



SECY/S.E./L.A./2023-24

September 06, 2023

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

**SCRIP CODE : 506854**

Dear Sirs,

**Sub: Submission of Annual Report as per Regulation 34(1) of the SEBI (Listing Obligation 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 49<sup>th</sup> Annual General Meeting of the Company along with the Annual Report for the Financial Year ended 31st March, 2023.

The AGM Notice & Annual report for the year ended 31<sup>st</sup> March, 2023 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.tanfacs.com](http://www.tanfacs.com).

Kindly acknowledge and take this into your records.

Thanking you.

Yours faithfully,  
for **TANFAC Industries Limited**

**(H.Narayanarao)**  
Company Secretary

**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.tanfacs.com](http://www.tanfacs.com)

Chennai Office: Oxford Centre, 1<sup>st</sup> Floor, 66, Sir C P Ramaswamy Road, Alwarpet, Chennai - 600 018, Tamil Nadu, India

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GST : 33AAACT2591A1ZU | CIN: L24117TN1972PLC006271

**Expanding  
horizons.**

**Igniting  
possibilities.**

**ANNUAL REPORT 2022/23**



TANFAC INDUSTRIES LIMITED



# Expanding horizons. Igniting possibilities.

At Tanfac, we adopt a dynamic spirit and forward-thinking mindset. This guiding principle underscores our unwavering dedication to achieving growth, driving innovation, and catalysing transformation within our industry. And we aim to do this by expanding our horizons and igniting possibilities.

We believe that it is crucial to evolve continuously to stay relevant in the present day. Our aim is to explore new markets, embrace innovation and diversify our offerings. We are not content with our current position but seek growth and development. We always strive to explore new geographies, venture into different product lines or engage in strategic partnerships to extend our influence.

We are dedicated to sparking new ideas, technologies and solutions. We are ready to challenge the status quo and push boundaries to discover novel opportunities. We strongly believe in our potential to bring about positive change, not just within our own operations but also in the industry we operate in.

By expanding horizons and igniting possibilities, we are committed to pushing our limits to achieve greater success and contribute to our industry's progress.

**₹374.95  
Crore**

**Revenue**

Revenue from Operation in FY23 stood at ₹374.95 Crore as against ₹320.17 Crore in FY22

**₹82.68  
Crore**

**EBITDA**

EBITDA in FY23 stood at ₹82.68 Crore as against ₹78.56 Crore in FY22

**₹56.13  
Crore**

**PAT**

Profit after Tax in FY23 stood at ₹56.13 Crore as against ₹53.28 Crore in FY22

#### About the report

Welcome to the first Annual Report of Tanfac Industries Limited – on completion of a year after the acquisition of joint stake and management control by Anupam Rasayan India Limited. We believe that transparency, integrity and honest communication form the bedrock of our business and this Report is our step towards these values.

The Report presents a comprehensive account of our achievements, challenges, and future prospects. It reinforces our commitment to transparency and ensures that accurate and timely information is accessible to all stakeholders.

The report contains information, data and disclosures that pertain to the period of April 1, 2022 to March 31, 2023, unless stated otherwise. We will continue to publish our Annual Report year-on-year with information that is concise and comparable over a period of time, thus enabling our stakeholders to effectively analyse our sustained performance over.

As Those Charged With Governance (TCWG), our Board of Directors has evaluated the contents presented in the report and assured its integrity to the best of their knowledge.

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#### Forward-looking statements

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 management's discussion and analysis of the report.

# About Tanfac Industries

**Tanfac Industries Limited (Tanfac) is a joint-sector company promoted by Anupam Rasayan India Limited (Anupam Rasayan) and Tamil Nadu Development Corporation (TIDCO). We began commercial production in March 1985 and are among the leading producers of hydrofluoric acid and its derivatives.**

We cater to the diverse needs of the market through our manufacturing facilities spread over 60 acres in the chemical complex of SIPCOT Industrial Estate, Cuddalore, 200 km south of Chennai. Our infrastructure incorporates cutting-edge technology sourced from BUSS Chemtech in Switzerland and CHENCO in Germany.

We have implemented international safety systems and practices to ensure safety across our operations. Through our robust manufacturing, superior-quality products and ongoing enhancement initiatives, we forge enduring relationships with our stakeholders, thereby generating sustainable value for them.

## Acquisition by Anupam Rasayan

Anupam Rasayan is one of the largest users of potassium fluoride (KF) in India. Over the years, the Company has gained requisite skill set, technical expertise and know-how to handle KF as a fluorinating agent, which gives it the confidence to develop hydrogen fluoride (HF) products that have varied applications in industries such as agro, pharma and polymers.

## The deal

Anupam Rasayan is one of the largest users of potassium fluoride (KF) in India. Over the years, the Company has gained requisite skill set, technical expertise and know-how to handle KF as a fluorinating agent, which gives it the confidence to develop hydrogen fluoride (HF) products that have varied applications in industries such as agro, pharma and polymers.

- 24.96% voting share capital acquired from the sellers Aditya Birla Group for the consideration of ₹ 148 crore (on March 11, 2022) and
- 0.83% voting share capital of Tanfac at a consideration of ₹ 49.55 crore from the public shareholders through an Open Offer floated by the Company, in compliance with the SEBI (SAST) Regulations (completed on May 20, 2022)
- The lower percentage of shares tendered by the public shareholders during the Open Offer period is indicative of the trust investors place in Anupam Rasayan Management's capability to enhance the value of their investment

## Vision

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

## 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*

## Values

- *Respect*
- *Integrity*
- *Transparency*



Tanfac at a glance

**38 years**

Of operations

**131**

Employees

**60 acres**

Of manufacturing facility at Cuddalore, Tamil Nadu

**Leading producer**

Hydrofluoric acid (HF) and organic and inorganic fluorine-based products

**12 countries**

Export presence

**~150**

Satisfied customers

**ISO 9001, 14001 and OHSAS 18001**

Certified

## Milestones achieved

- One of the largest producers of Anhydrous Hydrofluoric Acid and Aluminium Fluoride in India
- First fluorine chemical company in India and fifth in the world to get ISO 9002 certification in early 1994 and upgraded to ISO 9001:2000 revision in the year 2003
- First fluorine chemical manufacturing company in India to achieve ISO 14001:1996.
- Received TPM Excellence Award from JIPM (Japanese Institute of Production Management), Japan in 1999.
- One of the 15 signatory members of Responsible Care from India
- Earned a reputation in Tamil Nadu as a 'Good Corporate Citizen' for our forward-looking policies and maintenance of all-round greenery with zero pollution and zero accidents.
- Received Best Vendor Award from National Aluminium Company Limited (NALCO) in 2018



**AWARDS**

*By Virtue of a Spectacular All Round Performance, Tanfac was given the prestigious Managerial Excellence Award in the year 2022 by the Madras Management Association, Chennai*

*Tanfac received the Best in Class Innovation Award in Manufacturing in the year 2022 from National Pride Excellence Award, Mumbai*

# Our Journey

We began operations in 1972 and today, are the leading producer of Hydrofluoric acid (HF) and organic and inorganic fluorine-based products such as aluminium fluoride, sodium silicofluoride and potassium fluoride (KF) and sulfuric acid. Our journey has been one of constantly learning, innovating and growing to acquire new customers and competencies.

## 01 1992 - 2008

**1972**

Tanfac was incorporated

**1985**

Commercial production began

**1985**

- Stabilisation/turnaround phase
- HF Liquification project was implemented in 1987
- Speciality Fluorides plant was commissioned in 1989

**1992**

First dividend payment

**1992 - 2008**

- Growth phase with regular dividend payment
- Net worth: ₹52 crore
- Total debt: ₹16 crore
- Debt-to-equity ratio: 0.3 times

## 2016 - 2023 03

## 2009 - 2015 02

**2017 - 2018**

- PAT tripled: ₹9.4 crore
- Debt reduced: ₹36.8 crore
- Debt-to-equity ratio improved to an acceptable level: 2.09 times
- AB debt repaid: ₹11.3 crore

**2016 - 2017**

- Improvements in HR, operations and marketing
- PAT: ₹3.74 crore entirely from operations
- Debt reduced: ₹48 crore
- Debt-to-equity ratio further improved: 5.43 times

**2015 - 2016**

- Operations improved in Q4
- Posted PAT of ₹0.4 crore with the help of ₹3.72 crore gain from sale of freehold land
- Debt: ₹52 crore
- Debt-to-equity ratio slightly improved: 11.09 times
- Sharp focus on bottom line

**2008 - 2010**

- Invested ₹52 crore in IBAP, 3 Phenoxy and HF expansion
- Net worth: ₹42 crore
- Total debt: ₹76 crore
- Debt-to-equity ratio: 1.84 times
- Interest burden on existing operations

**2018 - 2021**

- FY2019: Tanfac became debt-free and started having surplus cash for future expansion

**2022**

- Acquisition of joint stake and management by Anupam Rasayan. Surpassed previous highest EBIDA registered during financial year 2019

**2023**

- Highest-ever revenue, EBITDA, PAT and Surplus Cash surpassing previous best achieved in financial year 2022

# Products and their Applications

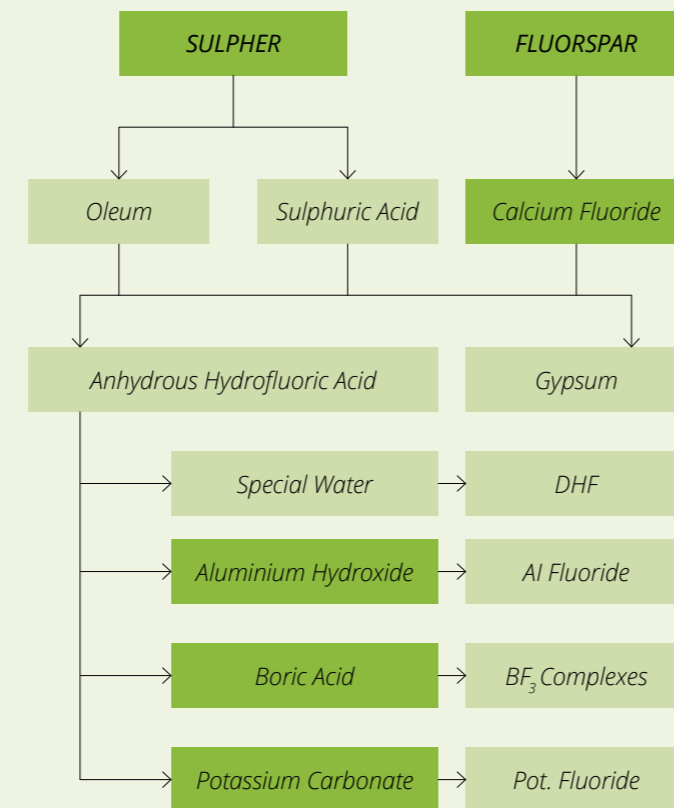
Through our state-of-the-art manufacturing facilities, we produce a wide range of products. These include:

- Anhydrous Hydrofluoric Acid
- Diluted Hydrofluoric Acid
- Potassium Fluoride
- Potassium Bifluoride
- Boron Trifluoride Complexes
- Aluminium Fluoride
- Sulphuric Acid
- Oleum
- Calcium Sulphate (Gypsum)
- Iso Butyl Acetophenone

## Market segments

- Solar cells
- Steel surfacing
- Refrigerant
- Glass etching
- Agrochemicals
- Fluoropolymers
- Lithium batteries
- Pharmaceuticals

## Product value chain



Legend: ● Raw Material ● Finished Product

## Product

Anhydrous Hydrofluoric Acid

## Applications

- Manufacturing of fluorocarbons and refrigerant gas
- Manufacturing of lithium batteries
- Enriching uranium
- Alkylation process
- Fluorinated organic products

Dilute Hydrofluoric Acid

- De-scaling stainless steel strips and tubes - as pickling agent
- Manufacturing of solar cells / glass display / tantalum capacitors
- Manufacturing of inorganic fluorides

Potassium Fluoride

- Fluorinating agent in organic synthesis (HALEX)
- Heavy water plant

Potassium Bifluoride

- Electrolyte in fluorine cells (NF<sub>3</sub> and UF<sub>6</sub> production)
- Brazing flux

Boron Trifluoride Complex

As a Lewis acid catalyst in pharma, agro and polymer industries

Aluminium Fluoride

Aluminium smelters as a flux

Sulphuric Acid / Oleum

Variety of use including fertilizers, dissolving rayon grade pulp, sulphonation of LAB etc.

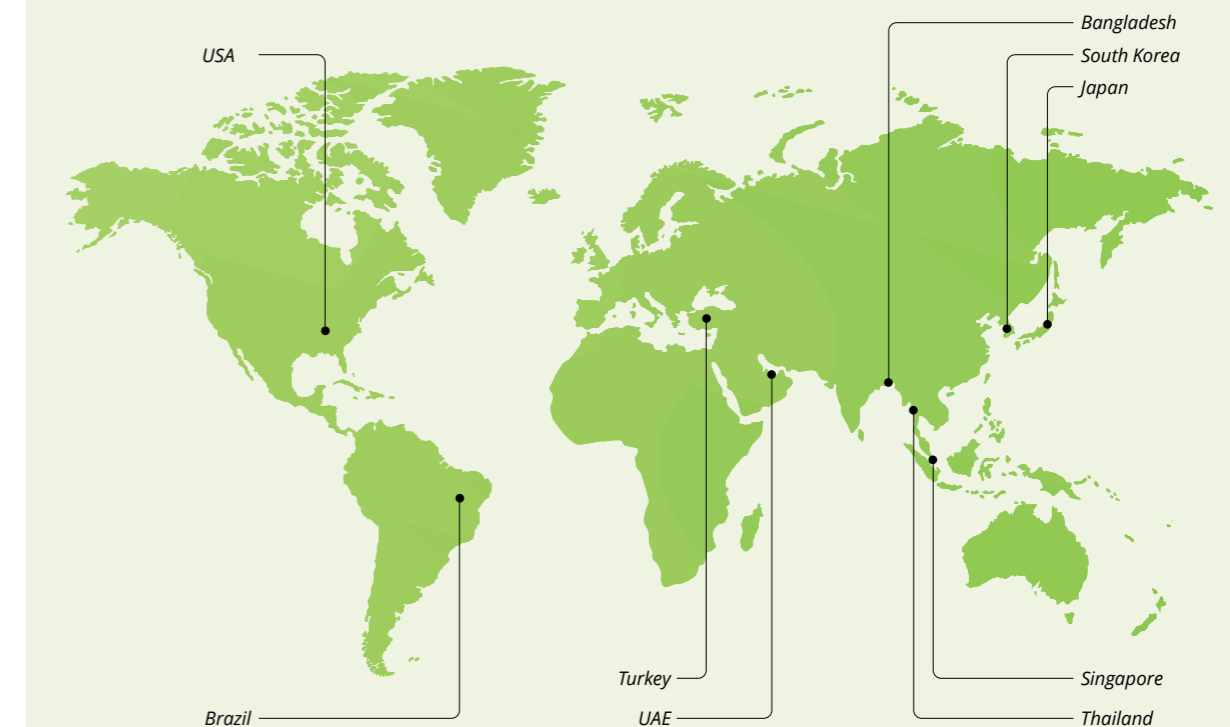
Sodium Silico fluoride

Ceramics, abrasives and glass industries

# Our Presence

We have our manufacturing facilities in Cuddalore, Tamilnadu and supply our products to 12 countries catering to around 150 customers.

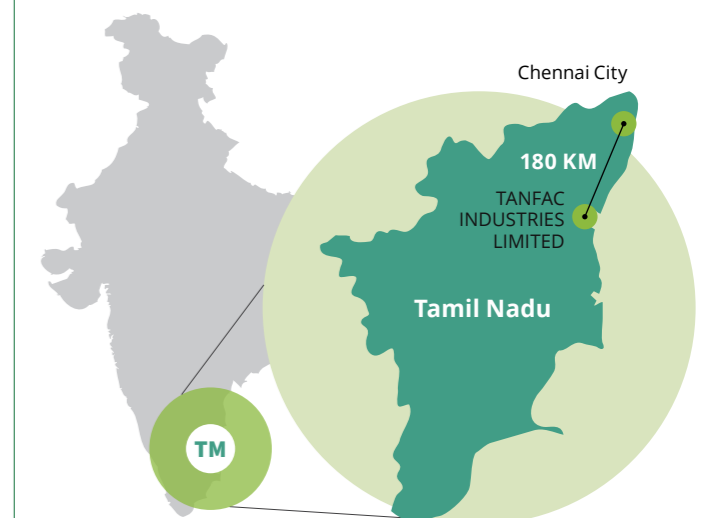
## Exports



## EXPORT (₹ in Crore)



## Manufacturing facility



# 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. K. Sendhil Naathan

MANAGING DIRECTOR

He has over 35 years of experience in the chemical industry and has extensive knowledge of the fluorine industry. He has been with Tanfac for the past 12 years and has been one of the persons instrumental in the turnaround and growth of the Company in the last 9 years.



## 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.



## Dr. Jaya Chandra Bhanu Reddy (IAS)

NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

He is presently Executive Director of Tamil Nadu Industrial Development Corporation Limited (TIDCO) and has 11 years of experience in public services. He has served the Tamil Nadu Government in various capacities including Assistant Collector / Sub -Collector, Joint Managing Director for Tamil Nadu Water Supply and Drainage Board (TWAD). Managing Director of Tamil Nadu Housing Board (TNHB), Deputy Secretary to Government Environment, Climate Change and Forest Department and District Collector(Krishnagiri District).



## 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 and as Additional Secretary in the Ministries of Commerce and Civil Aviation. He had also served as Executive Director of the International Monetary Fund (IMF).



