		4,385.92	4,455.85
b) Other Current Liabilities	17	1,873.84	1,452.82
c) Provisions	18	127.83	127.77
d) Current Tax Liabilities (Net)	18	17.86	105.85
Total Current Liabilities (E)		6,555.92	6,325.67
TOTAL EQUITY AND LIABILITIES (C+D+E)		30,101.01	25,180.91

Material Accounting Policies, Key Accounting Estimates and Judgements. 1

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Directors of
TANFAC Industries Limited
CIN: L24117TN1972PLC006271

Sudesh Choraria
Partner
Membership No. 204936

Sd/-
N.R. Ravichandran
Chief Financial Officer

Sd/-
Afzal Harunbhai Malkani
Director
DIN: 07194226

Sd/-
M.R. Sivaraman
Director
DIN: 00020075

Place: Chennai
Date: 22.04.2024

Sd/-
K. Sendhil Naathan
Managing Director
DIN: 08850046

Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note	31 st March, 2024	31 st March, 2023
INCOME			
Revenue from Operations	19	37,814.50	37,494.81
Other Income	20	707.93	792.17
Total Income (A)		38,522.43	38,286.98
EXPENDITURE			
Cost of Materials Consumed	21	22,044.48	22,880.95
Changes in inventories of Finished goods, Stock in Trade and Work-in-Progress	22	36.63	(206.07)
Employee Benefit Expenses	23	2,032.82	1,629.84
Finance cost	24	73.03	88.43
Depreciation/Amortization and Impairment Expenses	2	700.42	633.27
Power and Fuel	25	1,995.30	1,603.94
Other Expenses	26	4,633.77	4,110.38
Total Expenses (B)		31,516.45	30,740.74
Profit Before Tax (C = A-B)		7,005.98	7,546.24
Tax Expense			
i) Current Tax		1,723.91	1,935.82
ii) Deferred Tax		34.04	(2.55)
iii) Income Tax paid/(reversed) for earlier years		-	-
Profit for the Year (D)		5,248.03	5,612.97
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to Profit or Loss	27	23.18	(8.40)
(ii) Income tax relating to items that will not be reclassified to Profit or loss		(5.78)	2.20
(iii) Items that will be reclassified subsequently to profit or loss		-	-
(iv) Income tax relating to items that will be reclassified to Profit or loss		-	-
Other Comprehensive Income for the Year (E)		17.40	(6.20)
Total Comprehensive Income for the year (D+E)		5,265.43	5,606.77
Earnings per Share (Face Value of ₹ 10 each fully paid up)			
- Basic		52.61	56.27
- Diluted		52.61	56.27

Material Accounting Policies, Key Accounting Estimates and Judgements. 1

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Directors of
TANFAC Industries Limited
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Director
DIN: 00020075

Place: Chennai
Date: 22.04.2024

Sd/-
K. Sendhil Naathan
Managing Director
DIN: 08850046

Cash Flow Statement

For the year ended March 31, 2024

(₹ in Lakhs)

Sr. No.	Particulars	2023-24	2022-23
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax Including Other Comprehensive Income	7,029.16	7,537.84
	Adjustments for:		
	Depreciation & Amortisation of Expenses	700.42	633.27
	Finance Cost	73.03	88.43
	Provision for Liabilities no longer required written back	(171.76)	(20.41)
	Loss/(Profit) on Sale of Fixed Assets	1.48	0.70
	Loss/(Profit) on Fair Valuation of Investment	(181.41)	(54.41)
	Loss/(Profit) on Sale of Investment	(308.25)	(186.88)
	Interest & Dividend Income	(37.96)	(30.59)
	Exchange Rate Fluctuations (Net)	52.73	(23.49)
	Provision for Inventories	44.49	16.04
	Operating Profit before Working Capital changes	7,201.93	7,960.50
	Adjustments for:		
	Trade and Other Receivables	(1,814.69)	(2,524.04)
	Inventories	(622.21)	(1,145.71)
	Trade Payable and Provisions	448.35	1,725.88
		(1,988.55)	(1,943.87)
	Cash Generated From/(Used in) Operations	5,213.38	6,016.63
	Direct Taxes (Payment)/Refund (net)	(1,790.00)	(1,722.76)
		(1,790.00)	(1,722.76)
	Net Cash Generated From/(Used in) Operating Activities	3,423.38	4,293.87
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property Plant & Equipment (Note-II below)	(3,612.10)	(1,491.08)
	Sale of Fixed Assets	0.07	10.05
	Purchase of Investments	(30,735.21)	(13,678.47)
	Sale of Investments	31,270.33	11,415.36
	Investment In Mutual Funds/Bank Fixed Deposits	2.27	(245.85)
	Interest and Dividend Income	37.96	30.59
	Net Cash flow From/(Used in) Investing Activities	(3,036.68)	(3,959.41)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Finance Cost	(73.03)	(88.43)
	Dividend/Interim Dividend Paid	(648.38)	(548.63)
	Net Cash flow From/(Used in) financing Activities	(721.41)	(637.06)
	Net Increase/(Decrease) in Cash and Cash Equivalents	(334.71)	(302.60)
	Cash & Cash Equivalents at the Beginning of the year (Note 9)	1,046.98	1,349.58
	Cash & Cash Equivalents at the End of the year (Note 9)	712.27	1,046.98
		(334.71)	(302.60)

Significant Accounting Policies - Note 1

The accompanying notes are an intergral part of the financial statements

Note I: The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows, as prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015.

Note II: Purchase of Property, Plant and Equipment includes movements of Capital Work-in-Progress (including Capital Advances) and Capital Expenditure Creditors during the year.

As per our report of even date attached

For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Directors of
TANFAC Industries Limited
CIN: L24117TN1972PLC006271

Sudesh Choraria
Partner
Membership No. 204936

Sd/-
N.R. Ravichandran
Chief Financial Officer

Sd/-
Afzal Harunbhai Malkani
Director
DIN: 07194226

Sd/-
M.R. Sivaraman
Director
DIN: 00020075

Place: Chennai
Date: 22.04.2024

Sd/-
K. Sendhil Naathan
Managing Director
DIN: 08850046

Statement of Changes in Equity

For the year ended March 31, 2024

A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the reporting year	997.50	997.50
Changes in Equity Share capital due to prior period errors	-	-
Restated Balance at the beginning of the current reporting period	997.50	997.50
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	997.50	997.50

B) OTHER EQUITY

(₹ in Lakhs)

Particulars	General Reserve	Retained Earnings	Securities premium	Capital Redemption Reserve	Capital Reserve	Equity Instruments through OCI	Total
Balance as at 1 st April 2023 (I)	3,324.96	13,475.49	2.18	500.00	30.46	96.87	17,429.96
Profit for the year	-	5,248.03	-	-	-	-	5,248.03
Transferred to Capital Redemption Reserve	-	-	-	-	-	-	-
Other Comprehensive Income for the year (net of Income tax)*	-	14.50	-	-	-	2.90	17.40
Total Comprehensive income for the year (2023-24) (II)	-	5,262.53	-	-	-	2.90	5,265.43
LESS: Dividend	-	-	-	-	-	-	-
On Equity Shares	-	(648.38)	-	-	-	-	(648.38)
Dividend on 11% Cumulative Non convertible Preference Shares including arrears	-	-	-	-	-	-	-
Balance as at March 31, 2024 (III) = I+II	3,324.96	18,089.64	2.18	500.00	30.46	99.77	22,047.01