## 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.



## 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.

## Key Managerial Personnel



## Mr. K. Sendhil Naathan

MANAGING DIRECTOR



## Mr. N. R. Ravichandran

CHIEF FINANCIAL OFFICER



## Mr. H. Narayanrao

COMPANY SECRETARY

## Leadership Team



## Mr. Afzal Harunbhai Malkani

NON-EXECUTIVE AND NON-INDEPENDENT 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

# From the Leaders' Desk

AS A MARKET LEADER IN INDIA FOR SPECIALTY CHEMICALS LED BY OUR FOCUS ON BETTER LIVING AND GOOD CHEMISTRY WITH EVERY INNOVATION, **OUR STAKEHOLDERS HAVE HIGH EXPECTATIONS OF OUR FINANCIAL PRUDENCE, WHICH WE DRIVE TOGETHER WITH OUR COMMITMENT TO SUSTAINABLE GROWTH.**

## Dear Stakeholders,

I am proud to present to you the Annual Report 2022-23 of Tanfac Industries Limited. This is our first report since the Company's acquisition of joint stake and management control by Anupam Rasayan India Limited. The year has been one of several learning and growth opportunities.

## STRONG PERFORMANCE

I am proud to inform you that we recorded our highest-ever revenue, PAT and EBITDA during the year. Our revenue stood at ₹374.95 crore, PAT at ₹56.13 crore and EBITDA at ₹82.68 crore. The reasons that contributed to this success are manifold.

First is our unwavering dedication to customer centricity. Through our meticulously designed customer-centricity programmes, we successfully offered tailored products that have not only met but exceeded our customers' expectations. This yielded a remarkable surge in customer loyalty, resulting in a heightened share of their business.

Second, we adopted innovative approaches across our operations, which significantly enhanced the quality of our products. They also strategically positioned us to effectively manage costs while maximising the utilisation of our production capacity across all our plants. This has undoubtedly fortified our competitive stance within the industry, underscoring our commitment to both efficiency and excellence.

Next, we successfully navigated the volatile landscape of raw material prices and managed to mitigate the adverse impacts of price volatility. This strategic pivot further fortified our financial stability, ensuring

sustainable growth even in the face of unpredictable market fluctuations. Moreover, your Company continues to be debt-free.

I am pleased to share that our affiliation with our parent company, Anupam, has yielded substantial benefits, particularly in terms of increased business for Potassium Fluoride. This synergy exemplifies the strength of collaboration within our corporate ecosystem and highlights our collective pursuit of success.

Finally, we strategically embarked on a job rotation initiative for our people. This not only enriched the versatility of our workforce but also unlocked a reservoir of untapped potential within our talent pool. The results have been tangible, leading to increased adaptability, efficiency and innovation across our workforce.

These strategic elements seamlessly converged to set the stage for an unprecedented milestone in our Company's history.

## RESPONSIBLE BUSINESS

For us, responsible operations means being responsible towards our business, customers, the environment and society.

We doubled our focus on our solar cell segment during the year and doubled sales from 253 MT in FY2022 to 612 MT in FY2023. We have ambitious plans and goals for this segment and will continue to deliver high quality to our customers.

Meeting our customers' needs is our priority; we embarked on a Customer Intimacy Program for this purpose. The program helped us get 20 new customers this year and the revenue from them amounted to ₹48.4 crore. We invested significantly towards improving our products and services which resulted in a sharp increase in the sales and market share of HF having recorded

66% increase in volume and 97% increase in revenue.

Being an operator in the chemical industry, it is crucial for us to minimise our impact on the environment and society. Our newly formed Innovation Team worked on 8 projects focused on energy savings and emission reduction. Our Cross-Functional Team's efforts contributed to a reduction of 30,000 MTCO<sub>2</sub>e, equivalent to planting 1.6 lakh mature trees.

We believe that when a business succeeds, it must contribute to the empowerment of the communities it operates in. During the year, we supported the education of underprivileged students, conducted eye check-up camps and contributed to environment conservation. In the years to come, we will continue to uphold our responsibility as a corporate citizen and undertake initiatives for the betterment of the society and environment.

## READY FOR THE NEXT PHASE OF GROWTH

The achievements in the current year have encouraged us and I am thrilled to announce a major step forward for our company. We've decided to expand our HF plant, increasing its capacity from 14,750 MTPA to an impressive 29,500 MTPA. This expansion comes with a significant investment of ₹100 crores and is set to take shape over the next 15-18 months. Currently in progress, this project is projected to become operational in FY2025.

We are gearing up to invest in several downstream fluorine products in the upcoming years, capitalising on our growth trajectory while staying steadfast in our commitment to efficiency. Our continued investments in cost-reduction

initiatives underscore our dedication to refining our processes and driving excellence. Furthermore, innovation remains at the heart of our strategy. To facilitate the rapid development of new molecules, we are in the early stages of establishing a cutting-edge R&D plant within our existing facility. This move exemplifies our dedication to pushing boundaries and pioneering advancements in our field.

## PROGRESSING WITH GRATITUDE

Our journey from inception till date tested our resilience, yet also illuminated our journey with instances of success. I believe it is now time for us to ride the momentum and focus on our next phase of growth. As we progress, we will continue to offer superior-quality products to our customers while focusing on safety and environmental sustainability.

This successful year is a testament to the collective dedication and tenacity of our remarkable workforce. I extend my heartfelt gratitude to each member for their dedication and passion. And to special investors and shareholders, your ongoing trust in us has been like a guiding light that keeps us going, even when things are tough. We are incredibly grateful to you for that.

I am confident that we will achieve new important goals and keep progressing towards more growth and success.



# Key Performance Indicators

**₹52  
Crore**

**Debt in 2016**

Losses in business operations resulted in leveraging of balance sheet from 2008-2016

**₹0  
Crore**

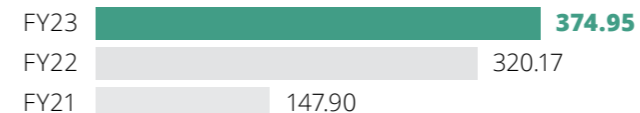
**Debt in 2023**

Strong improvement in business operations over the years has helped the Company achieve a debt free status and get back on the growth path

## REVENUE FROM OPERATIONS

(₹ in Crore)

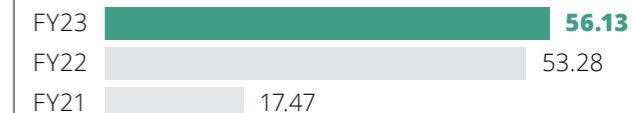
**374.95**



## PROFIT AFTER TAX (PAT)

(₹ in Crore)

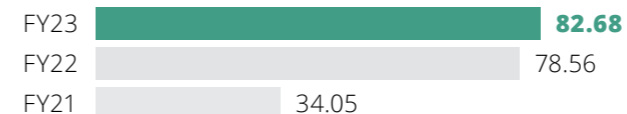
**56.13**



## EBITDA

(₹ in Crore)

**82.68**



## EBITDA MARGIN

(In %)

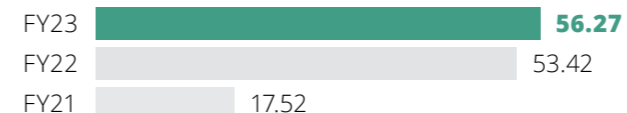
**22.1**



## RETURN ON EQUITY (ROE)

(In %)

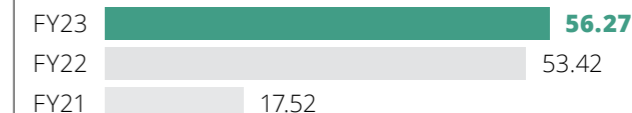
**56.27**



## EARNINGS PER SHARE (EPS)

(In ₹)

**56.27**



# Trends in the Specialty Chemical Industry

Throughout our journey, we have dedicated efforts to establish a robust foundation for harnessing avenues of expansion. Our unwavering commitment to research and development, along with the cultivation of fundamental strengths, has positioned us as a frontrunner in the industry we operate in.

We are adept at comprehending the trends that mould our industry and maintaining a competitive edge accordingly. We adopt a proactive approach to remain agile in our operational landscape and seamlessly integrate these insights into our decision-making.

## Sustainability



On a global scale, the imperative to tackle climate change and reduce environmental impact has never been more urgent. The chemical industry is under particular scrutiny, with the expectation to transition toward green chemistry, optimise resource usage, adopt effective waste management practices, and invest in eco-friendly technologies.

## Customer-centricity



Across the globe, customers are progressively demanding that their supply chains exhibit both agility and competitiveness to fulfill their current and future requirements. Moreover, during H1 FY2023, a period marked by widespread supply chain disruptions and scarcity of specific raw materials, agrochemical and pharmaceutical enterprises placed heightened demands on their supply chains. These demands entailed not only navigating challenges but also ensuring uninterrupted production.

## Supply chain diversification



Recent events, such as the pandemic, the Russia-Ukraine war, and elevated inflation, have triggered significant disruptions in global supply chains. While the situation has shown improvement, companies are proactively taking measures to decrease their reliance on specific regions or suppliers, ensuring greater resilience against potential future challenges. As a result, there is a noticeable trend wherein Asian and Indian chemical firms are witnessing a surge in inquiries. This shift is motivated by two main factors. Firstly, companies are pursuing diversification regardless of their European operations. Secondly, they are engaging Asian players during the early stages of product development rather than the later phases. Indian chemical players possess unique advantages that position them well to seize these opportunities, including expertise in specialty chemical manufacturing, competitive costs, and quality. Moreover, government incentives provide further bolstering to their competitive stance.

## Technical know-how and digitalisation



Chemical companies are increasingly embracing a trend of elevating their position within the value chain to produce value-added goods. This shift has resulted in heightened investments aimed at bolstering technical prowess—a crucial driver of innovation that empowers companies to cater to evolving demands. Simultaneously, the significance of technology and automation investments has grown, streamlining manufacturing processes, augmenting product value, and boosting efficiency. The advantageous combination of advanced technologies and a skilled workforce among Indian manufacturers maximises productivity and ensures top-notch quality.

# Leveraging Opportunities

Hydrofluoric Acid (HF) is a versatile chemical used across a spectrum of industries, including refrigerants, stainless steel, solar cells, electronics, intermediates for pharmaceuticals and agro products. As market demands for these industries grow, ensuring a stable and sufficient supply of HF becomes paramount. Recognising this, Tanfac, a veteran and reputable player in the chemical manufacturing sector, presented a plan to expand its existing HF plant to achieve an annual production capacity of 14,500 MTPA. The expansion will bridge the gap between supply and demand, preventing potential shortages that could hinder industrial progress.

## BENEFITS OF THE EXPANSION



### Stable supply

By increasing the production capacity, we will be well-positioned to meet the growing market demand consistently. This stability in supply is crucial to maintaining the smooth operation of downstream industries.



### Economic growth

The expansion is expected to generate economic benefits on multiple fronts. It will create job opportunities during both the construction phase and subsequent plant operations. Moreover, the increased production could stimulate regional economic growth through associated activities and services.



### Industry competitiveness

Our expanded capacity will enhance our competitiveness in the market. By providing a reliable source of HF, we can solidify our position as a preferred supplier for industries dependent on this compound.



### Environmental and safety considerations

While the expansion holds promising benefits, it is imperative to address environmental and safety concerns associated with chemical production. We will prioritise the implementation of state-of-the-art safety measures and environmentally friendly practices. This could include technologies to mitigate emissions, efficient waste management and adherence to regulatory standards to minimise any potential negative impact on the environment.

# Risk Management

**Risk is intrinsic to business. In our challenging, dynamic context, we're proactive in managing risk to achieve our vision. While risk can't be eradicated, our program lessens, avoids, or shares it. We've formed a Risk Management Committee of senior employees, clarifying roles and procedures for assessment and mitigation. This encompasses risk identification, handling, monitoring, and reporting. Challenges like the Ukraine War disruptions led us to a supply chain risk plan. Details aligned with Companies Act, 2013, are quarterly reviewed by the Audit Committee. Our internal controls, encompassing policies and procedures, ensure orderly business conduct, policy adherence, asset safeguarding, accurate records, and timely, reliable financials.**

| Risk Type                        | Risks  | Mitigation   |
|----------------------------------|--|--|
| <b>Fluctuating US Dollar</b>     | The prices of our key raw materials – Fluorspar, Sulphur and Potassium Carbonate – are impacted by the movement of the US Dollar. Fluorspar and Potassium Carbonate are imported. High dependence on China for Fluorspar, which is promoting export of more value-added products, puts pressure on the availability and margins. | We have expanded the vendor base outside China and developed sources from other geographies, cemented relationships with these sources and successfully avoided dependency on Chinese origin. We are continuously exploring other options to sustain this.   |
| <b>HF demand</b>                 | There might be volatility in the demand for HF and a downward trend in the end-user segment.   | We are focusing on specialty grade HF and Value-Added Products (VAPs). We are also retaining existing customers through competitive pricing, expanding the market of HF in Asia-Pacific markets and increasing export volumes.   |
| <b>Price volatility</b>          | There might be a drop in the price for Sulphuric Acid and a volatility in Sulphur prices.  | We are working on alternate downstream products and reducing the cost of production through process improvement and innovation.  |
| <b>Statutory compliance risk</b> | The country's regulatory framework is ever-evolving and the risk of non-compliance and penalties may increase for the business, leading to financial and reputational risks.   | We have institutionalised a comprehensive risk-based compliance programme, including training and adherence to the Code of Conduct. We encourage our employees to rely and seek professional guidance and opinion to discuss the impact of any changes in laws to ensure total compliance. Periodic reporting to the internal committees on any legal aspects and quarterly reporting to the Board on statutory compliance ensures effectiveness of the programme. |

| Risk Type                    | Risks   | Mitigation   |
|------------------------------|---|--|
| <b>Environmental risk</b>    | The Company could face the risk of environmental pollution through the discharge of waste and emissions.  | We have undertaken various initiatives towards de-risk and environment protection. We ensure stringent implementation of safety and environment protection measures. We have also adopted measures such as rainwater harvesting and water recharge that help us overcome challenges related to water availability. We continue to maintain green belt within and outside the factory premises. |
| <b>Economic risk</b>         | Economic slowdown particularly due to disruption in global supply chain and prolonged Russia-Ukraine war may affect the performance of the Company, resulting in a downward trend in sales volume, profitability and growth.  | We are continuously focussing on expanding and increasing the share of our VAPs in line with market demand. We have also made a comprehensive Business Continuity Plan (BCP) for the next financial year, which focuses on cost and cash optimisation. The BCP is being monitored continuously as the situation evolves.   |
| <b>Risk of attrition</b>     | Employee attrition may affect the day-to-day operations / performance of the Company.   | To retain talent, we have instituted a suitable reward mechanism and provide additional specialised training to our employees. New ideas / kaizens given by the employees are well appreciated and suitably rewarded.  |
| <b>Credit risk</b>           | Excess credit facility to customers and higher inventory may affect the Company's overall performance.  | By reviewing the credit policy and credit limits of customers, the credit limit facility is being continuously managed prudently. Inventory and advances are continuously monitored and maintained at the desired level balancing the dynamics of price movements and supply chain situation. Collections from customers are being monitored everyday by the senior management.                |
| <b>Foreign exchange risk</b> | The prices of key of raw materials are influenced significantly by fluctuating global economic conditions, and this significantly impacts the Company's margins and cash flows.   | We have a well-defined Hedging Policy and hedge our net foreign exchange risk adequately as per the policy.  |
| <b>IT risk</b>               | Your Company deploys IT systems, including ERP, to support its business processes, communications and operations. Risks could primarily arise from downtime, manipulation of information, data integrity and security.  | We use backup procedures and store information at different locations. Periodical upgradation of systems with the latest security standards are ensured. For critical applications, security policies and procedures are updated periodically and users are educated on adherence to the policies to eliminate data leakages.  |
| <b>Geopolitical risk</b>     | The rising fuel prices in the wake of geopolitical tensions have had an adverse impact on the cost of manufacturing due to increased raw material, fuel and energy costs. For your Company's business, raw material, fuel and logistics form a significant share of the total cost. | We continuously make efforts to reduce the impact caused by disruptions due to geopolitical tensions by passing through the increase in main raw materials to the customers. We also focus on improving the operation parameter and on sustained energy saving schemes.  |

# Responsible Business

At Tanfac, we integrate business success with community well-being and environmental conservation. Through ethical practices, community engagement and environmental stewardship, we demonstrate that it is possible for businesses to thrive while also fostering a sustainable and equitable future for all.

~₹79 Lakh

CSR spend

14

Direct beneficiaries

~20,000

Indirect beneficiaries



## COMMUNITY EMPOWERMENT

### Education

- Offered higher education support to the economically backward students of Cuddalore District
- Supported 4 government schools in nearby villages to avoid school dropouts
- Contributed to the construction of a classroom and yoga hall for Kala Kendrum School, Cuddalore.

### Health

- Conducted eye camps for a few village government schools
- Contributed for a dialysis machine for the free dialysis of patients who could not afford it
- Contributed to physiotherapy and sensory integration therapy for children to improve their health conditions
- Supported the District Administration for conducting drug addiction awareness campaign
- Provided for medicine and other requirements for cancer-affected children in Pattanur, Villupuram district

### Welfare projects

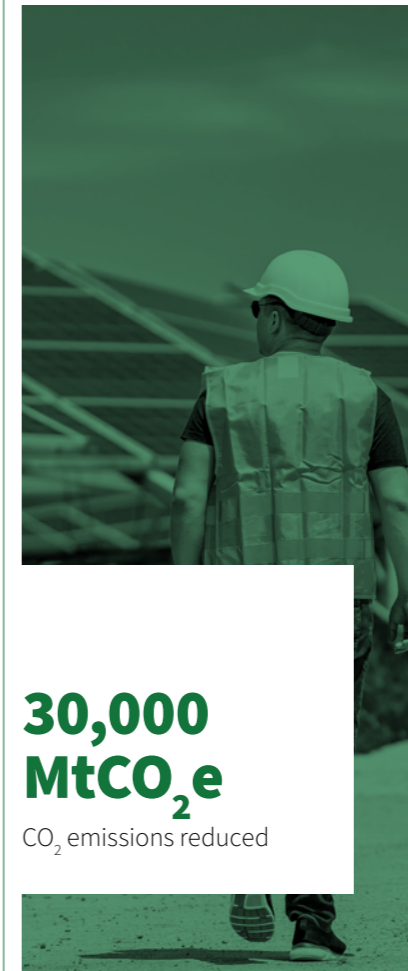
- Supported International Chess Olympiad 2022 organized by the Tamil Nadu Government
- Supported the District Administration in spreading sports awareness to maintain the health conditions of society
- Provided cardiac bed to Advanced Primary Health Centre, Karaikadu
- Offered education support to government schools through NAMMA SCHOOL FOUNDATION formed by the Tamil Nadu Government



## REDUCTION IN CO<sub>2</sub>

Since we operate in the chemical industry, it is our endeavour to manage the environment responsibly. We formed an Innovation team that worked on at least 8 different projects on energy savings and CO<sub>2</sub> emission reduction. Our Cross Functional Team achieved a reduction of 30,000 MTCO<sub>2</sub>e per year, which is equivalent to planting of 1.6 lakh mature trees per year.

We have planned several such projects which will offer substantial cost reduction and improve our environmental and financial sustainability through innovation.



30,000  
MtCO<sub>2</sub>e

CO<sub>2</sub> emissions reduced



## INVESTMENT IN SAFETY AND ENVIRONMENT

The New Anupam Management of Tanfac has strong expertise in safety and environment. During the year, we spent 40% higher than the previous year on these initiatives.

We also undertook a few other initiatives for environment conservation:

- Contributed to the District Administration towards the desilting of lakes/ponds towards conservation of water
- Provided a cloth bag vending machine to prevent the use of plastics to conserve the environment
- Conducted environment plastic abatement awareness programme for the public by providing Manjappai (meaning 'yellow bag' in Tamil) in co-ordination with TNPCB and the District Administration

# Management Discussion and Analysis

## 1. ECONOMIC OVERVIEW

### 1.1. Global economy

Global economic growth is expected to fall from 6% in 2021 to 3.2% in 2022 and an estimated 3% in 2023 and 2024.

Inflation continues to weigh heavily on economic activity, with central banks striving to fight it with their policy rates. The Russia-Ukraine war is expected to intensify further, raising food, fuel and fertiliser prices. Moreover, El Niño might result in extreme temperature increases, resulting in droughts and increased commodity prices. The non-renewal of the Black Sea Grain Initiative adds to these concerns\*. Global headline inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024.

Supply chains have recovered from the impact of the pandemic and shipping costs and delivery times are back to pre-pandemic levels. However, concerns about high interest rates remain. Banks in advanced economies have tightened lending standards, limiting credit supply.

Borrowing costs for emerging market and developing economies remain high. The share of these economies with sovereign credit spreads above 1,000 bps remained at 25% as of June 2023 (compared with only 6.8% two years ago).

Consumption in the services sector is returning to pre-pandemic levels in a number of emerging market and developing economies in Q1 2023. Non-service sectors such as manufacturing slowed down. Firms have scaled back investment in productive capacity due to reduced consumption of goods, the uncertain geoeconomics landscape, weak productivity growth and a more challenging financial environment.

Emerging markets growth is expected to hold near the pre-pandemic average at ~3.9% in 2023, supported by India and China. After three years and continued monetary policy support, China is expected to rebound to 5.2% in 2023 from 3% on the reopening of the economy. India, on the other hand, is expected to remain amongst the fastest-growing economies as per the International Monetary Fund (IMF).

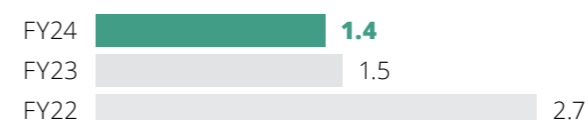
### GROWTH PROJECTIONS

(Real GDP growth, percent)

#### Global Economy



#### Advanced Economics



#### Emerging Market & Developing Economics



\*The Black Sea Grain Initiative allows for commercial food and fertiliser (including ammonia) exports from three key Ukrainian ports in the Black Sea. The Initiative was not renewed after its third term, which expired on July 17, 2023.

### 1.2. Indian economy

The Indian economy grew by 7.2% in FY2023. An uptick in private investments, capital spending by the government and a sharp rise in service exports fuelled this growth.

The various segments within the services sector, as well as the construction and real estate industries, are maintaining strong performance. This is evident from the rise in sales of cement and steel, an uptick

in both freight and passenger transportation, positive Index of Industrial Production (IIP) figures relating to construction, and a notable expansion in banking credit extended to the services sector.

The manufacturing sector grew by 1.1% during the year. Credit to manufacturing, particularly large industries, significantly dropped after September 2022. Nonetheless, credit to the cement and steel sectors surged by 20%, highlighting the influence of increased government infrastructure spending and the robust construction/real estate sectors. Notably, there's no expansion of bank credit in the infrastructure sector. India's service exports grew at over 28% in FY2023 in dollar terms as against 9% growth for non-oil merchandise exports. Consumer inflation moderated to 4.7% in April 2023 and WPI to -0.5%.

The Indian economy is projected to grow by 6.5% in FY2024 according to the government and Reserve Bank of India (RBI). Positive PMI scores for manufacturing and services, along with confident business outlooks from RBI surveys, bolster optimism in India's growth. Stable macroeconomic indicators, a robust external sector, record-low NPAs, deleveraged corporate balance sheets, sustained consumption, thriving service exports, growth-oriented government spending, digitalisation efforts and a greener transition collectively shape India's trajectory. A revitalised private investment cycle in manufacturing and infrastructure could pave the way for a multi-year growth phase.

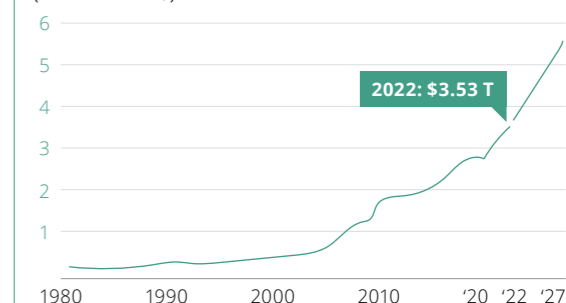
Source: India Economic Pulse, June 2023, EY

### 1.3. Union Budget 2023-24

Union Budget for 2023-24 was expected to lay foundation for future with 33% increase in capital outlay to ₹10 lakh crore through schemes like PM Ghati Shakthi, productivity enhancement and investment in emerging opportunities. Apart from these, measures like acceleration of road construction by 20% indicate strengthening of India's position as long term and credible global supplier of Goods and Services. The Budget also draws road map for transforming India into developed nation in Amrit Kal phase.

### INDIA OVERTAKES UK TO BECOME FIFTH BIGGEST ECONOMY

(In trillion US\$)



\*Source: International Monetary Fund

## 2. INDUSTRY OVERVIEW

### 2.1. Global chemicals industry

The global chemical industry is a vital and intricate component of the global economy and supply chain. It transforms materials such as fossil fuels, minerals, water and metals into numerous products crucial to modern life. The global chemicals market grew from US\$4,700 billion in 2022 to US\$5,079 billion in 2023 at an 8.1% CAGR. It is expected to grow to US\$6,851 billion in 2027 at a CAGR of 7.8%.

The global specialty chemicals market was valued at US\$738.23 billion in 2022. The market value is forecasted to grow to US\$998.94 billion by 2028. The market is anticipated to grow at a CAGR of ~5% during the forecasted period of 2023-2028. The growth is mainly driven by increased needs in construction, water treatment, and electronics chemicals. Process technology improvements and trade liberalisation further contribute.

Favourable low interest rates in many developed nations had a beneficial effect on the chemicals sector. They stimulated borrowing and enhanced investment liquidity, enabling chemical enterprises to secure funds for process improvements and consequently driving market growth. However, the escalation of raw material expenses led to substantial manufacturing costs, reducing the funds allocated for the research and development of novel products.

During 2022, China surpassed the United States as the world's leading ethylene producer, the foundational component for over 75% of petrochemical goods. Anticipated for 2023 is an unprecedented addition of approximately 140 million tonnes per year in chemical and fertiliser capacity, surpassing the previous record of 90 million tonnes per year in 2014. Within the next two to three years, China could potentially generate ample ethylene to satisfy domestic requirements and even have an excess for potential export. The Chinese overcapacity is a cause of concern for other countries.

The following trends are dominating the global chemicals industry:

#### Sustainability and innovation

Numerous chemical firms have pledged substantial emissions reduction goals. Around 70 global companies aim for net-zero or carbon neutrality by 2050. The carbon-neutral concept is poised to accelerate, generating numerous fresh prospects within the chemical value chain. Emphasis will be on renewable energy, electric mobility, green chemistry, and the increasing adoption of the 3R principle: reduce, reuse and recycle. The current task is to transition these technologies from pilot phases to widespread implementation and adoption at an accelerated pace.



#### Portfolio transformation

Mergers and acquisitions (M&A) in the chemicals sector have notably intensified, driven by ambitions to attain economies of scale, expand product ranges, and broaden geographic presence. Multiple factors propel this M&A surge, including accessible debt, increasing private equity engagement, pandemic-related liquidity strains on distressed firms, and a corporate inclination to divest underperforming or non-core operations.

#### Supply chains

The pandemic-induced disruptions led to distribution challenges in the chemical sector. The recent closure of European plants due to geopolitical uncertainties adds another hurdle for supply chains. In the post-pandemic era, effective supply chains will need to strike a balance between agility, efficiency and resilience.

#### Digitalisation

With the evolution of digital technologies in the last decade, major chemical producers have undertaken diverse digital initiatives, ranging from enhancing the digital core to conducting focused pilot programs. The industry has expanded into digital customer experiences, incorporating mobile interactions, predictive analytics, and cloud architectures. These investments in the last five years have crucially validated the digital business case.

In 2023, directed investments are likely to concentrate on comprehensive supply chain management and visibility. Producers might leverage digital technologies more to fuel materials innovation and accelerate cost-effective formulations through evaluation, optimisation and integration of ingredient recipes and domain expertise.

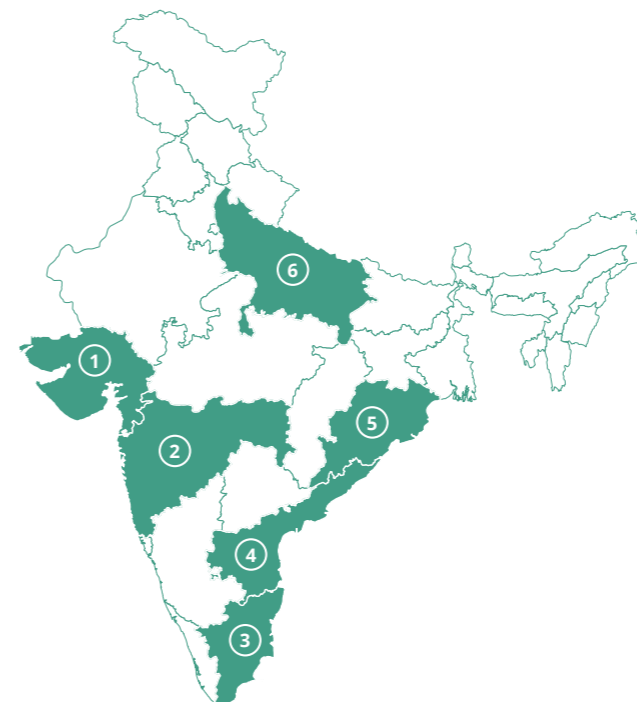
Source: The Business Research Company, Business Wire, Deloitte: 2023 chemical industry outlook

### 2.2. Indian chemicals industry

The chemicals sector of India holds a prominent position in the worldwide market, standing as the 6th largest producer and the 14th largest exporter. This industry supplies vital building blocks and raw materials to various sectors like agrochemicals, pharmaceuticals, textiles, paper, paints and soaps. Presently valued at US\$220 billion, it is predicted to achieve a growth rate of ~9% annually from 2020 to 2025, reaching US\$300 billion by FY2025. The sector's trajectory aims to cross the US\$1 trillion mark by FY2040.

On a global scale, India ranks as the fourth-largest agrochemical producer, trailing the United States, Japan, and China. Within the realm of dyestuffs and dye intermediates, India holds a share of 16-18% of the world's production. The Indian colorants industry has significantly established itself, commanding approximately 15% of the global market. India's chemicals sector operates without licensing, except for a handful of hazardous chemicals. By 2030, this industry is anticipated to contribute US\$383 billion to India's GDP.

#### CHEMICAL CLUSTERS



1. GUJARAT
2. MAHARASTRA
3. TAMIL NADU
4. ANDHRA PRADESH
5. ODISHA
6. UTTAR PRADESH

Source: IBEF

An anticipated investment of ₹ 8 lakh crore (approximately US\$107.38 billion) is projected for the Indian chemicals and petrochemicals sector by 2025. Specialty chemicals encompass 22% of the entire chemicals and petrochemicals market in India. The demand for specialty chemicals is projected to grow at a 12% CAGR from 2019 to 2022. To foster development, the Department of Chemicals & Petrochemicals plans to introduce a Production-Linked Incentive (PLI) scheme and revise the Petroleum, Chemicals, and Petrochemicals Investment Region (PCPIR) guidelines. The government intends to host roadshows in eight international markets to attract investors to the newly launched PCPIR near the upcoming crude oil refinery in Pachpadra village, Rajasthan.

Allocating ₹ 173.45 crore (about US\$20.93 million) to the Department of Chemicals and Petrochemicals, the Union Budget 2023-24 underscores the government's commitment. A vision for 2034 has been outlined to enhance domestic production, reduce imports, and attract investments in the chemicals and petrochemicals sector. The government envisions a production-linked incentive system with 10-20% output incentives for the agrochemical sector and aims to cultivate comprehensive manufacturing clusters for an end-to-end ecosystem.

Even amidst the ongoing pandemic, the Indian chemical industry finds itself amid numerous prospects, given the supply chain disturbances in China and trade tensions involving the US, Europe, and China. Concurrently, China's anti-pollution actions are poised to generate specific opportunities for India's chemical sector.

To further bolster production and industry growth, additional backing in the form of fiscal incentives, such as tax benefits and special advantages through PCPIRs or SEZs, can be instrumental. The establishment of dedicated integrated manufacturing hubs under the PCPIR policy aims to attract an impressive investment of ₹ 20 lakh crore (~US\$276.46 billion) by 2035.

Source: EY, IBEF

### 2.3. Global fluorochemicals industries

The global Fluorine chemicals market is on an upward trajectory, projected to grow at a 5% CAGR, reaching a valuation of USD 30 Billion by 2028. This surge in demand can be attributed to the escalating consumption of Fluorine chemicals in various sectors such as Electronics, Automobiles, and PV industries. Particularly, the Asia-Pacific region dominates the fluorochemicals segment, reflecting its growing consumer base in these aforementioned applications. Moreover, the pharma industry has a notable reliance on Speciality Fluorine. It's noteworthy that around 20% of pharmaceutical drugs have fluorine as a component in their makeup.

source Fortune Business insights; Globalwire.com



### 3. COMPANY OVERVIEW

Tanfac Industries Limited (the Company) is a collaborative venture between Anupam Rasayan India Limited® and Tamil Nadu Industrial Development Corporation (TIDCO). Its manufacturing facilities span 60 acres within the chemical complex of SIPCOT Industrial Estate, Cuddalore. Situated 20 km south of Pondicherry and around 200 km south of Chennai, India, the Company commenced commercial operations in March 1985. Today, it stands as a prominent producer of Hydrofluoric Acid and its associated derivatives.

#### 3.1. Performance

The Company reported a historic year with its highest-ever revenue, PAT and EBITDA. Revenue reached ₹ 374.95 crore, PAT stood at ₹ 56.13 crore and EBITDA at ₹ 82.68 crore. This success is attributed to several key factors.

First, the Company's unwavering focus on customer centricity led to tailored products exceeding expectations, enhancing loyalty and market share. Second, innovative operational approaches improved product quality and cost efficiency, strengthening our

industry position. Third, adeptly navigating volatile raw material markets bolstered financial stability and sustainable growth. Notably, the Company is now debt-free as of FY2023. Affiliation with Anupam brought benefits, notably in the Potassium Fluoride business. Lastly, strategic job rotation enriched the Company's workforce, fostering adaptability and innovation.

#### 3.2. Outlook

The Company has announced the expansion of its HF plant by increasing its capacity from 14,750 MTPA to 29,500 MTPA at a project outlay of ₹ 100 crores to be implemented in the next 15-18 months. The project is currently under implementation and is expected to go on stream in FY2025. The Company also has plans to invest in various downstream fluorine products in the coming years. Apart from this, the Company will continue to invest in cost reduction programmes to improve process improvement. It also plans to set up a new R&D plant at its existing facility to expedite the development of new molecules.

### 4. RISKS AND THEIR MITIGATION

Please refer to page number 18 to know more about the risks that may impact our operation and financial performance and how we address them.

### 5. HUMAN RESOURCES

When Anupam Rasayan took over, the main challenge was managing the change in management. However, the Company addressed people's concerns in a positive way, which kept employee engagement high.

The Company understood the training needs of each employee and met those needs promptly. In FY2023, the Company offered 2,903 hours of training, compared to 1,964 hours in FY2022, 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.