C) OTHER EQUITY

(₹ in Lakhs)

Particulars	General Reserve	Retained Earnings	Securities premium	Capital Redemption Reserve	Capital Reserve	Equity Instruments through OCI	Total
Balance as at 1 st April 2022 (I)	3,324.96	8,421.71	2.18	500.00	30.46	92.51	12,371.82
Profit for the year	-	5,612.97	-	-	-	-	5,612.97
Transferred to Capital Redemption Reserve	-	-	-	-	-	-	-
Other Comprehensive Income for the year (net of Income tax)*	-	(10.57)	-	-	-	4.37	(6.20)
Total Comprehensive income for the year (2022-23) (II)	-	5,602.40	-	-	-	4.37	5,606.77
Dividend Distribution Tax	-	-	-	-	-	-	-
On Equity Shares	-	(548.63)	-	-	-	-	(548.63)

C) OTHER EQUITY (Contd.)

(₹ in Lakhs)

Particulars	General Reserve	Retained Earnings	Securities premium	Capital Redemption Reserve	Capital Reserve	Equity Instruments through OCI	Total
Dividend on 11% Cummulative Non-convertible Preference Shares including arrears	-	-	-	-	-	-	-
Balance as at March 31, 2023 (III) = I+II	3,324.96	13,475.49	2.18	500.00	30.46	96.87	17,429.96

*Represent Measurement of Defined Benefit Obligations.

Material Accounting Policies, Key Accounting Estimates and Judgements. Refer Note 1

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Directors of
TANFAC Industries Limited
CIN: L24117TN1972PLC006271

Sudesh Choraria
Partner
Membership No. 204936

Sd/-
N.R. Ravichandran
Chief Financial Officer

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Afzal Harunbhai Malkani
Director
DIN: 07194226

Sd/-
M.R. Sivaraman
Director
DIN: 00020075

Place: Chennai
Date: 22.04.2024

Sd/-
K. Sendhil Naathan
Managing Director
DIN: 08850046

Notes forming part of the Financial Statements

For the Period Ended March 31, 2024

CORPORATE INFORMATION

Tanfac Industries Limited is a joint venture company promoted by Anupam Rasayan India Limited (previously by Aditya Birla Group) and the Tamil Nadu Industrial Development Corporation (TIDCO). Incorporated in 1972, it is one of India's largest suppliers of fluorine chemicals. The equity shares of the Company are listed on BSE Ltd (BSE).

The address of its registered office is Plot No. 14 SIPCOT Industrial Complex Kudikadu, Cuddalore - 607005, Tamilnadu.

Statement of Compliance:

These financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable. The financial statements are approved by the Board of Directors of the Company at their meeting held on 22nd April 2024.

Basis for Preparation and Presentation of Financial Statements:

Basis of Preparation:

The financial statements have been prepared on the going concern basis and a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial assets and liabilities measured at fair value;
- (ii) Employee's Defined Benefit Plan measured as per Actuarial Valuation;
- (iii) Derivative Financial Instruments measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest Lakhs, except as stated otherwise.

Classification of Assets and Liabilities into Current/ Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

NOTE 1(A) MATERIAL ACCOUNTING POLICIES

a. Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the

sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

b. Expenditure during construction period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

c. Depreciation:

Depreciation is the systematic allocation of the depreciable amount over its useful life. Depreciation on Buildings and Plant & Machinery is provided on a straight-line basis over such useful lives as prescribed under Schedule II to the Companies Act, 2013. Depreciation on all other assets other than Buildings and Plant & Machinery has been provided on Written Down Value method.

The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

Major assets class where useful life considered as provided in Schedule II:

Nature	Estimated Useful Life
1) Buildings	30 Year/ 60 Year
2) Plant & Machinery	8-15 Year
3) Office Equipment	4-7 Year
4) Furniture & Fixture	5-12 Year
5) Company Vehicles (Other Than those provided to Employees)	8-10 Year
6) Motor Cars given to Employees as per the Company's Scheme Policy	5-12 Year
7) Server & Networks	4-5 Year
8) Stores and Spares in the Nature of PPE	3 Year
9) Assets individually costing less than or equal to ₹ 5000 each	Fully Depreciated in the year of Purchase

Also,

- i) Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.
- ii) Depreciation on additions is being provided on Pro rata basis from the date of such additions.
- iii) Depreciation on sale or disposal is provided on Pro rata basis till the date of such sale or disposal.
- iv) Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.
- v) Depreciation and amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- vi) Leasehold lands are amortized over the period of the lease.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

d. Intangible Assets and Amortization:

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. The Company determines the useful life as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances.

Intangible assets are measured at cost. Following initial recognition, intangible asset is carried at acquisition/development cost less accumulated amortization and accumulated impairment loss if any. Cost of Intangible asset includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes

in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is recognised.

e. Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no

impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

f. Non-Current assets classified as held for disposal:

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell. To classify any Asset as "Asset held for disposal" the asset must be available for immediate sale and its sale must be highly probable. Such assets are presented separately in the Balance Sheet, in the line "Assets held for disposal". Once classified as held for disposal, intangible assets and PPE are no longer amortised or depreciated.

The management must be committed to the sale/distribution expected within one year from the date of classification.

g. Inventories:

Raw materials, fuel, stores & spare parts and packing materials:

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

Waste/Scrap:

Waste/Scrap inventory is valued at NRV. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

h. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready

for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings and exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

i. Revenue Recognition:

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue is recognised when the control over the goods have passed to the buyer. Sales are disclosed net of Goods & Service tax, discounts and Sales return.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable

Export Incentives are accounted for to the extent considered recoverable by the Management.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset, or assets and the arrangement conveys a right or control to use the asset, or assets even if that right is not explicitly specified in an arrangement.

The arrangement conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

k. Employee Benefit Expense:

Defined benefit plan:

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Re-measurement recognised in Other Comprehensive Income ('OCI') is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plan:

Employee benefits in the form of contribution to superannuation fund, provident fund managed by Government authorities, Employee state Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to Statement of Profit or Loss for the year when the contributions to the respective funds are due.

Other long-term employee benefits:

The Company has a scheme for leave encashment for employee, the liability for which is determined on the basis of an actuarial valuation carried out at the end of the year using Projected Unit Credit method.

Short-Term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

I. Income Taxes:

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the OCI or in equity. In which case, the tax is also recognized in OCI or equity.

Current Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

m. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items carried at fair value are translated at

the rates prevailing at the date when the fair value was determined. Foreign currency non-monetary items measured in terms of historical cost are translated using the exchange rate as at the date of initial transactions.

Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost on those foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

n. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Assets & Financial Liabilities are recognized when the Company becomes party to contractual provisions of the relevant instrument.