### 6. 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.

### 7. CREDIT RATING

ICRA Limited a credit rating agency has rated ICRA A-(Stable) for Cash credit limit of ₹25 crore and ICRA A2+ for Non-Fund Based Limit of ₹55 crore. Acuite Rating & Research Limited have also rated ACUITE A-(Stable) for Fund Based Limit of ₹42 crore and ACUITE A2+ for Non-Fund Based Limit of ₹58 crore.

### 8. FIXED DEPOSITS

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.

### 9. 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 NSE, 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  
(with effect from 27<sup>th</sup> March 2023)  
Mr. R. Karthikeyan (till 24<sup>th</sup> March 2023)  
Mr. Afzal Harunbhai Malkani (from 11<sup>th</sup> March 2022)  
Mr. V.T. Moorthy  
Mr. M.R. Sivaraman, IAS [Retd.]  
Dr. Shankar Narasimhan  
Mrs. R. Rajalakshmi  
Mr. K.Sendhil Naathan, Managing Director

## MANAGING DIRECTOR

Mr. K. Sendhil Naathan

## CHIEF FINANCIAL OFFICER (CFO)

Mr. N.R. Ravichandran

## COMPANY SECRETARY

Mr. H. Narayana Rao (from 6<sup>th</sup> May 2022)

## BANKERS

1. State Bank of India, Industrial Finance Branch (IFB), Chennai
2. IDBI Bank, Chennai
3. HDFC Bank, Chennai

## REGISTER AND SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited  
2<sup>nd</sup> 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](mailto:corpserv@integratedindia.in)

## AUDITORS

M/s Singhi & Co  
Chartered Accountants  
Unit 11D, 11<sup>th</sup> 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](mailto: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@anupamrasayn.com](mailto:tanfac.finance@anupamrasayn.com)

# Notice of the 49<sup>th</sup> Annual General Meeting

NOTICE is hereby given that the 49<sup>th</sup> Annual General Meeting (AGM) of TANFAC INDUSTRIES LIMITED will be held on Wednesday, the 27<sup>th</sup> day of September 2023, 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 31<sup>st</sup> March, 2023, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2023, 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 65% i.e, ₹ 6.50/- per equity share of face value of ₹ 10/- each for the financial year ended 31<sup>st</sup> March, 2023.
3. To appoint a director in place of Mr. Afzal Harunbhai Malkani, (DIN: 07194226) 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 2023-24, 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.”

5. To approve re-appointment of **Mr. K. Sendhil Naathan (DIN: 08850046) as Managing Director of the Company.**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/ or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 (including any amendment(s), variation(s), statutory modifications and/or re-enactment(s) thereof for the time being in force) and the provision of Articles of Association of the Company, approval of the members be and is hereby accorded for the re-appointment of Mr. K.Sendhil Naathan (DIN: 08850046) as Managing Director of the Company with effect from 27<sup>th</sup> August, 2023, for a period of 18 months upto 26<sup>th</sup> February 2025, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of section 197 of the Act read with Schedule V, with the liberty to the Board of Directors (including any Committee of the Board of Directors), to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit, in such manner as may be considered appropriate and in the best interests of the Company and as may be permissible by law, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose directorship is liable to retirement by rotation and to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the terms of remuneration as set out in the Explanatory Statement annexed to this Notice shall form part hereof and in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to Mr. K. Sendhil Naathan (DIN: 08850046) during his tenure as Managing Director, subject to such other approvals as may be necessary.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

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

**H.Narayanarao**  
Company Secretary

**Place:** Cuddalore  
**Date:** 17<sup>th</sup> August, 2023

# Notes:

1. The Ministry of Corporate Affairs vide its Circular No. 10/2022 dated 28<sup>th</sup> December, 2022 read with Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 read with Circular No.21/2021 dated 14<sup>th</sup> December, 2021 read with Circular No.02/2021 dated 13<sup>th</sup> January, 2021 read with Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, Circular No.14/2020 dated 08<sup>th</sup> April, 2020 read with Circular No.17/2020 dated 13<sup>th</sup> April, 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](http://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 15<sup>th</sup> 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 Thursday, 21<sup>st</sup> September 2023 to Wednesday, 27<sup>th</sup> September, 2023 (both days inclusive) for the purpose of AGM and determining the entitlement of the shareholders to the final dividend for the financial year 2022-23.
4. Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 (SS-2) with respect to the Directors seeking re-appointment 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.
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<sup>st</sup> April, 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 2023-24 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](mailto:kalyan@integratedindia.in) or [tanfac.invreln@anupamrasayan.com](mailto:tanfac.invreln@anupamrasayan.com) on or before 20<sup>th</sup> September, 2023. You may visit the Company's website at [www.tanfac.com](http://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

## DIVIDEND RELATED INFORMATION:

6. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors in their meeting held on 21<sup>st</sup> April 2023, 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 20<sup>th</sup> September, 2023. 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.

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.

| Sl. No | Nature of Dividend | Date of Declaration of Dividend  | Due Date for Transfer to IEPF on |
|--------|--------------------|----------------------------------|----------------------------------|
| 1      | Interim Dividend   | 13 <sup>th</sup> August, 2021    | 16 <sup>th</sup> September, 2028 |
| 2      | Final Dividend     | 26 <sup>th</sup> September, 2022 | 01 <sup>st</sup> November, 2029  |

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](http://www.tanfac.com)

Procedure for claiming the shares and unclaimed Dividend amounts from IEPF Authority is given at the end of this Notice of 49<sup>th</sup> Annual General Meeting.

#### 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 16<sup>th</sup> March, 2023 in super session of its earlier Circulars dated 3<sup>rd</sup> November, 2021 and 14<sup>th</sup> 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](http://www.tanfac.com) under "Investor". 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 1<sup>st</sup> October, 2023, particular folio shall be frozen by the RTA and with effect from 1<sup>st</sup> April, 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 31<sup>st</sup> December, 2025.

12. Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25<sup>th</sup> 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](http://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](http://www.iepf.gov.in). The Company had so far transferred 3,48,130 shares (4,512 shareholders) 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](mailto: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. Wednesday, 20<sup>th</sup> September, 2023 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. 27.
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 2022-23 of the Company circulated to the Members and other information about the Company on the Company's website, i.e., on [www.tanfac.com](http://www.tanfac.com) and on websites of BSE Limited on which the Company's shares are listed viz., [www.bseindia.com](http://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 1<sup>st</sup> 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<sup>st</sup> March, 2023, 97.06% 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 5<sup>th</sup> January, 2023, Notice of the AGM along with the Annual Report 2022-23 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](http://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](http://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](http://www.evotingindia.com). For any communication, the shareholders may also send requests to the Company's investor email id: [tanfac.inverln@anupamrasayan.com](mailto: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 28<sup>th</sup> December, 2022 read with 5<sup>th</sup> May, 2022, 14<sup>th</sup> December, 2021, 13<sup>th</sup> January, 2021, 5<sup>th</sup> May, 2020, 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 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 8<sup>th</sup> April, 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"> <li>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 cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 &amp; 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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>   |
| Individual Shareholders holding securities in demat mode with NSDL                                     | <ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting.</li> </ol> |
| 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.   |

(i) The voting period begins on 24<sup>th</sup> September, 2023 (Sunday) 9.00 a.m. and ends on 26<sup>th</sup> September, 2023 (Tuesday) 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 20<sup>th</sup> September, 2023 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 9<sup>th</sup> December, 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 9<sup>th</sup> December, 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33       |
| 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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](http://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](http://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"> <li>• 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.</li> </ul> |
| 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"> <li>• 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.</li> </ul>                   |

- (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](http://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](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
    - 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](mailto: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](mailto:cskalyanisrinivasan@gmail.com) and to the Company at the email address [tanfac.invreln@anupamrasayan.com](mailto:tanfac.invreln@anupamrasayan.com), if they have voted from individual tab & not uploaded the 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 the 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 the 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 atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [tanfac.invreln@anupamrasayan.com](mailto:tanfac.invreln@anupamrasayan.com). The shareholders who do not wish to speak during the AGM but have queries may e-mail their queries in advance 7 days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number, etc. at [tanfac.invreln@anupamrasayan.com](mailto:tanfac.invreln@anupamrasayan.com). These queries will be replied by the Company suitably.



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](mailto:helpdesk.evoting@cdslindia.com) or at toll free no.: 1800 22 55 33.

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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no.: 1800 22 55 33.

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](http://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**

**H.Narayanarao**  
Company Secretary

**Place:** Cuddalore  
**Date:** 17<sup>th</sup> August, 2023

# 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 21<sup>st</sup> April, 2023, had appointed Mr. N. Krishna Kumar, Cost Accountant (Membership No.27885), as the Cost Auditor of the Company for the Financial Year 2023-24 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.

## ITEM NO. 5

Mr. K. Sendhil Naathan (DIN: 08850046) was appointed as Managing Director of the Company w.e.f 27<sup>th</sup> August, 2020 for three years upto 26<sup>th</sup> August, 2023.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company have re-appointed Mr. K. Sendhil Naathan (DIN: 08850046) as Managing Director under Section 196 of the Companies Act, 2013 with effect from 27<sup>th</sup> August, 2023 subject to consent by the Members of the Company at the ensuing Annual General Meeting and holds the office up to the date of ensuing Annual General Meeting of the Company.

The Board recommends this resolution for approval by the Members of the Company as Special Resolution. It is further proposed to re-appoint Mr. K. Sendhil Naathan (DIN: 08850046) as Managing Director of the Company (as defined under Section 2(54) of the Companies Act, 2013) and pursuant to Sections 196, 197, 203 and other applicable provisions of the Companies Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and within the applicable provision of Schedule V of The Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the provisions of Articles of Association for a period of 18 months from 27<sup>th</sup> August, 2023 to 26<sup>th</sup> February, 2025. The Board of Directors of the Company in their meeting held on 17<sup>th</sup> August, 2023, on the recommendation of the Nomination and Remuneration Committee have approved the re-

appointment of Mr. K. Sendhil Naathan as Managing Director of the Company for a period of 18 months from 27<sup>th</sup> August, 2023 to 26<sup>th</sup> February, 2025 .

During his tenure Mr. K. Sendhil Naathan will draw remuneration from the Company as set out below:

### A. Remuneration:

- Basic Salary ₹ 4,50,833/- (Rupees Four Lakhs Fifty Thousand Eight Hundred and Thirty Three Only) per month with such increments as the Board/NRC may decide from time to time
- Special Allowance ₹ 4,48,410/- (Rupees Four Lakhs Fourty Eight Thousand Four Hundred and Ten Only) per month with such increments as the Board/NRC may decide from time to time. This allowance however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave encashment.
- Annual Incentive Pay: Performance Bonus linked to the achievement of targets, as per Company Policy for Senior Employees.
- Long-term Incentive Compensation (LTIC) including applicable to Senior Employees of the Company and/or any other Incentive applicable to Senior Employees of the Company, in such manner and with such provisions as may be decided by the Board/NRC, considering the above.

### B. Perquisites:

- Housing: Free semi-furnished accommodation or HRA of ₹ 1,80,333/- (Rupees One Lakh Eighty Thousand Three Hundred and Thirty Three Only) per month in lieu of Company provided accommodation.
- Medical Expenses or Allowance Reimbursement: Medical Allowance ₹ 1,250/- (One Thousand Two Hundred and Fifty Only) per month as per Company policy. In addition, Reimbursement of expenses incurred for self and family (including domiciliary and medical expenses and insurance premium for medical and hospitalization policy as applicable), as per Company policy.
- Leave Travel Expenses: Leave Travel Expenses/Allowance for self and family in accordance with the policy of the Company (LTE/LTA Per Annum will be equal to One Month Basic Salary).
- One car for use of Company's Business as per Company Car policy or Allowance of ₹ 1,02,505/- (Rupees One Lakh Two Thousand Five Hundred and Five Only) per month, including car operating expenses.
- Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per policy of the Company.
- Uniform Maintenance Allowance ₹ 800/- (Rupees Eight Hundred Only) per month as per Company policy.

- (g) Education Allowance ₹ 200/- (Rupees Two Hundred Only) per month as per Company policy.
- (h) Leave and encashment of leave. As per the policy of the Company
- (i) Personal accident Insurance Premium. As per the policy of the Company.
- (j) Contribution towards Provident Fund (12% of Basic Salary per month) and Superannuation Fund or Annuity Fund or National Pension Scheme (15% of Basic Salary per month), as per policy of the Company.
- (k) Gratuity and/or contribution to the Gratuity Fund of Company: As per the policy of the Company.
- (l) Other Allowances/benefits, perquisites: Any other allowances, benefits and perquisites as per the Rules applicable to the Senior Employees of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board, on the recommendation of Nomination and Remuneration Committee, from time to time decide.

Annual remuneration review is effective 1<sup>st</sup> April each year, as per policy of the Company.

- D. Subject as aforesaid, the Managing Director shall be governed by such other Rules as are applicable to the Senior Employees of the Company from time to time. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of Mr. K. Sendhil Naathan, will be considered as continuous service with the Company from the date of his joining.

The Board recommends the SPECIAL Resolution as set out in item no.5 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives other than Mr. K.Sendhil Naathan are in any way interested in the said resolution of the Notice.

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

**Place:** Cuddalore  
**Date:** 17<sup>th</sup> August, 2023

**H.Narayanarao**  
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   | Mr. Afzal Harunbhai Malkani<br>(DIN: 07194226)  | Mr. K. Sendhil Naathan<br>(DIN: 08850046)   |
| Date of Birth  | 15 <sup>th</sup> April, 1979  | 6 <sup>th</sup> September, 1961   |
| Date of Appointment/ Re-appointment  | 11 <sup>th</sup> March, 2022  | 27 <sup>th</sup> August, 2023 (subject to Member's approval in the AGM)   |
| Brief Resume - Qualification   | B.Com & CA  | M.Tech., MBA  |
| Expertise in Specific Functional Areas   | Mr. Afzal Malkani is a qualified as a Chartered Accountant from the Institute of Chartered Accountants of India and holds a bachelor's degree in commerce from South Gujarat University, Surat. He had joined Anupam Rasayan India Limited (a chemical manufacturing entity listed in March 2021 on BSE & NSE) in 28 <sup>th</sup> October, 2005 and was appointed as its Chief Financial Officer with effect from 1 <sup>st</sup> December, 2014. He has experience in corporate financing, fund raising from banks, financial institutions, private equity, treasury management, business development, mergers & acquisitions and has been heading the accounts, finance, debt management, investor relations etc. He had led the IPO of size ₹ 760 crores of Anupam Rasayan India Limited in 2020-21 . | 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 13 years and has been one of the persons instrumental in the turnaround & growth of the Company in the last 9 years. |
| Other Directorships in Listed Companies  | Nil   | Nil   |
| Listed entities from which resigned in the past three years  | Nil   | Nil   |
| Memberships/Chairmanships of Committees in Listed Companies  | Committee Membership:<br>TANFAC Industries Limited:<br>i) Audit Committee<br>ii) Nomination and Remuneration Committee  | Nil   |
| Disclosure of relationship   | He is not related to any of the Director or Key Managerial Personnel of the Company   | He 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 31 <sup>st</sup> March, 2023 | Nil   | Nil   |
| Skills and capabilities required for the role and the manner the proposed Independent Director meets such requirements                 | Not Applicable  | Not Applicable  |
| Number of Board Meetings Attended  | 5   | 5   |

**Note:** Pursuant to SEBI (LODR) Regulations, 2015, only two Committees viz., Audit Committee and Stakeholders' Relationship Committee are considered.

**Place:** Cuddalore

**Date:** 17<sup>th</sup> August, 2023

**Regd. Office:**

14, SIPCOT Industrial Complex,  
Kudikadu,  
Cuddalore 607 005.

Tel: 91 4142 239001 Fax: 91 4142 239005

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

**H.Narayanarao**  
Company Secretary

## Procedure for claiming shares and unclaimed / unpaid amount from IEPF Refund

Shareholders whose unclaimed/ unpaid amount or shares has been transferred by the Company to IEPF may claim their refunds to the IEPF authority. To claim such amount, claimant needs to file form IEPF-5 along with requisite documents. The detailed procedure to claim the unclaimed dividend amount and equity shares from the IEPF is given below:

|                 |   |  |
|-----------------|---|--|
| Step -1         | Send the relevant documents for issue of Entitlement Letter to RTA of the Company., i.e., <b>M/s. Integrated Registry Management Services Private Limited</b> ,<br>2nd Floor, "Kences Towers", No 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017.  |  |
| Step -2         | Upon receipt of the Entitlement Letter, register yourself on the MCA website and login in website of MCA at <a href="https://www.mca.gov.in/mcafoportal/login.do">https://www.mca.gov.in/mcafoportal/login.do</a>   |  |
| Step -3         | After login, click on the 'Investor Services' tab under the 'MCA Services' section for filing the web-based form IEPF-5. Attach the scanned copy of the requisite documents in the Form.  |  |
| Step -4         | Upload the filled-in e-form, save a copy of the uploaded e-form, acknowledgement receipt and indemnity bond generated while uploading the e-form  |  |
| Step -5         | Submit a self-attested copy of e- form, copy of acknowledgement and Indemnity Bond along with other documents mentioned in the form to the Company's RTA (address stated above) or to the Nodal Officer of the Company at its Registered Office in an envelope marked 'Claim for refund from IEPF Authority'. |  |
| Step -6         | After scrutinizing the documents received from RTA, the Nodal Officer of the Company verified the claim and furnished the e-verification report to the IEPF Authority within the timeline prescribed by the IEPF Authority.   |  |
| Step -7         | Based on the e-verification report, the claim is processed by the IEPF Authority.   |  |
| Contact details | <b>IEPF Authority:</b><br>e-mail Id: <a href="mailto:iepf@mca.gov.in">iepf@mca.gov.in</a><br>Tel.: 1800 114 66  | Company: Nodal Officer<br>14, SIPCOT Industrial Complex, Kudikadu, Cuddalore 607 005 |

# 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 31<sup>st</sup> March, 2023, for your review.

## FINANCIAL RESULTS:

| Particulars   | [in Crores]                |                            |
|---|----------------------------|----------------------------|
|   | Financial Year<br>2022- 23 | Financial Year<br>2021- 22 |
| Sales   | 374.95                     | 320.17                     |
| Other Income (including operating income)                     | 7.92                       | 3.40                       |
| Operating Expenditure   | 300.19                     | 245.01                     |
| Profit before Depreciation, Finance Cost and Taxation (PBDIT) | 82.68                      | 78.56                      |
| Finance Cost  | 0.88                       | 1.02                       |
| Depreciation/Impairment/Amortization                          | 6.33                       | 5.60                       |
| Profit before Tax (PBT)                                       | 75.46                      | 71.94                      |
| Current Tax/Deferred Tax (Net of MAT Credit Entitlement)      | 19.36                      | 18.66                      |
| Profit After Tax (PAT)  | 56.13                      | 53.28                      |
| Other Comprehensive Income/(Loss)                             | 0.06                       | 0.66                       |
| Total Comprehensive Income                                    | 56.06                      | 53.94                      |

## OPERATIONS AND OVERALL PERFORMANCE:

During the year under review, the Company had registered highest ever EBIDTA and Net Profit in its history on the back of strong performance of its key products viz. Hydrofluoric Acid, Sulphuric Acid and Specialty Fluorine Chemicals supported by significant improvements in operation.

Earnings before Depreciation, Finance Cost and Taxation had increased by 5% at ₹ 82.7 Crores during the year, compared to ₹ 78.6 Crores in the corresponding period of the previous year.

Total comprehensive Income for the year was higher at ₹ 56.1 crores during the year against ₹ 53.9 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 a final dividend at the rate of 65%, ₹ 6.50/- (Rupees Six and Fifty paise only) per equity share of ₹ 10/- each, for the financial year ended 31<sup>st</sup> March, 2023. If the final dividend is approved by the Members at this Annual General Meeting to be held on 27<sup>th</sup> September, 2023, it will be paid on or before 24<sup>th</sup> October, 2023 to those Members whose names appear in the Company's Register of Members as of the close of business hours on 20<sup>th</sup> September, 2023.

Your Company paid the final dividend for the year 2021-22 at the rate of @ 55%), ₹ 5.50/- (Rupees five and Fifty paise only) per equity share of ₹ 10/- each, on 06<sup>th</sup> October, 2022 to the shareholders whose names appeared in the Register of Members on 19<sup>th</sup> September, 2022.

## 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 amount of Interim and final Dividends for the year 2021-22 to the respective shares which were already been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government

Procedure for claiming the shares and unclaimed Dividend amounts from IEPF Authority is given in this Notice of 49<sup>th</sup> Annual General Meeting.

## 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.

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 specialty applications. Your Company was able to increase the volume during the year. 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 through process optimization and innovation.

### **EXPORTS:**

Export turnover had increased by 19% to ₹ 18.63 Crores against ₹ 15.63 crores in the previous year. 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](http://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 47<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2021 up to the conclusion of the 52<sup>nd</sup> 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 21<sup>st</sup> April, 2023, have appointed Shri N. Krishnakumar, Cost Accountant as Cost Auditor for the Financial Year 2023-24 and necessary filing has been made with the Central Government.

The Cost Audit Report for the financial year 2022-23 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 20<sup>th</sup> January 2023, had appointed Ms. Kalyani Srinivasan (Practicing Company Secretary, Chennai (C.P. No.3109 & FCS No.5854) to conduct Secretarial Audit for the Financial Year 2022-23, 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.

### CHANGE IN PROMOTOR AND MANAGEMENT CONTROL:

As disclosed under Note No.28.2 of the Financial Statements, on 11<sup>th</sup> March, 2022, M/s Anupam Rasayan India Limited (ARIL) acquired 24,89,802 shares held by Aditya Birla Group (ABG) through a Share Purchase Agreement dated 1<sup>st</sup> February, 2022 and obtained joint control over the Company along with the continuing promoter M/s Tamil Nadu Industrial Development Corporation Limited (TIDCO). Based on the original Joint Venture Agreement (JV) signed by ABG and TIDCO, ARIL replaced ABG as promoter and obtained Management Control of the Company.

This acquisition of management control had triggered open offer and in compliance with the SEBI SAST Regulations, ARIL had made open offer to the public shareholders and acquired 83,279 shares (0.83%) tendered by public during the tendering period.

The Company had made an application dated 28<sup>th</sup> May, 2022 to the Bombay Stock Exchange to seek the approval for reclassification of erstwhile promoters as public category and M/s Anupam Rasayan India Limited (ARIL) under the new promoter category. Upon the application, the Bombay Stock

Exchange approved the reclassification Promoters category on 24<sup>th</sup> February, 2023.

### 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 has become a top 1000 Company with effect from 1<sup>st</sup> April, 2023 based on the market capitalization of BSE as on 31<sup>st</sup> March, 2023. To comply with the listing requirement for the top 1,000 companies, the Board, in its meeting held on 21<sup>st</sup> April, 2023, had duly 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](http://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.  | <a href="http://www.tanfac.com/documents/policy_Materiality_Of_Related_Party_Transactions.pdf">http://www.tanfac.com/documents/policy_Materiality_Of_Related_Party_Transactions.pdf</a> |
| 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.   | <a href="http://www.tanfac.com/documents/policy_sebi.pdf">http://www.tanfac.com/documents/policy_sebi.pdf</a>   |
| 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.                 | <a href="http://www.tanfac.com/documents/policy_Whistle_Blower.PDF">http://www.tanfac.com/documents/policy_Whistle_Blower.PDF</a>   |
| 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.   | <a href="http://www.tanfac.com/documents/who_non_executive_directors.pdf">http://www.tanfac.com/documents/who_non_executive_directors.pdf</a>   |
| 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.  | <a href="http://www.tanfac.com/documents/policy_matrl_event.pdf">http://www.tanfac.com/documents/policy_matrl_event.pdf</a>   |
| Policy on Archival of documents                                 | The policy framed for archival of the Company's records as required under SEBI (LODR) Regulations, 2015.  | <a href="http://www.tanfac.com/documents/policy_archival_policy.pdf">http://www.tanfac.com/documents/policy_archival_policy.pdf</a>   |
| 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.   | <a href="http://www.tanfac.com/documents/policy_preservation_Doc.pdf">http://www.tanfac.com/documents/policy_preservation_Doc.pdf</a>   |
| 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.   | <a href="http://www.tanfac.com/documents/Risk-Management-policy.pdf">http://www.tanfac.com/documents/Risk-Management-policy.pdf</a>   |
| 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. | <a href="http://www.tanfac.com/documents/Tanfac - Dividend - Distribution policy.pdf">http://www.tanfac.com/documents/Tanfac - Dividend - Distribution policy.pdf</a>                   |

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Afzal Harunbhai Malkani (DIN: 07194226), Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. K. Sendhil Naathan, (DIN: 08850046) was appointed as Managing Director with effect from 27<sup>th</sup> August, 2020 for a period of three years and the Board proposes to re-appoint him for further period of eighteen months with effect from 27<sup>th</sup> August, 2023 subject to approval of shareholders in this Annual General Meeting.

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 Mr. H. Narayanarao, 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 programmes 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](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 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 2022-23, 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 has become a top 1000 Company with effect from 1<sup>st</sup> April, 2023 based on the market capitalization of BSE as on 31<sup>st</sup> March, 2023. To comply with the listing requirement for top 1,000 Company, the Board, in its meeting held on 21<sup>st</sup> April, 2023, had duly 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).

### 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://tanfac.com/documents/MGT-7-Annual-Return-2022-23.pdf>

### 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 31<sup>st</sup> March, 2023 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 2023-24 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 | 29.03:1                      | 191.33                         |

#### b. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year 2022-23 and Ratio of remuneration of Director to the medium remuneration of the employees of the Company for the financial year is as under:

| S.No | Particulars of Director and Other Key Managerial Personnel (KMP) and Designation | # Remuneration of Director and KMP for financial year 2022-23 (in Lakhs) | % increase in remuneration in financial year 2022-23 | Ratio of remuneration of each Director to medium remuneration of employees |
|------|--|--|--|--|
| 1    | Mr. K.Sendhil Naathan, Managing Director   | 191.33   | Nil  | 29.03:1  |
| 2    | Mr. N.R.Ravichandran, Chief Financial Officer                                    | 80.04  | Nil  | Not Applicable   |
| 3    | Mr. H.Narayanarao, Company Secretary   | 8.64   | Nil  | Not Applicable   |

#### c. The percentage increase in the median remuneration of employees in the financial year was 26%:

During the Financial year 2022-23, there was an increase of 23% 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 131 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2023 (135 no. of employees as on 31<sup>st</sup> March, 2022).

#### 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 53% compared to 14% increase considered for other Non-Managerial 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:

Your Company has made the following efforts in Research & Development:

- Your Company is in advance stage of monitoring the R&D/ Pilot Plant facility.
- Your R&D will focus on Process development of Fluorinated Specialties through AHF fluorination.
- R&D Engineers have successfully utilized waste heat to dry fluorspar & distillation process.
- Your R&D Engineers have developed innovative & Reliable design of Heat exchanger for DHF process.
- Your R&D Engineers put continuous efforts to improve the reactivity in AHF process so as to reduce the consumption norms.

Your R&D Team implemented innovative ideas to increase the productivity of Sulphuric acid, KF and AHF.

- Continuous efforts and out of box thinking by Engineers towards Energy conservation measures have resulted in year to year (YOY) reduction in Average Power and Fuel Costs.
- Your Company has introduced IOT and Energy Management system in various plant locations/ operations.

### SAFETY, HEALTH AND ENVIRONMENT PROTECTION (SHE):

Your Company is committed to Safety, Health and Environmental Management System and processes.

Your Company has an Integrated Management System (IMS) Certified by Intertek Certification Limited, UK for ISO 9001-2015-Quality Management System (QMS), ISO14001-2015 -Environmental Management System (EMS) and ISO 45001:2018 for Occupational Health and Safety Management Systems.

As your Company is located in Coastal location & Chemical Complex, Company continues to do considerable spending on improving the stability of the Building and Structural' s, replacement of pipe lines through predictive maintenance, revamping of Cable Trays, Pipe racks and replacement of MCC panels with latest LOTO features.

Your Company focusses on improving the process Safety aspects such as introduction of Remote Operated Valves in AHF storage Tank farm, installation of PLC in Batch Operated plants, Automatic stop valve and online respiratory system in filling areas.

SHE & Operations Team in view of various process Improvement & Energy saving Schemes implemented, revised the P& Id of all plants and reconducted Hazop Study.

In Acid transfer lines introduced Double armoured pipe in place of normal pipelines.

Your Company is practicing the Safety procedures and Permit to Work system in line with international Systems & Practices.

You Company ensures stringent implementation of Safety and Environment Protection measures and the Board has mandated accordingly. Safety visuals, pictorials and sign boards are implemented across the plant areas.

Your Company Periodically Conducts Safety Audit and Risk Assessment to monitor risks and to have action plan for countering the risks. Your Directors also periodically reviews the safety Performance.

Your Company periodically conducts onsite mock drills and actively coordinates with the local Government and other nearby companies & customers.

Your Company continually conducts training and retraining on safety and sustainability aspects and rewarded employees and contract workmen who have significantly contributed towards sustainable development.

In line with Tamil Nadu Government Vision 2023 "Green Tamil Nadu Mission" your Company has increased the green belt coverage both inside and outside of the factory premises.

### Sustainability:

Sustainability is built in as a core element of our business and strategy. The chemical industry is one of the leading emitters of direct GHG emissions across the world. Understanding this, your Company has prioritized the need for Energy savings and reduction in GHG emissions from plant operations.

This is being achieved through increased investments in more efficient technologies, reduction in energy consumption, and the use of alternative sources of energy to reduce overall GHG emissions.

With Continued efforts in Environment, Health & Safety aspects, we show our progress, performance and practices adopted with respect to environment, social and governance related aspects and future goals and targets as a part of the sustainability journey road map.

Your Company has proactively prepared Business Responsibility Sustainability Report (BSSR) for FY-23 as per the National Guidelines on Responsible Business Conduct (NGRBC) and with the United Nations Guiding principles on Business & Human Rights (UNGPs).

### MANAGEMENT POLICY:

We at TANFAC Industries Limited are committed to continual improvement of the processes of Management System

affecting Quality, Cost, and Delivery along with Environmental Impact to prevent pollution and to comply with requirements of customers and interested parties and public.

## **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 24<sup>th</sup> March, 2023) and Mr. Afzal Harunbhai Malkani, Non-Executive Director (with effect from 21<sup>st</sup> 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 Anupam Group 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 even when it was not under the ambit of CSR obligation.

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

During the year ₹ 79.07 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.

- Though the Company become top 1000 listed company of BSE for the financial year 2023 -24, the Company opts to voluntarily include Business Responsibility and Sustainability Report (BRSR) for the financial year 2022-23. Please refer Annexure D to the Board Report.

## **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 31<sup>st</sup> March, 2023, your Company’s employee strength was 131 employees (previous year 135 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:** 17<sup>th</sup> July, 2023

**(Mariam Pallavi Baldev)**  
Chairperson

# Annexure-A to Board Report

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

## CONSERVATION OF ENERGY:

### (a) Steps taken for Conservation of Energy:

Your Company has adopted various Energy Conservation measures during the Financial Year 2022-23 at its manufacturing facility at Cuddalore, viz., Hydrofluoric Acid, Sulphuric Acid and Specialty Fluorides plants.

### (b) Major Energy Conservation initiatives taken during the Financial Year 2022-23:

- \* Waste heat from the HF chimney was utilized to dry fluorspar, resulting in significant reduction in FO norms.
- \* The efficiency of the cooling tower was improved resulting in operation of single cooling tower for all chillers, leading to substantial reduction in power consumption.
- \* Steam was replaced with hot water for distilling product by utilizing waste heat, thereby reducing steam norms significantly.
- \* The productivity of sulphuric acid was increased by another 8%, which in turn increased steam generation. This approach, along with the reduction in steam consumption and increased waste heat steam generation, enabled the complete cessation of the coal-based process boiler.
- \* Variable Frequency Drives were installed in few more equipment to optimise energy consumption.
- \* Reduced Energy consumption by directly consuming the sulphuric acid from the production to the process of another Plant eliminating intermediate storage.
- \* Your Company continues to work on various energy conservation measures in Power Plant and all process plants.

The Company has achieved significant cost savings through these initiatives

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

No alternate sources of energy were utilized in the process carried out in the product mentioned in Sl. No1(b) above.

### (d) The capital investment on energy conservation equipment:

₹ 189 Lakhs

## RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

Your Company –

- Has completed Pilot study for production of Specialty fluoride from waste Stream available with group Company.

- Your R&D team has successfully developed the process for Organic Fluorine Product and Continuous efforts are being made for development of various other Organo fluorine Specialties.
- Continue to work on Improving Quality of Hydrofluoric acid to meet Specific Customer requirements.
- Continue to work on Producing Specialty chemicals based on Specific Customer requirements.
- Works on various water reduction schemes and continues to operate the scheme implemented for reducing water consumption and the effluent discharge by effective recycling in the plant.
- Continues to recycle the solid waste generated by the Company in a Cement Industry to focus on environment conservation.

## TECHNOLOGY ABSORPTION:

- Your Company forms cross functional teams to optimize the existing processes through in-house efforts resulting in cost savings.
- Your Company is in contact with renowned Technology Suppliers for High Value Fluorine Specialties.
- Continuous implementation of Sustainable Business practices, rewarding of ideas, recognizing the work performance through Spot Awards have motivated young Engineers/Scientists to come up with creative ideas to improve efficiency in areas of Production, Energy Savings, Water Conservation, Waste Minimization, Safety and System Improvements.

### A. FOREIGN EXCHANGE EARNING AND OUTGO:

|              | (₹ in Lakhs) |          |
|--------------|--------------|----------|
| Details      | 2022-23      | 2021-22  |
| Forex Earned | 1,863.49     | 1,546.08 |
| Forex used   | 14,072.69    | 9,279.28 |

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 2022-23 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 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> MARCH, 2023

[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

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 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023, 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 Direct Investment and External Commercial Borrowings: Not Applicable
- (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:** 21<sup>st</sup> April, 2023  
UDIN: F005854E000136151  
PR Code: 795

**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:** 21<sup>st</sup> April, 2023  
UDIN: F005854E000136151  
PR Code: 795

**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 31<sup>st</sup> March, 2023, 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.

| Sl. 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      | Dr. 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      | Dr. Shankar Narasimhan              | Non-Executive - Independent Director                 | 01484214                         |
| 8      | Mr. R. Rajalakshmi                  | Non-Executive - Independent Director                 | 01985132                         |

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 web site 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:** 21<sup>st</sup> April, 2023  
UDIN: F005854E000136160  
PR Code :795

**KALYANI SRINIVASAN**  
FCS No. 5854  
CP No. 6047

# Annexure-C 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:

| Sl. 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,<br>Non-Executive - Independent Director   | 1                                       | 1   |
| 2       | Mr. M. R. Sivaraman           | Member,<br>Non-Executive - Independent Director     | 1                                       | 1   |
| 3       | Mrs. R. Rajalakshmi           | Member,<br>Non-Executive - Independent Director     | 1                                       | 1   |
| 4       | Mr. R. Karthikeyan*           | Member,<br>Non-Executive – Non-Independent Director | 1                                       | 1   |
| 5       | Mr. Afzal Harunbhai Malkani** | Member,<br>Non-Executive – Non-Independent Director | -                                       | -   |

\*Mr. R. Karthikeyan, had resigned on 24<sup>th</sup> March, 2023.