Initial Measurement:

At initial recognition, the Company measures a financial asset and financial liabilities at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

Fair Value through Other Comprehensive Income ('FVOCI'):

A financial asset shall be classified and measured at FVOCI if both of the following conditions are met:

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

Financial Asset included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Fair Value through Profit or Loss ('FVTPL'):

FVTPL is a residual category for Financial Asset. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Equity instruments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which

are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For Financial Assets, the Company applies 'simplified approach' as specified under Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The application of simplified approach does not require the Company to track changes in credit risk. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Derecognition of Financial Instruments:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit or loss if such gain or loss would have otherwise been recognised in statement of profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the

Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in statement of profit or loss if such gain or loss would have otherwise been recognised in statement of profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Classification and Subsequent Measurement: Financial Liabilities:

Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

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

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in level 1.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Financial Liabilities:

Financial liabilities are classified, at initial recognition as fair value through profit or loss:

- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables are recognised net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if

they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group, that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss. Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Liabilities:

The Group de-recognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

o. Government Grant:

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Statement of Profit & loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

p. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent liabilities are also 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. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

q. Earnings Per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split, if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted EPS, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r. Cash and Cash Equivalent:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three

months or less, that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

s. Segment Reporting:

Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's management to make decisions for which discrete financial information is available. Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the Internal Business Reporting System.

Based on the management approach as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

t. Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

NOTE 1(B) CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES, ASSUMPTIONS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

(i) Useful Lives of Property, Plant & Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

(ii) Defined Benefit Plans and Compensated Absences:

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Expected Credit Losses on Financial Assets:

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(iv) Fair Value measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Lakhs)

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
		As at 01/04/2023	Additions	Deductions/ Discarded	As at 31/03/2024	As at 01/04/2023	Depreciation	Deductions	As at 31/03/2024	As at 31/03/2024
A)	Tangible Assets									
1	Freehold Land	12.01	-	-	12.01	-	-	-	-	12.01
2	Leasehold Land	39.68	-	-	39.68	14.25	0.38	-	14.63	25.05
3	Building - Freehold	207.46	-	-	207.46	82.32	3.22	-	85.54	121.92
4	Building - Leasehold	610.39	101.84	-	712.23	398.73	14.10	-	412.83	299.40
5	Road, Well, Culvert, Fencing etc	207.78	-	-	207.78	128.50	21.12	-	149.62	58.16
6	Plant & Machinery *	15,397.45	1,151.57	-	16,549.02	10,552.22	586.21	-	11,138.43	5,410.59
7	Plant & Machinery - Data Processing Equipments	32.74	7.93	-	40.67	20.33	8.15	-	28.48	12.19
8	Vehicles & Tanks	386.41	21.59	-	408.00	278.32	41.63	-	319.95	88.05
9	Furnitures & Fixtures	97.09	4.22	0.06	101.25	78.19	13.60	0.05	91.74	9.51
10	Office Equipment	245.07	7.87	29.89	223.05	212.18	12.01	28.34	195.85	27.20
	Total	17,236.08	1,295.02	29.95	18,501.15	11,765.04	700.42	28.39	12,437.07	6,064.08
B)	Intangible Assets									
1	Software Items	6.21	-	-	6.21	6.21	-	-	6.21	-
2	Specialised Software	52.08	-	-	52.08	52.08	-	-	52.08	-
	Total	58.29	-	-	58.29	58.29	-	-	58.29	-
C)	Capital Work-In-Progress									2,910.12

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Contd.)

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
		As at 01/04/2022	Additions	Deductions/ Discarded	As at 31/03/2023	As at 01/04/2022	Depreciation	Deductions	As at 31/03/2023	As at 31/03/2023
A) Tangible Assets										
1	Freehold Land	12.01	-	-	12.01	-	-	-	-	12.01
2	Leasehold Land	39.68	-	-	39.68	13.87	0.38	-	14.25	25.43
3	Building- Freehold	207.46	-	-	207.46	79.10	3.22	-	82.32	125.14
4	Building- Leasehold	548.71	61.68	-	610.39	384.43	14.30	-	398.73	211.66
5	Road, Well, Culvert, Fencing etc	149.84	57.94	-	207.78	110.23	18.27	-	128.50	79.28
6	Plant & Machinery *	13,542.56	1,896.76	41.87	15,397.45	10,067.50	524.50	39.78	10,552.22	4,845.23
7	Plant & Machinery-Data Processing Equipments	193.27	13.44	173.97	32.74	174.82	10.82	165.31	20.33	12.41
8	Vehicles & Tanks	327.57	58.84	-	386.41	238.53	39.79	-	278.32	108.09
9	Furnitures & Fixtures	80.08	17.01	-	97.09	73.91	4.28	-	78.19	18.90
10	Office Equipment	234.15	10.92	-	245.07	194.47	17.71	-	212.18	32.89
	Total	15,335.33	2,116.59	215.84	17,236.08	11,336.86	633.27	205.09	11,765.04	5,471.04
B) Intangible Assets										
1	Software Items	6.21	-	-	6.21	6.21	-	-	6.21	-
2	Specialised Software	52.08	-	-	52.08	52.08	-	-	52.08	-
	Total	58.29	-	-	58.29	58.29	-	-	58.29	-
C) Capital Work-In-Progress										
										593.03

i) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company itself.

ii) Working Capital Borrowings are charged with Fixed Assets of the Company.

C(i) Capital Work-in-Progress (CWIP) ageing schedule

As at March 31, 2024

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,818.92	89.33	1.87	-	2,910.12
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	434.34	146.08	12.61	-	593.03
Projects temporarily suspended	-	-	-	-	-

C (ii) There were no Projects included under capital-work-in progress, whose completion was overdue or has exceeded its cost compared to its original plan.

NOTE - 3 NON-CURRENT INVESTMENTS (NON-TRADED AND UNQUOTED)

(Long-Term Fully Paid up)

(₹ in Lakhs)

Particulars	Face Value ₹	As at March 31, 2024		As at March 31, 2023	
		No.	(₹ in Lakhs)	No.	(₹ in Lakhs)
Investment in Equity Instruments	100	16,963	144.82	16,963	141.93
Carried at Fair Value through Other Comprehensive Income (FVTOCI)					
Total		16,963	144.82	16,963	141.93
Aggregate carrying value of unquoted Investments			144.82		141.93
Aggregate market value of unquoted Investments			144.82		141.93

NOTE - 4 NON-CURRENT - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits & Other Deposits	10.31	11.11
Loans & Advances to related parties (Refer Note 28.2)	-	1.98
	10.31	13.09

NOTE - 5 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits & balances with government & other authorities	96.87	82.55
Capital Advances	741.54	-
TOTAL	838.41	82.55

NOTE - 6 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials including Packing Materials [#]	4,667.31	4,136.23
Raw materials including Packing Materials - In transit	208.04	220.62
Finished Goods	403.16	487.91
Finished Goods in Transit	141.22	93.10
Stores, Spares & Consumables [#]	391.69	295.37
Coal, Fuel Oil & Other utilities	59.18	59.66
TOTAL	5,870.61	5,292.90

[#]Net of Provision of ₹ 98.04 lakhs (Previous year ₹ 67.39 Lakhs)

6.1 Valued at lower of cost and net realisable value, unless otherwise stated.

6.2 The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving/obsolete inventory.

6.3 Working Capital Borrowings are secured by hypothecation of inventories of the Company.

NOTE - 7 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in various Mutual Funds (FVTPL)	6,516.91	6,562.37
TOTAL	6,516.91	6,562.37
Aggregate cost of unquoted investments	6,335.51	6,507.96
Aggregate amount of unquoted investments	6,516.91	6,562.37

NOTE - 8 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables		
Secured, considered good & Undisputed	-	-
Unsecured, considered good & Undisputed	6,112.33	5,077.85
Trade Receivables: which has significant increase in credit risk	-	-
Trade Receivables Credit impaired	9.91	15.47
	6,122.24	5,093.32
Less: Allowance for Bad and Doubtful Debts	(9.91)	(15.47)
TOTAL	6,112.33	5,077.85

(1) For Lien/charge details against trade receivables, Refer Note 28.