\*\* Mr. Afzal Harunbhai Malkani, was appointed as committee member on 21<sup>st</sup> 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.

| Sl. 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)     | 2022 - 2023    | Nil  | Nil   |

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

| Sl. No.                          | For the Financial Year | Annual Net Profit (₹ in Lakhs) |
|----------------------------------|------------------------|--------------------------------|
| (i)                              | 2021-2022              | 7,133.95                       |
| (ii)                             | 2020-2021              | 2,096.12                       |
| (iii)                            | 2019-2020              | 1,980.23                       |
| <b>Total</b>                     |                        | <b>11,210.30</b>               |
| <b>Average Annual Net Profit</b> |                        | <b>3,736.77</b>                |

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

2% of Average Net Profit works out to ₹ 74.74 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): ₹ 74.74 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 ₹ 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 |
| 79.07   |   | Nil              |   |        | Nil              |

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

| Sl. 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 ₹ lakhs) | 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 2022 - 2023 |                     |  |                     |                         |          |                  |   |  |  |  |                         |

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

| Sl. 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                                       | Namme School Foundation of TN Govt                             |                         |
|         |   |  |                     |                         |                     | 30.00                                     | No                                       | Higher Education Support - Anandham Foundation                 | CSR 00011123            |
|         |   |  |                     |                         |                     | 15.00                                     | Yes                                      | Sri Vidhya Kala Kendram - Education Infrastructure             | N.A                     |
| 2       | Promotion of Health                           | Promoting health care - permanent structure                  | Yes                 | Tamilnadu               | Cuddalore           | 0.15                                      | Yes                                      | Health Awareness Campaign of Government                        | N.A                     |
|         |   |  |                     |                         |                     | 0.21                                      | Yes                                      | Cot & Bed for Kannarapet Health Centre                         | N.A                     |
|         |   |  |                     |                         |                     | 0.50                                      | Yes                                      | Medine support to cancer affected children (Shine Home)        | CSR 00037889            |
|         |   |  |                     |                         |                     | 2.00                                      | Yes                                      | Support to LEEF Dialysis Centre, Pondicherry for poor patients | N.A                     |

| Sl. 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 |
| 3            | Social Empowerment & Infrastructure               | Social Empowerment   | Yes                 | Tamilnadu               | Cuddalore | 10.00                                     | No                                       | Sponsorship for Chess Olympiad                       | N.A                     |
|              |   |  |                     |                         |           | 0.25                                      | No                                       | District Administration - Kodai Vizha                | N.A                     |
|              |   |  |                     |                         |           | 1.00                                      | Yes                                      | For Disabled Children Society - Spastic Society      | N.A                     |
|              |   |  |                     |                         |           | 1.20                                      | Yes                                      | Tanjore Painting Training Programme                  | N.A                     |
|              |   |  |                     |                         |           | 0.56                                      | Yes                                      | Others   | N.A                     |
| 4            | Environmental sustainability & ecological balance | Environment  | Yes                 | Tamilnadu               | Cuddalore | 10.00                                     | No                                       | Desilting of Pond through District Collectorate      | N.A                     |
|              |   |  |                     |                         |           | 3.20                                      | No                                       | Meendum Manjappai through District Administration    | N.A                     |
| <b>Total</b> |   |  |                     |                         |           | <b>79.07</b>                              |  |  |                         |

(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): ₹ 79.07 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)                                    | 74.74               |
| (ii)    | Total amount spent for the Financial Year   | 79.07               |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 4.33                |
| (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)]                                   | 4.33                |

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

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in ₹ lakhs) | Amount spent in the reporting Financial Year (in ₹ lakhs) | 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 ₹ lakhs) |
|---------|--------------------------|---|---|---|---------------------|------------------|---|
|         |                          |   |   | Name of the Fund  | Amount (in ₹ lakhs) | Date of transfer |   |
| NA      |                          |   |   |   |                     |                  |   |

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

| Sl. No.  | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹ lakhs) | Amount spent on the project in the reporting Financial Year (in ₹ lakhs) | Cumulative amount spent at the end of reporting Financial Year (in ₹ lakhs) | Status of the Project Completed / Ongoing |
|--|------------|---------------------|---|------------------|---|--|---|---|
| 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 80G Registration No.  
Address of the Trust
- 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 2022 - 23.

**Mr. M.R.Sivaraman**  
Member – CSR Committee  
DIN - 00020075

**(V.T.Moorthy)**  
Chairman – CSR Committee  
DIN – 00007648

**Place:** Cuddalore  
**Date:** 17<sup>th</sup> July, 2023



# Annexure-D to Board's Report

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

TANFAC INDUSTRIES LIMITED

### SECTION A: GENERAL DISCLOSURE

#### I. Details of the Listed Entity

| Sr. No. | 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, 1st Floor, 66 Sir C P Ramaswamy Road, Alwarpet, Chennai-600018, Tamil Nadu, India |
| 6       | E-mail  | <a href="mailto:tanfac.invreln@anupamrasayan.com">tanfac.invreln@anupamrasayan.com</a>           |
| 7       | Telephone   | +91-4142-239001-05   |
| 8       | Website   | <a href="http://www.tanfac.com">www.tanfac.com</a>   |
| 9       | Financial year for which reporting is being done      | 2022-23  |
| 10      | Name of the Stock Exchange(s) where shares are listed | BSE Limited  |
| 11      | Paid-up Capital                                       | ₹ 9.975 Crores   |
| 12      | Contact Person  |  |
|         | Name of the Person                                    | Mr. P. Kirubakaran   |
|         | Telephone   | Tel: +91-4142-239005   |
|         | Email address   | <a href="mailto:tanfac.invreln@anupamrasayan.com">tanfac.invreln@anupamrasayan.com</a>           |
| 13      | Reporting Boundary                                    |  |
|         | Type of Reporting- Select from the Drop-Down List     | Standalone basis   |

#### II. Product/Services

##### 14. Details of business activities

| Sr. No. | Description of Main Activity | Description of Business Activity  | % Turnover of the Entity |
|---------|------------------------------|---|--------------------------|
| 1       | Chemical Manufacturing       | Manufacturing of HF, Sulphuric Acid, Aluminium Fluoride, Speciality Fluorides & Chemicals | 100%                     |

##### 15. Products/Services sold by the entity

| Sr. No. | Product/Service | NIC Code | % of Total Turnover contributed |
|---------|-----------------|----------|---------------------------------|
| 1       | Chemical Sector | 20119    | 100%                            |

#### III. Operations

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

| Locations     | Number of plants | No. of offices | Total |
|---------------|------------------|----------------|-------|
| National      | 1                | 1              | 2     |
| International | Nil              | Nil            | Nil   |

## 17. Market served by the entity

|   | Locations  | Number |
|---|--|--------|
| a. No. of Locations   | National (No. of States)   | 18     |
|   | International (No. of Countries)   | 4      |
| b. What is the contribution of exports as a percentage of the total turnover of the entity? |  | 5.03%  |
| c. A brief on type 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

## 18. Details as at the end of Financial Year

| Sr. No | Particulars   | Total (A) | Male    |         | Female  |         |
|--------|---|-----------|---------|---------|---------|---------|
|        |   |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| a.     | Employees and workers (including differently abled) |           |         |         |         |         |
|        | <b>Employees</b>                                    |           |         |         |         |         |
| 1      | Permanent Employees (A)                             | 123       | 120     | 97.56%  | 3       | 2.44%   |
| 2      | Other than Permanent Employees (B)*                 | 0         | 0       | 0.00%   | 0       | 0.00%   |
| 3      | Total Employees (A+B)                               | 123       | 120     | 97.56%  | 3       | 2.44%   |
|        | <b>Workers</b>                                      |           |         |         |         |         |
| 4      | Permanent (C)                                       | 9         | 9       | 100%    | 0       | 0.00%   |
| 5      | Other than Permanent (D)*                           | 356       | 340     | 95.51%  | 16      | 4.49%   |
| 6      | Total Workers (C+D)                                 | 365       | 349     | 95.62%  | 16      | 4.38%   |
| b.     | Differently abled employees and workers             |           |         |         |         |         |
|        | <b>Employees</b>                                    |           |         |         |         |         |
| 7      | Permanent Employees (E)                             | Nil       | Nil     | Nil     | Nil     | Nil     |
| 8      | Other than Permanent Employees (F)                  | Nil       | Nil     | Nil     | Nil     | Nil     |
| 9      | Total Employees (E+F)                               | Nil       | Nil     | Nil     | Nil     | Nil     |
|        | <b>Workers</b>                                      |           |         |         |         |         |
| 10     | Permanent (G)                                       | Nil       | Nil     | Nil     | Nil     | Nil     |
| 11     | Other than Permanent (H)                            | Nil       | Nil     | Nil     | Nil     | Nil     |
| 12     | Total Differently Abled Employees (G+H)             | Nil       | Nil     | Nil     | Nil     | Nil     |

## 19. Participation/Inclusion/Representation of women

| Sr. No. | Category                 | Total (A) | No. and % of females |         |
|---------|--------------------------|-----------|----------------------|---------|
|         |                          |           | No. (B)              | % (B/A) |
| 1.      | Board of Directors       | 8         | 2                    | 25%     |
| 2.      | Key Management Personnel | 3         | 0                    | 0%      |

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

| Category            | FY 2022-2023<br>(Turnover rate in current FY) |        |       | FY 2021-22<br>(Turnover rate in previous FY) |        |       | FY 2020-21<br>(Turnover rate in the year prior to previous FY) |        |       |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
|                     | Male  | Female | Total | Male   | Female | Total | Male   | Female | Total |
| Permanent Employees | 4.13%   | 0%     | 4.13% | 2.5%   | 0.83%  | 3.33% | 3.36%  | 0%     | 3.36% |
| Permanent Workers   | 9.52%   | 0%     | 9.52% | 7.14%  | 0%     | 7.14% | 0%   | 0%     | 0%    |

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

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

| Sr. No. | 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

22.

|   |                    |
|---|--------------------|
| a. Whether CSR is applicable as per section 135 of Companies Act, 2013: | Yes                |
| Turnover (in ₹) (for FY 2022-23)  | ₹ 3,70,52,11,650/- |
| Net worth (in ₹) (as on March 31, 2023)                                 | ₹ 1,84,27,45,844/- |

## VII. Transparency and Disclosures Compliances

23. 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 Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)  | FY 2022-23<br>Current Financial Year |   |           | FY 2021-22<br>Previous Financial Year |   |         |
|---|---|--------------------------------------|---|-----------|---------------------------------------|---|---------|
|   |   | Number of complaints                 |   | Remarks   | Number of complaints                  |   |         |
|   |   | filed during the year                | pending resolution at close of the year |           | filed during the year                 | pending resolution at close of the year | Remarks |
| Communities                                       | The Company has a Whistle blower mechanism policy in place along with Grievance Redressal Mechanism for Stakeholders which is available on 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                             |   | 2                                    | Nil                                     | JMC Union | Nil                                   | Nil                                     | NA      |
| Customers   |   | Nil                                  | Nil                                     | NA        | Nil                                   | Nil                                     | NA      |
| Value Chain Partners                              |   | Nil                                  | Nil                                     | NA        | Nil                                   | Nil                                     | NA      |

## 24. Overview of the entity's material responsible business conduct issues:

| 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 in the process of conducting a materiality assessment to enhance our understanding of sustainability and corporate responsibility. |                                      |  |  |  |

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

| Disclosure Questions  | P1  | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and Management Processes</b>  |   |     |     |     |     |     |     |     |     |
| 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 are in the process of updating our website with such 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:<br>1. ISO 9001:2015 – Quality Management System<br>2. ISO 14001:2015 – Environment Management System<br>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 2023-24 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****Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:**

|   |   |
|---|---|
| 7 | The strong presence of our sustainable culture across all aspects of our Company operations is truly encouraging. Our commitment to sustainability is evident, and we are determined to continue advancing our ESG (Environmental, Social, and Governance) efforts, aspiring to become a benchmark for sustainability and responsible business practices in the industry by 2030. To make this a reality, we have established a robust governance structure, placing sustainability at the forefront of our business priorities. Our comprehensive ESG roadmap aligns with the UN Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI) framework. Notably, over the past year, we have made significant strides in achieving our sustainability objectives. |
| 8 | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (i.es)<br>1. Mr. K. Sendhil Naathan<br><b>Managing Director</b><br>2. Mr. N. R. Ravichandran<br><b>Chief Financial Officer</b>  |
| 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.<br>No, currently we do not have sustainability committee in place.   |

## 10. Details of Review of NGRBCs by the Company

|   | P1   | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| 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. |     |     |     |     |     |     |     |     |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 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  |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | HY   | HY  | HY  | HY  | HY  | HY  | HY  | HY  | HY  |

## 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's policies are evaluated internally from time-to time and updated as and when required. |    |    |    |    |    |    |    |    |

## 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 |
|---|----|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No)   | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 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 |
| 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 |
| It is planned to be done in the next financial year (Yes/No)  | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Any other reason (please specify)   | NA | NA | NA | NA | NA | NA | NA | NA | NA |

## 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 Company's commitment to ethical business practices is demonstrated by the operations that are based on integrity, transparency, and accountability. These operations can improve stakeholder relationships, boost customer loyalty, and give the Company a competitive edge in the marketplace. In addition, moral conduct promotes social trust, an ideal business climate, and long-term economic growth.

**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<br>Workers | 40   | 1. Code of Conduct<br>2. Human Rights<br>3. Anti-discrimination<br>4. Anti-harassment<br>5. POSH<br>6. Safety and Health Policy<br>7. Induction Training for new employees | 31%  |

**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 ₹) | Brief of the case   | Has an appeal been preferred? (Yes/No) |
|-----------------|-----------------|---|---------------|---|--|
| Penalty/Fine    | Principle 3     | The Chief Judicial Magistrate Court, Cuddalore                    | 1,00,000/-    | The Deputy Director of Industrial Safety and Health filed case against Occupier/Management Case NO.267/2021 related to Contract employee. | No                                     |
| 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 are no such instances where Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

**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 an anti-corruption or anti-bribery policy in place, and which is a part of their Business Code of Conduct and its applicability extends over to all stakeholders of the Company. The policy demonstrating the company's commitment to maintaining high ethical standards and ensuring fair business practices.

The policy available 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 2022-23 (Current Financial Year) | FY 2021-22 (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 2022-23 (Current Financial Year) |         | FY 2021-22 (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 2022-23, there were no such reported cases on the Company.

### 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 | Percentage of persons in value chain covered by the awareness programmes |
|--|---|--|
|  | Not Available*  |  |

\*The Company will develop the plan in coming year.

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 discloses the process to avoid/manage conflict of interests. While they are not necessarily prohibited from engaging in personal transactions or investments, they should exercise caution to ensure that their personal interests do not compromise their ability to act in the best interests of the organization or the public.

The code which is available on Company's intranet guides the practices of senior management and board of directors with regards to conflict with the Company's interest in aspects of:

- Employment/outside employment
- Business Interests
- Related Parties (Disclosure standards, applicable laws, use of Company's assets and resources, confidentiality & fair dealings)
- Acceptance of gifts & payments

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



The Company has developed a sustainability policy that recognizes current issues like climate change and aims to use mitigating measures for a sustainable future for future generations. By implementing safe and resource-saving technologies in its operations and those of its suppliers, the Company works to promote a healthy environment and a secure society. The Company seeks to implement eco-friendly production and consumption methods that are essential for raising living standards and protecting the planet's natural resources.

**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.

| Type                         | FY 2022-23<br>(Current<br>Financial Year) * | FY 2021-22<br>(Previous<br>Financial Year) | Details of improvement in social<br>and environmental aspects |
|------------------------------|---|--|---|
| Research & Development (R&D) | 12.69%                                      | 20.29%                                     | Environment friendly and energy conservation projects.        |
| Capital Expenditure (CAPEX)  | 87.31%                                      | 79.71%                                     |   |

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

No. Although we are dedicated to progress, and in the coming year, the Company will be developing its Sustainable Procurement Policy, reaffirming our commitment 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 provides customized chemicals to our customers, tailored to their specific needs. We place a strong emphasis on responsible end-of-life practices and encourage our customers to follow industry best practices for 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.

Extended Producer Responsibility (EPR) is applicable to the Company's 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 |
|----------|--------------------------|---------------------------------|---|---|--|
| 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 |
|-----|---------------------|-------------------------|--------------|
| 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 2022-23 (Current Financial Year)                  | FY 2021-22 (Previous Financial Year) |
| Lime sludge             | 0.39%  | 0.43%                                |
| Sulphur sludge          | 0.04%  | 0.03%                                |

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 2022-23 (Current FY) |          |                 | FY 2021-22 (Previous FY) |          |                 |
|--------------------------------|-------------------------|----------|-----------------|--------------------------|----------|-----------------|
|                                | 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

Fostering fairness and respect for employees and workers throughout the Company and its value chains is a fundamental element of responsible and sustainable business conduct. Prioritizing the protection of the workforce's health and safety reflects a strong dedication to their welfare and emphasizes the significance of providing a secure working environment. Introducing policies, procedures, and systems that empower employees is a proactive approach to ensuring equal opportunities, equitable working conditions, fair compensation, and career growth. Through transparent and inclusive practices, the Company cultivates a sense of trust, motivation, and loyalty among its workforces.