Trade receivables Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2024						Total
	Not Due	Upto 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Considered good	4,419.98	1,692.13	0.22	-	-	-	6,112.33
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	2.82	0.32	0.79	5.98	-	9.91
Disputed							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Sub Total	4,419.98	1,694.95	0.54	0.79	5.98	-	6,122.24
Less: Loss allowance							(9.91)
Total							6,112.33

Trade receivables Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2023						Total
	Not Due	Upto 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Considered good	3,745.22	1,332.63	-	-	-	-	5,077.85
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	7.71	0.08	0.02	7.66	15.47
Disputed	-	-	-	-	-	-	-
Considered good							
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Sub Total	3,745.22	1,332.63	7.71	0.08	0.02	7.66	5,093.32
Less: Loss allowance							(15.47)
Total							5,077.85

NOTE - 9 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Cash & Cash Equivalent		
Balances with Bank		
Current Accounts	-	-
Cash Credit Accounts	77.03	389.73
Fixed Deposits Less than 3 Months	635.24	657.25
TOTAL (A)	712.27	1,046.98
B. Other Bank Balance		
Unclaimed Dividend	26.92	15.96
Margin Deposit Accounts (Under Lien)	191.84	205.06
TOTAL (B)	218.76	221.02
TOTAL (A+B)	931.03	1,268.00

Note: There are no restriction with regard to Cash and Cash Equivalents as at the end of reporting period and prior period.

NOTE - 10 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security & Other Deposits	0.75	0.75
Total Other Financial Assets	0.75	0.75

NOTE - 11A - CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax Refund Receivable	80.00	68.47
Sub Total - A	80.00	68.47

NOTE - 11B - OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good except otherwise stated		
Export Incentives Receivable	54.63	54.18
Advance to Suppliers and others	220.75	228.45
Claims Recoverable, VAT Input Credit etc	115.18	115.18
Prepaid Expenses	78.96	77.94
Mark to Market on Currency Forward contracts	10.60	-
Others	141.51	133.17
	621.63	736.73

Others Include Gratuity Fund Balance

NOTE - 12 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Authorised		
2,50,00,000 Equity Shares of ₹ 10/- each	2,500.00	2,500.00
10,00,000 11% Redeemable Cumulative Preference Shares of ₹ 100 each	1,000.00	1,000.00
	3,500.00	3,500.00
Issued, Subscribed and Paid up		
99,75,000 Equity shares of ₹ 10/- each fully paid up	997.50	997.50
	997.50	997.50

12.1 The Company has issued only one class of Equity Shares having face value of ₹ 10 each carrying equal rights. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

12.2 Reconciliation of the No. of Shares outstanding is set out below:

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No.	Amount	No.	Amount
(i) Equity Shares at the beginning of the year	99,75,000	997.50	99,75,000	997.50
Add: Shares issued if any during the year	-	-	-	-
Equity Shares at the end of the year	99,75,000	997.50	99,75,000	997.50

12.3 Details of the shareholders holding more than 5% shares of the total no of shares issued by the company
Equity:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	%age of holding	No. of Shares	%age of holding
Tamilnadu Industrial Development Corporation Limited	25,95,000	26.02%	25,95,000	26.02%
Anupam Rasayan Limited	25,73,081	25.80%	25,73,081	25.80%
Kamaljyot Investments Limited	10,21,899	10.24%	8,30,925	8.33%
Anshul Speciality Molecules	5,15,970	5.17%	7,15,970	7.18%

12.4 Disclosure of changes in Shareholding during last 5 financial years

- i. Shares issued for consideration other than cash in last 5 financial years: Nil
- ii. Shares issued by way of bonus in last 5 financial years: Nil
- iii. Shares bought back in last 5 financial years: Nil

12.5 Disclosure of shareholding of promoters

Shares held by promoters at the end of the year

SL	Promoter name	As at March 31, 2024			As at March 31, 2023		
		No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
1	Tamilnadu Industrial Development Corporation Limited	25,95,000	26.02%	0.00%	25,95,000	26.02%	0.00%
2	Anupam Rasayan Limited	25,73,081	25.80%	0.00%	25,73,081	25.80%	0.00%
Total		51,68,081	51.81%		51,68,081	51.81%	

NOTE - 13 RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Reserve (A)		
i) State Capital Subsidy from SIPCOT	30.00	30.00
ii) Profit on sale of Forfeited Shares	0.46	0.46
TOTAL	30.46	30.46
Securities Premium Reserve (B)	2.18	2.18
General Reserve (C)		
Opening balance	3,324.96	3,324.96
TOTAL	3,324.96	3,324.96
Capital Redemption Reserve (D)	500.00	500.00
Retained Earnings (E)		
Opening balance	13,475.49	8,421.71
Add: Net profit for the year	5,262.54	5,602.40
Less: Dividend Distributed (including Interim Dividend)	(648.38)	(548.63)
TOTAL	18,089.65	13,475.48
Other Comprehensive Income (F)		
Items that will not be reclassified to Profit or Loss		
Equity Instruments through OCI		
Opening balance	96.87	92.51
Add: OCI for the year	2.89	4.37
	99.76	96.88
Total (A+B+C+D+E+F)	22,047.01	17,429.96

The Description of the nature and purpose of each reserve within equity is as follows:

a) Securities Premium:

Securities Premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc

b) General Reserve:

It is a free reserve, which is created by appropriation from undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

c) Capital Reserve:

Capital Reserve includes transfer of subsidy received from SIPCOT initially as an incentive for investing & setting up the industry in a notified area classified as backward/remote and transfer of profit on sale of forfeited shares.

d) Capital Redemption Reserve:

Created out of profit upon redemption of 500,000 11% Redeemable Cummulative Non-Convertible Preference Shares of ₹ 100/- each. It can be used to issue bonus shares or reduced or cancelled by means of reduction of Capital.

e) Other Comprehensive Income Equity Instruments through OCI:

This represents the fair value of Investments designated as FVOCI.

NOTE - 14 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefits		
Compensated absences	148.46	110.38
TOTAL	148.46	110.38

NOTE - 15 CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
SECURED LOANS		
Working Capital Borrowing		
Bank	-	-
TOTAL	-	-

Nature of Security for Working Capital Borrowings from Bank

Paripassu first charge in favour of consortium banks on entire Immovable and Movable goods and other assets present and future and further secured by deposit of Title Deed of the existing Immovable properties of the Company excluding Land and Building of Residential Staff Quarters and 2.3 MW Captive Power Plant located in the existing Factory Building.