### 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)   |
| <b>Permanent Employees</b>            |                           |                  |             |                    |             |                    |             |                    |             |                     |           |
| Male                                  | 120                       | 120              | 100%        | 120                | 100%        | 0                  | 0%          | 120                | 100%        | NA                  | NA        |
| Female                                | 3                         | 3                | 100%        | 3                  | 100%        | 3                  | 100%        | 0                  | 0%          | NA                  | NA        |
| <b>Total</b>                          | <b>123</b>                | <b>123</b>       | <b>100%</b> | <b>123</b>         | <b>100%</b> | <b>3</b>           | <b>100%</b> | <b>120</b>         | <b>100%</b> | <b>NA</b>           | <b>NA</b> |
| <b>Other than Permanent Employees</b> |                           |                  |             |                    |             |                    |             |                    |             |                     |           |
| Male                                  | 0                         | 0                | 0%          | 0                  | 0%          | 0                  | 0%          | 0                  | 0%          | NA                  | NA        |
| Female                                | 0                         | 0                | 0%          | 0                  | 0%          | 0                  | 0%          | 0                  | 0%          | NA                  | NA        |
| <b>Total</b>                          | <b>0</b>                  | <b>0</b>         | <b>0%</b>   | <b>0</b>           | <b>0%</b>   | <b>0</b>           | <b>0%</b>   | <b>0</b>           | <b>0%</b>   | <b>NA</b>           | <b>NA</b> |

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

| Category                            | % of employees covered by |                  |             |                    |             |                    |             |                    |             |                     |            |
|-------------------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|---------------------|------------|
|                                     | Total<br>(A)              | Health Insurance |             | Accident Insurance |             | Maternity Benefits |             | Paternity Benefits |             | Day Care Facilities |            |
|                                     |                           | No.<br>(B)       | %<br>(B/A)  | No.<br>(C)         | %<br>(C/A)  | No.<br>(D)         | %<br>(D/A)  | No.<br>(E)         | %<br>(E/A)  | No.<br>(F)          | %<br>(F/A) |
| <b>Permanent Workers</b>            |                           |                  |             |                    |             |                    |             |                    |             |                     |            |
| Male                                | 9                         | 9                | 100%        | 9                  | 100%        | 0                  | 0%          | 9                  | 100%        | NA                  | NA         |
| Female                              | 0                         | 0                | 0%          | 0                  | 0%          | 0                  | 0%          | 0                  | 0%          | NA                  | NA         |
| <b>Total</b>                        | <b>9</b>                  | <b>9</b>         | <b>100%</b> | <b>9</b>           | <b>100%</b> | <b>0</b>           | <b>0%</b>   | <b>9</b>           | <b>100%</b> | <b>NA</b>           | <b>NA</b>  |
| <b>Other than Permanent Workers</b> |                           |                  |             |                    |             |                    |             |                    |             |                     |            |
| Male                                | 340                       | 0                | 0%          | 340                | 100%        | 0                  | 0%          | 0                  | 0%          | NA                  | NA         |
| Female                              | 16                        | 0                | 0%          | 16                 | 100%        | 16                 | 100%        | 0                  | 0%          | NA                  | NA         |
| <b>Total</b>                        | <b>356</b>                | <b>0</b>         | <b>0%</b>   | <b>356</b>         | <b>100%</b> | <b>16</b>          | <b>100%</b> | <b>0</b>           | <b>0%</b>   | <b>NA</b>           | <b>NA</b>  |

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

| Sr. No | Benefits | FY 2022-23 (Current 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.) |
| 1.     | PF       | 100%   | 100%  | Y  | 100%   | 100%  | Y  |
| 2.     | Gratuity | 100%   | 100%  | Y  | 100%   | 100%  | Y  |
| 3.     | ESI      | 0.8%   | 0%  | Y  | 5%   | 0%  | Y  |

## 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 compliance with the Rights of Persons with Disabilities Act, 2016, the Company have made their premises accessible to differently-abled employees and workers. Through the support the Company ensures that every individual feel valued and included, regardless 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 an established policy in line with the Rights of Persons with Disabilities Act 2016 and its associated Rules. This policy is accessible to all employees through the Company's local intranet. By having such a policy in place and ensuring its availability to all, the Company demonstrates its commitment to promoting inclusivity and accommodating 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             |
| <b>Total</b> | <b>NA</b>           | <b>NA</b>      | <b>NA</b>           | <b>NA</b>      |

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 an established grievance mechanism in which anyone from the workforce can address their concerns to the respective department following the defined process. If anyone is dissatisfied with the resolution, allowing all employees, including workers, to directly approach their reporting manager or even the managing director to discuss any grievances they may have related to any matter within the organization. |
| 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 2022-23 (Current FY)                             |   |         | FY 2021-22 (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) |
| <b>Permanent Employees</b> |   |   |         |   |   |        |
| Male                       | Nil   | Nil   | Nil     | Nil   | Nil   | Nil    |
| Female                     | Nil   | Nil   | Nil     | Nil   | Nil   | Nil    |
| Total                      | Nil   | Nil   | Nil     | Nil   | Nil   | Nil    |
| <b>Permanent Workers</b>   |   |   |         |   |   |        |
| Male                       | 9   | 9   | 100%    | 12  | 12  | 100%   |
| Female                     | Nil   | Nil   | Nil     | Nil   | Nil   | Nil    |
| Total                      | 9   | 9   | 100%    | 12  | 12  | 100%   |

The Company's workers are the part of Tanfac Employees Union (Affiliated to CITU)

8. Details of training given to employees and workers:

| Category         | FY 2022-23 (Current FY) |                               |         |                      |         | FY 2021-22 (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. (E)                       | % (E/A) | No. (F)              | % (F/A) |
| <b>Employees</b> |                         |                               |         |                      |         |                          |                               |         |                      |         |
| Male             | 120                     | 98                            | 81.67%  | 88                   | 73.33%  | 122                      | 60                            | 49.18%  | 80                   | 65.57%  |
| Female           | 3                       | 3                             | 100%    | 3                    | 100%    | 3                        | 3                             | 100%    | 3                    | 100%    |
| Total            | 123                     | 101                           | 82.11%  | 91                   | 73.98%  | 125                      | 63                            | 50.40%  | 83                   | 66.40%  |
| <b>Workers</b>   |                         |                               |         |                      |         |                          |                               |         |                      |         |
| Male             | 9                       | 4                             | 44.44%  | 8                    | 88.88%  | 12                       | 4                             | 33.33%  | 9                    | 75%     |
| Female           | 0                       | 0                             | 0%      | 0                    | 0%      | 0                        | 0                             | 0%      | 0                    | 0%      |
| Total            | 9                       | 4                             | 44.44%  | 8                    | 88.88%  | 12                       | 4                             | 33.33%  | 9                    | 75%     |

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

| Category         | FY 2022-23 (Current FY) |            |             | FY 2021-22 (Previous FY) |            |             |
|------------------|-------------------------|------------|-------------|--------------------------|------------|-------------|
|                  | Total (A)               | No. (B)    | % (B/A)     | Total (C)                | No. (D)    | % (D/C)     |
| <b>Employees</b> |                         |            |             |                          |            |             |
| Male             | 120                     | 120        | 100%        | 122                      | 122        | 100%        |
| Female           | 3                       | 3          | 100%        | 3                        | 3          | 100%        |
| <b>Total</b>     | <b>123</b>              | <b>123</b> | <b>100%</b> | <b>125</b>               | <b>125</b> | <b>100%</b> |
| <b>Workers</b>   |                         |            |             |                          |            |             |
| Male             | 9                       | 9          | 100%        | 12                       | 12         | 100%        |
| Female           | 0                       | 0          | 0%          | 0                        | 0          | 0%          |
| <b>Total</b>     | <b>9</b>                | <b>9</b>   | <b>100%</b> | <b>12</b>                | <b>12</b>  | <b>100%</b> |

## 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, what is the coverage of such system? | Yes, the health & safety management system is applicable across all sites as they are ISO 45001:2018 certified.  |
| 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 put in place comprehensive Hazard identification and Hazard assessment methodologies. These methodologies are designed to identify work-related hazards, covering both routine and non-routine activities.</p> <ul style="list-style-type: none"> <li>For process-related hazards, the Company utilizes Hazard Operability (HAZOP) to ensure thorough identification and assessment.</li> <li>Routine and non-routine activities are addressed through the implementation of Hazard Identification and Risk assessment (HIRA) procedures.</li> <li>Additionally, the Company conducts Health Risk Assessment (HRA) to identify and evaluate exposure-related activities.</li> </ul> |
| 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 and have provisions of training with respect to accident reporting which includes reporting 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 2022-23 (Current FY) | FY 2021-22 (Previous FY) |
|--|-----------|-------------------------|--------------------------|
| Lost Time Injury Frequency Rate (LTIFR)<br>(per one million-person hours worked) | Employees | 0                       | 0                        |
|  | Workers   | 0                       | 2.2                      |
| Total recordable work-related injuries   | Employees | 0                       | 0                        |
|  | Workers   | 0                       | 2                        |
| 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 Hazard identification and Hazard assessment methodologies to identify work-related hazards, encompassing both routine and non-routine activities. To ensure a thorough evaluation, specific assessment methods have been deployed for different types of hazards:

1. Hazard and Operability (HAZOP) is employed for process-related hazards.
2. Hazard Identification and Risk assessment (HIRA) is utilized for routine and non-routine activities.
3. Health Risk Assessment (HRA) is implemented to identify and address exposure-related activities.

In addition to these methodologies, the Company conducts regular site reviews, inspections, and audits to assess safety preparedness and identify areas for improvement. Recognizing the significance of continuous training, the Company provides regular occupational health and safety training to its employees. This training ensures that employees remain aware of potential risks, safety protocols, and best practices, enhancing their preparedness to handle various workplace situations.

During this year, the Company has undertaken internal and external audits to conduct systematic and comprehensive evaluations of its occupational health and safety practices, policies, and procedures. The Company has prioritized employee training in occupational health and safety, providing regular sessions that amounted to an average of 10.52 hours per employee.

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

| Topic              | FY 2022-23 (Current FY) |                                       |         | FY 2021-22 (Previous FY) |                                       |         |
|--------------------|-------------------------|---------------------------------------|---------|--------------------------|---------------------------------------|---------|
|                    | 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 & safety practices and working conditions didn't highlight any major concern in this financial year. However, the Company is dynamically working towards Hazard Identification and Risk assessment (HIRA) for routine and non-routine activities and 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):

- a. Employees (Yes/No): Yes
- b. 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 necessary systems, such as General Conditions and Contracts, which require contractors and vendors to deduct and deposit statutory dues. This ensures compliance with regulatory requirements. Additionally, the Company conducts periodic reviews of its vendors to ensure that the dues, particularly related to GST (Goods and Services Tax), PF (Provident Fund), and ESIC (Employee's State Insurance Corporation), have been duly deducted and deposited in accordance with applicable norms.

By adopting these measures, the Company demonstrates its 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 2022-23                      | Previous FY 2021-22 | Current FY 2022-23  | Previous FY 2021-22 |
| 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 | Not available*  |
| Working Conditions          |   |

\*The Company is actively developing a plan of undertaking the process of assessment of the value chain partners

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

In the Company, we understand the significance of our stakeholders and their interests, particularly those who are vulnerable or marginalized. We place a high priority on actively engaging with our stakeholders and truly value their feedback. To ensure this, we have established comprehensive policies and processes. Our primary objective is to generate a positive impact and maximize value for all our stakeholders, encompassing our activities, products, processes, and decision-making. By fostering collaborative relationships with our stakeholders, we strive to contribute to the betterment of society while also enhancing our business endeavours.



#### Essential Indicators

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

The individuals or groups who are affected, either directly or indirectly, by the operations and activities of the business and with whom we engage regularly for purposes such as reporting, relationship building, and business interactions are considered the key stakeholders.

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

| <b>Stakeholder Group</b>          | <b>Whether identified as a Vulnerable &amp; Marginalized Group (Yes/No)</b> | <b>Channels of communication</b><br>(Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other   | <b>Frequency of engagement</b><br>(Annually/Half yearly/ Quarterly/others – please specify) | <b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>   |
|-----------------------------------|---|---|---|--|
| Customers                         | No  | 1. Customer feedback,<br>2. Customer satisfaction survey,<br>3. Phone calls, emails and Meetings,<br>4. Signed contracts,<br>5. Exhibitions, Events<br>6. Customer visits & audits<br>7. Websites   | As and When Required  | 1. Timely Delivery,<br>2. Quality<br>3. Pricing<br>4. post-sales support,<br>5. Product Related certification,<br>6. EHS Management systems  |
| Employees                         | No  | 1. Emails and Meetings,<br>2. Employee satisfaction surveys,<br>3. Training programs,<br>4. performance appraisal reviews,<br>5. Grievance Redressal Mechanisms   | As and When Required  | 1. Fair wages and rewards,<br>2. Work life Balance,<br>3. Training & Skill development,<br>4. Career Growth,<br>5. Occupational Health and safety,<br>6. Job Security,<br>7. Transparent Communication |
| Suppliers                         | No  | 1. Emails and Meetings,<br>2. Vendor Assessment,<br>3. Signed Contracts   | As and When Required  | 1. Timely Payment,<br>2. Continuity of orders,<br>3. Capacity Building,<br>4. Transparency   |
| Communities                       | No  | 1. Training & Workshops,<br>2. Regular meetings,<br>3. Need assessment & Satisfaction surveys,<br>4. CSR reports  | As and When Required  | 1. Local Employment,<br>2. Environmental pollution control,<br>3. Infrastructure development,<br>4. Training & livelihood programs,<br>5. Participation in social services                             |
| Investors & Shareholders          | No  | 1. Shareholders Meetings,<br>2. Publishing requisite notices/press releases/ other communications through Newspapers Advertisements/e-mails/websites,<br>3. Annual Reports,<br>4. Company's Website/ dissemination of requisite information on website of stock exchanges and depositories,<br>5. Investor interactions/Calls | As and When Required  | 1. Sustainable growth & returns,<br>2. Risk Management,<br>3. Corporate Governance,<br>4. Market Share,<br>5. Operational Performance  |
| Governments and Regulatory Bodies | No  | 1. Annual Reports,<br>2. Statutory filings,<br>3. Communication with regulatory bodies,<br>4. Formal Dialogues  | As and When Required  |  |

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

| 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 |
|-------------------|--|---|---|---|
| Media             | No   | 1. social media,<br>2. Press releases,<br>3. Interviews,<br>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 values the unique goals of its stakeholders and engages with them through various communication channels based on their relevance and preferences.

The Stakeholders Relationship Committee plays a vital role in facilitating constructive engagement and resolving any arising issues. Additionally, the committee is responsible for continuously reviewing the steps taken to enhance stakeholder engagement.

#### 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 used to support the identification and management of environmental and social topics. The business determines its stakeholders based on experiences, 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.

Every neighborhood close to our factories is seen as a crucial stakeholder. Because of the energy, water, and raw materials we use, as well as the emissions and waste streams we produce, we are aware of the immediate and indirect, socioeconomic and environmental effects it has on the communities. We have always seen our dedication to Corporate Social Responsibility as a chance to maximize good benefits and minimize negative ones. For instance, we are dedicated to empowering and supporting vulnerable and marginalized groups through education and skill development programs. The Company also strives to enhance its relationship with the local community by organizing various events such as community drives, women's day celebrations, cricket tournaments, and road safety campaigns, among others. These initiatives demonstrate the Company's strong commitment to social responsibility and building a better future for all.

### PRINCIPLE 5: Businesses should respect and promote human rights



The Company is actively promoting a work environment free from harassment and discrimination and promotes a healthy and inclusive workplace. The dedication shown in developing strong policies and systems to guarantee the welfare and empowerment of the workforce is evident. It is further emphasized the significance of treating every stakeholder with respect and fairness by conducting training and awareness programs that cover topics like dignity, well-being, and human rights.

### 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:

| Category             | FY 2022-23 (Current FY) |                                       |               | FY 2021-22 (Previous FY) |                                       |           |
|----------------------|-------------------------|---------------------------------------|---------------|--------------------------|---------------------------------------|-----------|
|                      | Total (A)               | No. of employees/ workers covered (B) | % (B/A)       | Total (C)                | No. of employees/ workers covered (D) | % (D/C)   |
| <b>Employees</b>     |                         |                                       |               |                          |                                       |           |
| Permanent            | 123                     | 99                                    | 80.48%        | 125                      | 0                                     | 0%        |
| Other than permanent | 0                       | 0                                     | 0%            | 0                        | 0                                     | 0%        |
| <b>Total</b>         | <b>123</b>              | <b>99</b>                             | <b>80.48%</b> | <b>125</b>               | <b>0</b>                              | <b>0%</b> |



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

| Category             | FY 2022-23 (Current FY) |           |               | FY 2021-22 (Previous FY) |          |           |
|----------------------|-------------------------|-----------|---------------|--------------------------|----------|-----------|
|                      | Total (A)               | No. (B)   | % (B/A)       | Total (C)                | No. (D)  | % (D/C)   |
| Workers              |                         |           |               |                          |          |           |
| Permanent            | 9                       | 9         | 100%          | 12                       | 0        | 0%        |
| Other than permanent | 356                     | 40        | 11.23%        | 358                      | 0        | 0%        |
| <b>Total</b>         | <b>365</b>              | <b>49</b> | <b>13.42%</b> | <b>370</b>               | <b>0</b> | <b>0%</b> |

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

| Category             | FY 2022-23 (Current FY) |                       |         |                        |         | FY 2021-22 (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                 | 120                     | NA                    | NA      | 120                    | 100%    | 122                      | NA                    | NA      | 122                    | 100%    |
| Female               | 3                       | NA                    | NA      | 3                      | 100%    | 3                        | NA                    | NA      | 3                      | 100%    |
| Other than Permanent |                         |                       |         |                        |         |                          |                       |         |                        |         |
| Male                 | 0                       | NA                    | NA      | NA                     | NA      | 0                        | NA                    | NA      | NA                     | NA      |
| Female               | 0                       | NA                    | NA      | NA                     | NA      | 0                        | NA                    | NA      | NA                     | NA      |
| Workers              |                         |                       |         |                        |         |                          |                       |         |                        |         |
| Permanent            |                         |                       |         |                        |         |                          |                       |         |                        |         |
| Male                 | 9                       | NA                    | NA      | 9                      | 100%    | 12                       | NA                    | NA      | 12                     | 100%    |
| Female               | 0                       | NA                    | NA      | NA                     | NA      | 0                        | NA                    | NA      | NA                     | NA      |
| Other than Permanent |                         |                       |         |                        |         |                          |                       |         |                        |         |
| Male                 | 340                     | 91                    | 27%     | 249                    | 73%     | 342                      | 91                    | 27%     | 251                    | 73%     |
| Female               | 16                      | 16                    | 100%    | 0                      | 0       | 16                       | 16                    | 100%    | 0                      | 0       |

3. Details of remuneration/salary/wages, in the following format:

| 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                    | 3      | 93.70   | 0      | NA  |
| Employees other than BOD and KMP            | 117    | 6.44  | 3      | 7.83  |
| Workers                                     | 9      | 6.94  | 0      | NA  |

**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 prioritizes the protection and promotion of fundamental human rights for all its employees and workers. The proactive approach of the HR department in addressing human rights impacts or issues arising from the Company's operations is highly valuable.