The Company has not utilized the sanctioned limit as determined by the drawing power at any time during the year.

NOTE - 16 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables		
Outstanding Dues of Micro and Small Enterprises	150.47	183.38
Outstanding Dues of Creditors other than Micro and Small Enterprises	4,385.92	4,455.85
TOTAL	4,536.39	4,639.23

Disclosure under Sec. 22 of MSMED Act, 2006

(Chapter V - Delayed payment to Micro, Small and Medium Enterprises)

Micro, Small and Medium Enterprises

Information in respect of Micro, Small and Medium Enterprises Development Act, 2006; based on the information available with the company. The required disclosures are given below:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount remaining unpaid to any supplier as at the end of each accounting year;	150.47	183.38
The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

Trade Payables Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2024 from due date of payment						Total
	Unbilled & Not yet Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	-	150.47	-	-	-	-	150.47
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	422.05	3,942.94	7.47	8.50	4.96	4,385.92
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	-	572.52	3,942.94	7.47	8.50	4.96	4,536.39

Trade Payables Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2023 from due date of payment						Total
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	-	183.38	-	-	-	-	183.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	24.77	4,351.71	66.37	1.55	11.45	4,455.85
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	-	208.15	4,351.71	66.37	1.55	11.45	4,639.23

NOTE - 17 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from Customers	72.93	122.59
Unclaimed Dividend	26.92	15.96
Other Payables		
Statutory Dues	194.39	402.79
Security Deposits	13.25	10.75
Payables pertaining to employees	0.17	0.52
Creditors for Fixed Assets	771.11	1.04
Other Liabilities	795.08	899.17
TOTAL	1,873.85	1,452.82

Other Liabilities includes outstanding Liabilities etc

NOTE - 18 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Current Provisions:		
Employee Benefits - Leave Encashment	21.06	14.61
Disputed Liabilities	106.77	106.77
Mark to Market on Currency Forward contracts	-	6.39
	127.83	127.77
ii) Current Tax Liabilities (Net):		
Income Tax [(Net of Advance tax - ₹ 1,816.94 lakhs; Previous Year ₹ 1,977.04 lakhs)]	17.86	105.85
TOTAL	145.69	233.62

18.1 Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset"

a) Provision for Disputed Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	106.77	106.77
Add: Provision during the year	-	-
Less: Utilised during the year	-	-
TOTAL	106.77	106.77

NOTE -19 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Sale of Products		
Manufactured	37,362.22	37,052.12
Total (A)	37,362.22	37,052.12
Other Operating Income		
Export Incentives	33.59	52.22
Scrap sales	220.48	155.93
Freight Packing & forwarding	198.21	234.54
Total (B)	452.28	442.69
Total Revenue from Operations (A+ B)	37,814.50	37,494.81

NOTE - 20 OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest on Income tax refunds	-	15.24
Interest on deposits	37.96	30.59
Profit on Sale of Current Investments (Net)	308.25	186.88
Gain on Fair Valuation of Current Investments	181.41	54.41
Claims Received	-	440.90
Other Miscellaneous receipt	8.55	20.25
Fluctuation in Exchange Rates (excluding forward cover charges)	-	23.49
Excess provisions & Liabilities no longer required written back	171.76	20.41
Total	707.93	792.17

NOTE - 21 COST OF RAW MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Cost of Raw materials consumed	21,348.39	22,018.15
Cost of Packing materials consumed	696.09	862.80
Total	22,044.48	22,880.95

Details of Materials Consumed under broad heads as follows:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Details of Materials Consumed under broad heads as follows		
Flurospar	13,951.43	11,486.38
Sulphur	3,319.98	6,694.65
Alumimum Hydroxide	475.49	205.03
Pottassium Carbonate	3,105.75	2,796.75
Others	1,191.83	1,698.14
Total	22,044.48	22,880.95

NOTE - 22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Opening stock		
Finished Goods	581.01	374.94
Work-in-Progress	-	-
Total	581.01	374.94
Less:		
Closing Stock		
Finished Goods	(544.38)	(581.01)
Work-in-Progress	-	-
Total	(544.38)	(581.01)
Increase/(Decrease) in Inventories of Finished Goods and WIP	36.63	(206.07)

NOTE - 23 EMPLOYEE BENEFIT EXPENSES (REFER NOTE 29.1)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries, Wages and Bonus	1,687.89	1,316.69
Contribution to Provident & Other Funds	138.05	162.36
Staff Welfare Expenses	206.89	150.79
Total	2,032.83	1,629.84

NOTE - 24 FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest Expenses		
Banks		
Borrowings - Working Capital	3.60	5.15
Processing Fees	41.98	29.04
Forward Cover Charges	27.45	54.24
Total	73.03	88.43

NOTE - 25 POWER AND FUEL

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Power	426.46	267.65
Furnace oil	1,451.13	1,142.01
Light Diesel oil	15.47	3.11
High Speed oil	102.23	72.24
Steam coal	-	118.93
Total	1,995.29	1,603.94

NOTE - 26 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Consumption of stores and Spares	788.50	748.05
Effluent Treatment Expenses	118.75	99.41
Water charges	117.21	83.70
Other Manufacturing Expenses -Consumables and Operation Expenses	113.25	130.63
Repairs & Maintenance		
- Building	288.64	364.24
- Plant & machinery	198.00	273.29
- Others	717.44	596.34
Rent	12.73	9.53
Insurance (Net)	164.64	144.66
Rates & Taxes	43.75	38.00
Travelling & Conveyance	109.91	75.95
Communication Expenses	49.47	65.16
Auditors Remuneration		
- Audit Fee	9.50	8.00
-Tax Audit Fee	2.50	2.00
- Limited Review	7.50	4.50
- Other Certification work	0.50	0.50
Travel and Stay Expenses	0.29	0.29
Cost Audit Fee	0.70	0.60
Printing & Stationery	10.65	7.39
Legal & Professional Charges	119.23	123.93
Miscellaneous Expenses	82.03	106.89
Bank Charges (other than borrowings)	115.05	137.17
Fluctuation in Exchange Rates (excluding forward cover charges)	52.73	-
Loss on sale of Fixed assets	1.48	0.70
Area maintainance charges	32.53	19.82
Security Service charges	101.62	84.26
Freight Packing & forwarding	1,169.13	863.03
Directors sitting fees	36.10	21.00

NOTE - 26 OTHER EXPENSES (Contd.)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Contribution To CSR Activities (Refer Note 28.11)	117.88	79.07
Commission on sales	8.28	6.81
Provision for Inventory	44.50	16.05
Total	4,633.79	4,110.37

NOTE - 27 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Net actuarial Gain loss on employees defined benefit obligation	20.29	(12.77)
Gain on Fair Value of Investments	2.89	4.37
Total	23.18	(8.40)

NOTE - 28 TO FINANCIAL STATEMENTS
28.1 Employee Benefits:
a) Disclosure in respect of gratuity liability

(₹ in Lakhs)

Reconciliation of Defined Benefit Obligation (DBO)	As at March 31, 2024	As at March 31, 2023
Present value of DBO at start of the year	261.78	230.16
Interest Cost	19.30	17.17
Current Service Cost	23.70	18.37
Past Service Cost	-	-
Benefit Paid	-	-
Re-measurements:		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changes in financial assumptions	-	-
c. Actuarial Loss/(Gain) from experience over the past period	(6.93)	(3.92)
Present value of DBO at end of the year	297.85	261.78

(₹ in Lakhs)

Reconciliation of Fair Value of Plan Assets	As at March 31, 2024	As at March 31, 2023
Fair Value of Plan Assets at the beginning of the year	381.11	370.18
Interest Income on Plan Assets	28.09	27.62
Contributions by Employer	-	-
Benefit Paid	-	-
Re-measurements:		
Actuarial (Loss)/Gain	13.36	(16.69)
Fair Value of Plan Assets at the end of the year	422.56	381.11
Actual Return on Plan Assets	41.45	10.92

(₹ in Lakhs)

Amount recognized in the Balance Sheet	As at	
	March 31, 2024	March 31, 2023
Present value of DBO at the end of the year	297.85	261.78
Fair Value of Plan Assets at the end of the year	422.56	381.11
Net Asset/(Liability) in the Balance Sheet	124.71	119.33

(₹ in Lakhs)

Gratuity recognized in the Statement of Profit and Loss	As at	
	March 31, 2024	March 31, 2023
Current Service Cost	23.70	18.37
Past Service Cost	-	-
Interest on defined benefit obligation (Net)	(8.79)	(10.44)
Expense Recognized in Statement of Profit and Loss	14.91	7.93

(₹ in Lakhs)

Remeasurement effects recognized in Other Comprehensive Income (OCI)	As at	
	March 31, 2024	March 31, 2023
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	12.13	1.57
c. Actuarial (Loss)/Gain from experience over the past period	(19.06)	(5.50)
Re-measurements on Plan Assets		
Actuarial (Loss)/Gain	(13.36)	16.69
Remeasurement effect recognized in OCI	(20.29)	12.76

(₹ in Lakhs)

Principal Assumption used in determining Gratuity liability	As at	
	March 31, 2024	March 31, 2023
Discount Rate	7.22%	7.37%
Attrition Rate	7.37%	6.00%
Salary Escalation	7.00%	6.50%
Mortality Table	Indian Assured Lives mortality (2012-14) (Ultimate)	Indian Assured Lives mortality (2012-14) (Ultimate)
Retirement Age	60	60

(₹ in Lakhs)

Sensitivity Analysis	As at March 31, 2024		As at March 31, 2023	
	Increases 1%	Decreases 1%	Increases 1%	Decreases 1%
	Change in DBO (Amount)		Change in DBO (Amount)	
Salary Growth Rate	315.87	281.05	244.07	247.96
Discount Rate	279.61	318.70	246.22	279.46
Attrition Rate	297.31	298.46	262.28	261.27

Maturity profile:

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with TANFAC Employees Gratuity Trust Fund. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected rate of return on plan assets given by Actuary.

The Company contributed ₹ Nil (P.Y. ₹ Nil) to gratuity trust for contribution to Aditya Birla Sun Life Insurance during the financial year 2023-24.

b) Disclosure in respect of leave entitlement liability:

Leave entitlement is short term benefit which is recognized as an expense at the un-discounted amount in the year in which the related service is rendered and disclosed under other current liabilities.

c) Death in service benefit:

The Company has taken group term policy from an insurance Company to cover its obligation for death in service benefit given to eligible employees. The insurance premium of ₹ 18.78 lakhs (P.Y. ₹ 22.42 lakhs) is recognized in Statement of Profit and Loss.

d) The Company contributes towards Employees Provident Fund, Employees State Insurance Scheme and Labour Welfare Fund. The aggregate amount contributed and charged to Statement of Profit and Loss is ₹ 103.65 lakhs (P.Y. ₹ 90.75 lakhs).

28.2 Related Party Disclosure:

Disclosures as per Ind AS 24 – 'Related Party Disclosures' are given below:

a) Promoters of the Company:

Name of the Promoters	% of equity share-holding in the Company
Tamil Nadu Industrial Development Corporation Limited.	26.02%
Anupam Rasayan Limited	25.80%

b) Key Management Personnel (KMP):

Name of KMP's	Designation
Mr. R. Karthikeyan*	Non-Executive Director
Dr. Jaya Chandra Bhanu Reddy*	Non-Executive Director
Mr. Afzal Harunbhai Malkani	Non-Executive Director
Mrs. Mariam Pallavi Baldev	Non-Executive Director
Mr. V. T. Moorthy	Independent – Non-Executive Director
Mr. M. R. Sivaraman, IAS (Retd.)	Independent – Non-Executive Director
Dr. Shankar Narasimhan	Independent – Non-Executive Director
Mrs. R. Rajalakshmi	Independent – Non-Executive Director
Mr. K. Sendhil Naathan	Managing Director
Mr. N.R. Ravichandran	Chief Financial Officer
Mr. H. Narayana Rao#	Company Secretary

*Resigned on 28th March 2024. *Effective from 28th March 2024.

#Resigned from 19th February 2024.

c) Post-Employment Benefits Plan:

TANFAC Employees Gratuity Trust Fund

d) Entities where Promoters/Directors or their relatives exercise control/significant influence:

Jainam Intermediates Pvt Limited

e) Entities for Common Effluent utility:

Cuddalore SIPCOT Industries Common Utilities Limited

f) Disclosure in respect of material transactions with related parties during the year:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Contribution towards TANFAC Employees Gratuity Trust Fund	-	-
Transaction with Cuddalore SIPCOT Industries Common Utilities Ltd (including GST)	29.77	31.30
Sale Transactions (Gross) with Anuapm Rasayan Ltd	3,433.89	1,172.69
Sale Transactions (Gross) with Jainam Intermediates Pvt Ltd	280.36	-

g) Outstanding Balances:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cuddalore SIPCOT Industries Common Utilities Ltd- Payable	2.22	2.57
Cuddalore SIPCOT Industries Common Utilities Ltd- Deposit	-	-
Anuapm Rasayan Ltd - Trade Receivables	2,242.04	890.25
Jainam Intermediates Pvt Ltd - Trade Receivables	111.60	-

h) Compensation to KMP:**Nature of Benefits#**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Short-term benefits (including Sitting Fees-₹ 36.10 Lakhs, PY-₹ 21 Lakhs)	372.14	301.01
Post-employment gratuity and medical#	-	-
Other long-term benefits	-	-
Share-based payment transactions	-	-
Termination Benefits	-	-
Total	372.14	301.01

#The aforesaid amounts exclude gratuity & accumulated leave provision as they are determined on actuarial basis for the Company as a whole. The transactions exclude reimbursement of expenses.

28.3 Disclosure regarding Hedged and Unhedged exposure in foreign currency denominated monetary items:

Exposure in Foreign Currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	Number of Contracts	Buy amount (USD in Lakhs)	Indian Rupee equivalent (₹ in Lakhs)
Forward contract to buy USD - As on 31.3.2024	8	17.80	1,484.72
Forward contract to buy USD - As on 31.3.2023	12	37.16	3,053.82

Exposure in Foreign Currency - Unhedged

The Foreign currency exposure not hedged as at March 31, 2024:

(₹ in Lakhs)

Currency	Payable (in Foreign currency)		Receivables (in foreign currency)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD in Lakhs	34.07	7.27	4.15	3.66
INR in Lakhs	2,841.84	597.28	346.67	301.13

28.4 Provisions, Contingent Liabilities and Contingent Assets:

a) Contingent liabilities not provided for (excluding interest and penalty, if any)

(₹ in Lakhs)

Claims against the Company not acknowledged as debt	As at March 31, 2024	As at March 31, 2023
Service tax & VAT	13.81	13.81
Central Sales Tax *	-	246.86
Goods and Service Tax (GST)	16.65	-

*Appeal filed by the Company on CST assessment was remanded back to the jurisdiction officer to consider the documents filed and complete the assessment.

- b) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) - ₹ 4,126.22 lakhs (Previous Year ₹ 559.72 lakhs).
- c) SIPCOT has raised a demand of ₹ 12.00 lakhs for payment of additional cost for the land at Cuddalore taken on long-term lease together with interest @ 16.5%p.a. The Company has paid an initial amount of ₹ 6.00 lakhs in 1995 and additional amount of ₹ 6.00 lakhs in 2001, as per the directions of the Honourable High Court of Madras. However, SIPCOT has preferred an appeal against the order of the High Court challenging the waiver of interest. Matter is pending at High court of Madras.
- d) During the Financial Year 1991 - 92 the Company has received a notice from the Tamil Nadu Sales Tax authorities towards levy of tax etc. on sales effected from Pondicherry Depot during 1989-90 and 1990-91. Based on the directions of the Honourable High Court of Madras, the Appellate Assistant Commissioner, Commercial Taxes, Chennai passed the order in favour of the company thereby reducing the demand to ₹ 52.77 lakhs. The amount has since been paid under protest. The company has also filed a writ petition before Honourable High Court of Madras, for granting refund of tax paid earlier to Pondicherry Government. As a matter of abundant caution, provision has been made in these accounts for the disputed amount of ₹ 52.77 lakhs.

The Honourable High Court had passed Order vide SR No.49922 dated 1st September, 2016, disposing all the writ petitions filed earlier on various occasions and giving liberty to the Company (Petitioner) to file an appeal before the Tamil Nadu Sales Tax Appellate Tribunal within Sixty days from the receipt of the order, who shall entertain the appeal without reference to the limitation. Accordingly, the Company has filed an appeal before The Tamil Nadu Sales Tax Appellate Tribunal on 6th January, 2017, pursuant to the judgement order dated 01.09.2016 delivered on 22/11/2016 and appeal proceeding is awaited.

- e) The company has a process of evaluating financial impact of pending litigation on Financial Statement and making necessary provision in terms of prevailing accounting practices.
- f) The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses (Including all derivative contracts). At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

28.5 Fair Value Measurement:

The management assessed that cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- **Level 1:** This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

A. Quantitative disclosures fair value measurement hierarchy for financial assets as at 31st March, 2024 and 31st March, 2023

(₹ in Lakhs)

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
As at March 31, 2024:				
Financial Assets at amortised cost:				
Trade receivables	-	-	6,112.33	6,112.33
Cash and cash equivalents	-	-	712.27	712.27
Bank Balances other than cash and cash equivalent	-	-	218.75	218.75
Investment in Short-Term Mutual Funds	6,516.92	-	-	6,516.92
Loans & Advances & other financial assets	-	-	11.07	11.07
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares	-	144.82	-	144.82

A. Quantitative disclosures fair value measurement hierarchy for financial assets as at 31st March, 2024 and 31st March, 2023 (Contd.)

(₹ in Lakhs)

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
As at March 31, 2023:				
Financial Assets at amortised cost:				
Trade receivables	-	-	5,077.85	5,077.85
Cash and cash equivalents	-	-	1,046.98	1,046.98
Bank Balances other than cash and cash Equivalent	-	-	221.02	221.02
Investment in Short Term Mutual Funds	6,562.38	-	-	6,562.38
Loans & Advances & other financial assets	-	-	13.85	13.85
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares	-	141.93	-	141.93

B. Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31st March, 2024, 31st March, 2023.

(₹ in Lakhs)

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
As at March 31, 2024:				
Financial Liabilities at amortised cost:				
Other Borrowings	-	-	-	-
Trade payables	-	-	4,536.39	4,536.39
As at March 31, 2023:				
Financial Liabilities at amortised cost:				
Other Borrowings	-	-	-	-
Trade payables	-	-	4,639.23	4,639.23

28.6 Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Material Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign currency risk. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and borrowings. The sensitivity analyses in the following sections relate to the position as at 31st March, 2024 and 31st March, 2023.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2024 and 31st March, 2023.

(i) Foreign currency risk

The Company may also have foreign currency exchange risk on procurement of raw materials. The Company manages this foreign risk using derivatives, wherever required to mitigate or eliminate the risk.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in rate of USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakhs)

Basis Points	As at March 31, 2024		As at March 31, 2023	
	2% increase	2% decrease	2% increase	2% decrease
Effect on profit before tax (Amount)	(49.90)	49.90	(5.92)	5.92

b) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business;
- Actual or expected significant changes in the operating results of the counterparty;
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- Significant increase in credit risk on other financial instruments of the same counterparty;
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company.

Assets in the nature of Investment, security deposits, loans and advances are measured using 12 months expected credit losses (ECL). Balances with Banks is subject to low credit risk due to good credit rating assigned to these banks. Trade receivables are measured using life time expected credit losses.

Financial Assets for which loss allowances is measured using the Expected Credit Losses (ECL):

The Ageing analysis of Account receivables has been considered from the date the invoice falls due:

(₹ in Lakhs)

Ageing	As at March 31, 2024	As at March 31, 2023
1 to 60 days	5,240.51	5,077.53
61 to 91 days	463.04	0.3
92 to 181 days	418.69	6.17
182 to 365 days	-	1.56
365 days and above	-	7.76
Total	6,122.24	5,093.32

The following table summarizes the changes in loss allowances measured using life time expected credit loss model

(₹ in Lakhs)

Ageing	As at March 31, 2024	As at March 31, 2023
Opening Provision	15.47	21.22
Add: Additional provision made	-	-
Less: Provision utilised against bad debts/reversal of excess provision	5.56	5.75
Closing provisions	9.91	15.47

No Significant changes in estimation techniques or assumptions were made during the year

c) Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short- and medium-term requirements and strategic financing plans for long term needs. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of the Financial Liabilities of the Company at the reporting date based on contractual undiscounted payment.

(₹ in Lakhs)

As at March 31, 2024	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 years (Amount)	Total (Amount)
Borrowings	-	-	-	-
Trade payables	4,536.39	-	-	4,536.39
Total	4,536.39	-	-	4,536.39

(₹ in Lakhs)

As at March 31, 2023	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 years (Amount)	Total (Amount)
Borrowings	-	-	-	-
Trade payables	4,639.23	-	-	4,639.23
Total	4,639.23	-	-	4,639.23

d) Capital Management:

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Net Debt	-	-
Total Equity	22,514.05	17,897.00
Total Capital and Net debt	22,514.05	17,897.00
Gearing Ratio	-	-

28.7 Assets taken on operating lease

The Company do not have any assets under operating lease during the financial year. Future minimum lease rental payable under non-cancellable lease agreements is as under:

Lease payments recognized in the Statement of Profit & Loss for the year is ₹ Nil (Previous year: ₹ Nil)

28.8 Earnings Per Share

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit/(loss) after taxation	5,248.03	5,612.97
Weighted average number of shares outstanding during the year (Nos Lakhs)	99.75	99.75
Earnings per share of ₹ 10 each		
Basic (in ₹)	52.61	56.27
Diluted (in ₹)	52.61	56.27

28.9

The company operates in single segment i.e, Fluro-Chemicals in India and all other activities evolve around the same. Hence, there is no reportable primary/secondary segment.

28.10 Key Ratios:

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	3.07	2.98	2.90%	
Debt-equity ratio	Total Debt	Shareholder's Equity	-	-	0.00%	Company has no debt (both short term and long term)
Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	1,655.30	1,214.12	36.34%	Company has no debt (both short term and long term) but incurred commitment charges on its working capital limits
Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.25	0.35	-28.31%	Due to decrease in profit in current year

28.10 Key Ratios: (Contd.)

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Remarks
Inventory turnover ratio	Cost of goods sold OR sales	Average inventory =(Opening + Closing balance/2)	3.96	4.80	-17.51%	
Trade receivables turnover ratio	Net Credit Sales=Net credit sales consist of gross credit sales minus sales return. Trade receivables includes sundry debtors and bill's receivables.	Average trade debtors = (Opening + Closing balance/2)	6.76	9.91	-31.78%	Higher level of Trade Receivables
Trade payables turnover ratio	Net Credit Purchases =Net credit purchases consist of gross credit purchases minus purchase return	Average Trade Payables	5.47	6.39	-14.30%	
Net capital turnover ratio	Net Sales=Net sales shall be calculated as total sales minus sales returns.	Working Capital =Working capital shall be calculated as current assets minus current liabilities.	2.79	2.99	-6.75%	
Net profit ratio	Net profit shall be after tax	Net Sales =Net sales shall be calculated as total sales minus sales returns.	0.14	0.15	-7.29%	
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.30	0.40	-25.63%	Due to reduction in EBITDA in current year.
Return on investment	Income from investment	Average Cost of Investment	0.07	0.05	64.78%	Due to Increase in Investment income compared to previous year

28.11 CSR Expenditure:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Amount required to be spent by the company during the year	114.98	74.74
Amount spent during the year on:		
Construction/acquisition of any asset	-	-
On purposes other than (i) above	117.88	79.07
Shortfall at the end of the year	-	-

28.11 CSR Expenditure: (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total of previous years shortfall	-	-
Contribution to a trust controlled by the company	-	-
The nature of CSR activities undertaken by the Company	Environment Sustainability & Animal Welfare, Healthcare, Education	Environment Sustainability & Animal Welfare, Healthcare, Education
For movement in CSR expenditure, refer below:		
Opening Balance	-	-
Gross amount to be spent during the year	114.98	74.74
Actual spent	117.88	79.07
(Excess)/short spent*	(2.90)	(4.33)

*Excess spent is available for set off during subsequent years

Reason for CSR Funds unspent:

Not applicable as the Company has spent more than the amount to be spent during the year ending March 31, 2024 and March 31, 2023.

28.12 Registrar of Charges:

The Register of Charges of the Company as per MCA records shows some old charges of various Banks amounting to ₹ 7,186 Lakhs lying open, which the Company maintains that those charges were satisfied during earlier years and necessary forms were filed with the MCA manually when there were no online filing requirements. Company is taking steps to correct the MCA records.

28.13 Additional regulatory Disclosures:

To the best of information of management of the Company, Additional regulatory information required to be given pursuant to Gazette notification for Amendments in Schedule III to Companies Act, 2013 dated 24 March 2021 effective from 01 April 2021 is disclosed wherever applicable. Further, the following disclosures are not applicable to the Company:

- i) Disclosure on Revaluation of property, plant and equipment and intangible assets from Registered Valuers is not applicable to company since no revaluation was done by the Company during the year.
- ii) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (us of 1988) and rules made thereunder.
- iii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

- iv) Transactions with Struck off Companies*

During the year, the Company has not entered into any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

*based on information available as on the date of reporting.

- v) As per clause (87) of Section 2 and Section 186 (1) of the Companies Act, 2013 and Rules made thereunder, the company is in Compliance with the number of layers as permitted under the said provisions.
- vi) The Company has not carried out any scheme of arrangement which is approved by regulatory authorities during the year.
- vii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- viii) There are no transactions recorded in books of account reflecting surrender/disclosure of income in the assessment under Income Tax Act, 1961.
- ix) During the year no loans/advances in the nature of Loans have been given to Promoters, Directors, KMP and Related Parties.
- x) The company does not have investment in subsidiary companies and accordingly the disclosure as to whether the company has complied with the number of layers of companies prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

xi) (a) In the opinion of the Management, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xi) (b) In the opinion of the Management, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entity ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

28.14 Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standard or amendments to the existing standards applicable to the Company.

28.15 Dividend:

The Board of Directors in their meeting held on 21st April 2023 had recommended final dividend

of ₹ 6.50 per share totaling ₹ 648.37 lakhs for the financial year 2022-23 and the said dividend was transferred to the Dividend Warrant Account in September 2023 after confirmation by members in their General Meeting held on 27th September 2023.

The Board of Directors have recommended dividend of ₹ 7.00 per share totaling ₹ 698.25 Lakhs for the financial year 2023-24 subject to the approval of shareholders in the forthcoming Annual General Meeting

28.16 During the financial year ended March 31, 2024, the Company Secretary, Mr. H. Narayana Rao, tendered resignation effective from 19th February 2024. As of the date of this report, the company has initiated the process to appoint a new Company Secretary in accordance with the relevant provisions of the Companies Act 2013 and the listing regulations but the vacancy is yet to be filled, hence the financial statements have not been authenticated by the Company Secretary. The resignation of the Company Secretary, however does not have a direct financial impact on the company's financial statements for the year ended March 31, 2024

28.17 The accounting software used by the Company, to maintain its Books of account have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software. The Company has an established process of regularly identifying shortcomings, if any, and updating technological advancements and features including audit trail. The shortcomings identified during the course of audit are being reviewed and corrective action is being taken wherever required.

28.18 Previous year figures are regrouped or rearranged wherever considered necessary.

As per our report of even date attached

For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Directors of
TANFAC Industries Limited
CIN: L24117TN1972PLC006271

Sudesh Choraria
Partner
Membership No. 204936

Sd/-
N.R. Ravichandran
Chief Financial Officer

Sd/-
Afzal Harunbhai Malkani
Director
DIN: 07194226

Sd/-
M.R. Sivaraman
Director
DIN: 00020075

Place: Chennai
Date: 22.04.2024

Sd/-
K. Sendhil Naathan
Managing Director
DIN: 08850046



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Unit: TANFAC INDUSTRIES LIMITED
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