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

Yes, the Company has a structured approach to handling grievances related to human rights. Employees can submit such grievances to the human resource department, ensuring a designated channel for their concerns.

In the event that an employee is not satisfied with the resolution provided by the HR department, the Company's open-door policy allows them to escalate the matter directly to the managing director's office. Moreover, the Company ensures that the identity of the individual raising the concern is protected throughout the entire grievances handling process. This protection is facilitated by the Whistleblower Mechanism Policy, which safeguards the anonymity of the employee, fostering a safe environment for reporting sensitive issues.

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

|                                   | FY 2022-23 (Current FY) |                                       |         | FY 2021-22 (Previous FY) |                                       |         |
|-----------------------------------|-------------------------|---------------------------------------|---------|--------------------------|---------------------------------------|---------|
|                                   | 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      |
| 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. 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 include provisions to prevent adverse consequences for complainants in cases of discrimination and harassment. The policies emphasize maintaining confidentiality to the extent necessary to complete the investigation process. Adequate safeguards are also put in place to protect complainants from any form of victimization.

The Company takes a strong stance against any unfair treatment of a Whistle Blower due to their complaint. To minimize difficulties faced by the Whistle Blower when making a Protected Disclosure, the Company ensures appropriate safeguards are in place. Confidentiality is maintained to the extent possible and as permitted by law to protect the identity of the Whistle Blower.

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

Yes, the Company has a well-structured supplier code of conduct that covers human rights issues as a part of business agreement and contracts.

**9. 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     | -   |

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

There are no concerns found due to which there is requirement of any corrective action to be taken.

## Leadership Indicators

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

NA. The Company has not modified/introduced business processes as a result of Human Rights grievances/complaints.

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

The Company comprehensively undertakes internal Human Rights Due Diligence process on a quarterly basis. The procedure in place identifies, prevents and addresses actual or potential human rights impacts resulting from their activities or the activities of those with which they have relationships.

### 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 compliance with the Rights of Persons with Disabilities Act, 2016, the Company have made their premises accessible to differently-abled visitors. Through the support the Company ensures that every individual feel valued and included, regardless of their abilities.

### 4. Details on assessment of value chain partners:

The Company is actively developing a plan of undertaking the process of assessment of the value chain partners.

| Topic                       | % of value chain partners (by value of business done with such partners) that were assessed   |
|-----------------------------|---|
| Child labour                | The Company recognizes the importance of ensuring ethical working conditions and upholding human rights within its supply chain. To achieve this, the Company is currently in the process of developing a robust assessment framework targeting specific suppliers or subcontractors that may not adhere to accepted norms for working conditions and human rights. |
| Forced/involuntary labour   |   |
| Sexual harassment           |   |
| Discrimination at workplace |   |
| Wages                       | An active mitigation plan is being implemented by the Company through its updated Supplier Policy. This policy mandates that all suppliers and vendors comply with the Company's standards related to 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 Company, we are committed to advancing long-term sustainability and enhancing societal wellbeing. We support an exhaustive approach of resource management that supports the objectives of our Company. We are aware of how we affect the three pillars of profit, planet, and people. As a result, we have taken steps to implement our commitments and policies into actions that will have the least possible negative impact on the environment. We take seriously our obligation to increase environmental awareness through our business practices and connections with the local community. We commit ourselves to enhance our business more sustainable and environmentally friendly.

## Essential Indicators

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

| Parameter  | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|--|--|---|
| Total electricity consumption (A) (in GJ)  | 7296.24                                | 5418.39                                 |
| Total fuel consumption (B) (in GJ)   | 123009.07                              | 253305                                  |
| Energy consumption through other sources (E) (in GJ)   | 56118.24                               | 60761.88                                |
| Total energy consumption (A+B+C) (in GJ)   | 186423.55                              | 319485.27                               |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (in GJ per ₹) | 0.0000503                              | 0.0000987                               |

Note: 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 have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India. Hence, no targets have been set under the PAT scheme.

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

| Parameter  | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|--|--|---|
| <b>Water withdrawal by source (in kilolitres)</b>  |  |   |
| (i) Surface water  | 0                                      | 0                                       |
| (ii) Groundwater   | 0                                      | 0                                       |
| (iii) Third party water  | 4,82,641                               | 6,26,352                                |
| (iv) Seawater/desalinated water  | 0                                      | 0                                       |
| (v) Others (Rainwater storage)   | 0                                      | 0                                       |
| <b>Total volume of water withdrawal (in kilolitres) (I + ii + iii + iv + v)</b>                  | <b>4,82,641</b>                        | <b>6,26,352</b>                         |
| <b>Total volume of water consumption (in kilolitres)</b>   | <b>4,03,488</b>                        | <b>5,01,438</b>                         |
| <b>Water intensity per rupee of turnover (Water consumed/turnover)<br/>(kl per ₹ of revenue)</b> | <b>0.000109</b>                        | <b>0.000154</b>                         |

**Note:** Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

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

Yes, we are discharging treated effluent from Inorganic compounds through common discharge system as per the defined norms. We have ZLDS for Synthetic Organic Consent Product with Multiple Effect Evaporator system.

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

| Parameter                           | Please specify unit | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|-------------------------------------|---------------------|--|---|
| NOx                                 | mg/m <sup>3</sup>   | Within permissible limit               | Within permissible limit                |
| SOx                                 | mg/m <sup>3</sup>   | Within permissible limit               | Within permissible limit                |
| Particulate matter (PM)             | mg/m <sup>3</sup>   | Within permissible limit               | Within permissible limit                |
| Persistent organic pollutants (POP) | NA                  | NA                                     | NA                                      |
| Volatile organic compounds (VOC)    | NA                  | Within permissible limit               | Within permissible limit                |
| Hazardous air pollutants (HAP)      | mg/m <sup>3</sup>   | Within permissible limit               | Within permissible limit                |
| Others – please specify             | PPM                 | NA                                     | NA                                      |

**Note:** Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

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

| Parameter   | Please specify unit  | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|---|----------------------|--|---|
| Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | tCO <sub>2</sub> e   | 9633.58                                | 21962.73                                |
| Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | tCO <sub>2</sub> e   | 1641.66                                | 1219.13                                 |
| Total Scope 1 and Scope 2 Emissions per rupee of turnover   | tCO <sub>2</sub> e/₹ | 0.00000304                             | 0.00000716                              |

**Note:** Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

**7. 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:

- Recovery of Heat from Sulphuric acid plant -1 and produced hot water. This hot water replaced use of steam for HF distillation in HF plant. This resulted in CO2 Equivalent reduction of (12.5MT of Coal/day X 330 days X 44/12 X 45% of C/6.5) – 1,047 MT of CO2/yr. This is equivalent to planting mature trees of 47,596 trees/yr.
- Stopped Process boiler and avoided use of Coal. This resulted in CO2 Equivalent reduction of (12.5MT of Coal/day X 250 days X 44/12 X 45% of C) - 5,156 MT of CO2 in FY'23 & recurring – 6,806 MT of CO2/yr. This is equivalent to planting mature trees of 3,09,375 trees/yr.

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

| Parameter   | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|---|--|---|
| <b>Total Waste generated (in metric tonnes)</b>   |  |   |
| Plastic waste (A)   | 68.73                                  | 85.18                                   |
| E-waste (B)   | 8.37                                   | 0                                       |
| Bio-medical waste I   | 0.02                                   | 0.012                                   |
| Construction and demolition waste (D)   | Nil                                    | Nil                                     |
| Battery waste I   | 4.56                                   | 0                                       |
| Radioactive waste (F)   | Nil                                    | Nil                                     |
| Other Hazardous waste. Please specify, if any. (G)  | 1968.39                                | 1439.92                                 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 759.28                                 | 543.3                                   |
| <b>Total (A+B + C + D + E + F + G+ H)</b>   | <b>2809.35</b>                         | <b>2068.42</b>                          |

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

| Category of waste            |                 |                 |
|------------------------------|-----------------|-----------------|
| (i) Recycled water           | 23,400 KL       | 24,500 KL       |
| (ii) Re-used by product      | 0               | 0               |
| (iii) Steam Condensate reuse | 86,861          | 92,311          |
| (iv) Recycled                | 114             | 112             |
| (v) Coprocessing             | 1388            | 1349            |
| (vi) Non-Hazardous waste     | 44              | 100             |
| <b>Total</b>                 | <b>1,11,807</b> | <b>1,19,183</b> |

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

|                                 |            |            |
|---------------------------------|------------|------------|
| (i) Incineration                | Nil        | Nil        |
| (ii) Landfilling                | 186        | 158        |
| (iii) Other disposal operations | Nil        | Nil        |
| <b>Total</b>                    | <b>186</b> | <b>158</b> |

**Note:** Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

**9. 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 that prioritizes the environment, our primary objective is to manage waste at its source through segregation, allowing for effective management.

- We adhere to the 3R waste management principles - reduce, reuse, and recycle. Our Company has taken efforts to recycle the ETP Sludge partly in our process and continue to Co-process our ETP Sludge in the cement Industries resulting conservation of natural resources.
- We recycle our effluent and reuse it on-site, actively pursuing zero liquid discharge.

- We recycle our effluent and reuse it on-site, actively pursuing zero liquid discharge.
- We also recover waste heat and utilize it, thus minimizing energy requirements.
- We are enhancing the safety and hygiene of our premises by adopting the latest available technologies to handle hazardous and toxic chemicals.
- Additionally, we are increasing employee awareness regarding the proper handling and usage of these chemicals.

10. 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:

| Sr. 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   |

Our Company operates solely within designated industrial areas and does not have any offices located in or around ecologically sensitive regions, such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, or coastal regulation zones. As a result, we do not require any environmental approvals or clearances for our operations.

11. 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                |

NA. The Company has not undertaken any environmental impact assessments of projects based on applicable law in FY 2022-23.

12. 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                             |

We adhere to the relevant environmental laws, regulations, and guidelines in India, including the following

- 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. Provide break-up of the total energy consumed (in GJ or multiples) from renewable and non-renewable sources, in the following format:

| Parameter   | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|---|--|---|
| <b>From renewable sources (in GJ)</b>                                   |  |   |
| Total electricity consumption (A)                                       | Nil                                    | Nil                                     |
| Total fuel consumption (B)  | Nil                                    | Nil                                     |
| Energy consumption through other sources (C)                            | Nil                                    | Nil                                     |
| <b>Total energy consumed from renewable sources (A+B+C)</b>             | <b>Nil</b>                             | <b>Nil</b>                              |
| <b>From non-renewable sources (in GJ)</b>                               |  |   |
| Total electricity consumption (D)                                       | 7296.24                                | 5418.38                                 |
| Total fuel consumption (E)  | 123009.07                              | 253305                                  |
| Energy consumption through other sources (F)                            | 56118.24                               | 60761.88                                |
| <b>Total energy consumed from non-renewable sources (D+E+F) (in GJ)</b> | <b>186423.55</b>                       | <b>319485.26</b>                        |

Note: Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

2. Provide the following details related to water discharged:

| Parameter   | Unit      | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|---|-----------|--|---|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>  |           |  |   |
| (i) Into Surface water  | m3        | NA                                     | NA                                      |
| - No treatment  | m3        | NA                                     | NA                                      |
| - With treatment  | m3        | NA                                     | NA                                      |
| (ii) Into Groundwater   | m3        | NA                                     | NA                                      |
| - No treatment  | m3        | NA                                     | NA                                      |
| - With treatment  | m3        | NA                                     | NA                                      |
| (iii) Into Seawater   | m3        | NA                                     | NA                                      |
| - No treatment  | m3        | NA                                     | NA                                      |
| - With treatment  | m3        | NA                                     | NA                                      |
| (iv) Sent to third-parties  |           |  |   |
| - No treatment  | m3        | NA                                     | NA                                      |
| - With treatment – Collection, Neutralization, Clariflocculation and Filtration. Treated effluent meets the marine standards. | KL        | 79,153                                 | 1,24,914                                |
| (v) Others  | m3        | NA                                     | NA                                      |
| - No treatment  | m3        | NA                                     | NA                                      |
| - With treatment  | m3        | NA                                     | NA                                      |
| <b>Total water discharged (in kiloliters)</b>   | <b>KL</b> | <b>79,153</b>                          | <b>1,24,914</b>                         |

Note: Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

**3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

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

(i) Name of the area: NA

(ii) Nature of operations: NA

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter  | Unit                      | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|--|---------------------------|--|---|
| <b>Water withdrawal by source (in kiloliters)</b>                            |                           |  |   |
| (i) Surface water  | m <sup>3</sup>            | Nil                                    | Nil                                     |
| (ii) Groundwater   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| (iii) Third party water  | m <sup>3</sup>            | Nil                                    | Nil                                     |
| (iv) Seawater/desalinated water  | m <sup>3</sup>            | Nil                                    | Nil                                     |
| (v) Others   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| Total volume of water withdrawal (in kilolitres)                             | m <sup>3</sup>            | Nil                                    | Nil                                     |
| Total volume of water consumption (in kilolitres)                            | m <sup>3</sup>            | Nil                                    | Nil                                     |
| Water intensity per rupee of turnover (Water consumed/turnover)              | KL per crore ₹ of revenue | Nil                                    | Nil                                     |
| <b>Water discharge by destination and level of treatment (in kiloliters)</b> |                           |  |   |
| (i) Into Surface water   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - No treatment   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - With treatment – please specify level of treatment                         | m <sup>3</sup>            | Nil                                    | Nil                                     |
| (ii) Into Groundwater  | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - No treatment   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - With treatment – please specify level of treatment                         | m <sup>3</sup>            | Nil                                    | Nil                                     |
| (iii) Into Seawater  | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - No treatment   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - With treatment – please specify level of treatment                         | m <sup>3</sup>            | Nil                                    | Nil                                     |
| (iv) Sent to third-parties   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - No treatment   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - With treatment – please specify level of treatment                         | m <sup>3</sup>            | Nil                                    | Nil                                     |
| (v) Others   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - No treatment   | m <sup>3</sup>            | Nil                                    | Nil                                     |
| - With treatment – please specify level of treatment                         | m <sup>3</sup>            | Nil                                    | Nil                                     |
| <b>Total water discharged (in kilolitres)</b>                                | <b>m<sup>3</sup></b>      | <b>Nil</b>                             | <b>Nil</b>                              |

**Note:** Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.

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

| Parameter  | Unit                 | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|--|----------------------|--|---|
| <b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | TCO <sub>2</sub> e   | 90950.114                              | Not Available                           |
| <b>Total Scope 3 emissions per rupee of turnover</b>   | TCO <sub>2</sub> e/₹ | 0.0000246                              | NIL                                     |

\* We have initiated Scope 3 emission data monitoring this year itself i.e., FY 2022-23. Thus, data for previous year is not available

**Note:** Independent assurance has been carried out by TÜV SÜD SOUTH ASIA PVT. LTD.



5. With respect to the ecologically sensitive areas reported at Question 10 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).

6. 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. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along with summary) | Outcome of the initiative |
|---------|-----------------------|--|---------------------------|
| 1       | NA                    | NA   | NA                        |

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

Our Company has established a comprehensive business continuity and disaster management plan, which involves identifying potential threats and opportunities through a threat matrix. The approach used for this matrix is the minimal operational requirement of any particular department that is necessary to keep it functional. Each site has a detailed action plan in place, enabling us to continue business operations with minimal resources if necessary. Additionally, we have both onsite and offsite emergency plans in place, which are readily available at each site, and our employees are trained to respond effectively to any emergency situation.

8. 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, there has been no significant adverse impact to the environment, arising from our value chain identified till now. As part of our commitment to sustainability, we strive to minimize the environmental impact of our value chain. We recognize that our operations have an impact on the environment, and we have taken a proactive approach to address any adverse impacts. Moving forward, we will continue to assess the impact of our operations and supply chain, and implement mitigation measures where necessary. We are actively exploring and investing in new technologies and processes to reduce our carbon footprint and minimize waste. Additionally, we are working with our suppliers and partners to promote sustainable practices throughout our value chain. Our goal is to create a sustainable and resilient business that contributes positively to the environment and communities in which we operate.

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

Not Applicable

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



The Company places a strong emphasis on being open and honest by proactively sharing necessary information with the public and regulatory entities. The Company believes in conducting interactions with these bodies based on principles like integrity and transparency. To ensure effective communication of the Company's perspectives and concerns, qualified officials are trained and authorized to engage with trade chambers and industry associations. This approach fosters constructive dialogues with key stakeholders and enables the Company to influence policy-making processes in a manner that aligns with its sustainability goals. The Company actively takes part in representing opinions and concerns to regulatory bodies, showcasing its dedication to driving positive change and contributing to the development of a favorable business environment.

**Essential Indicators**

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

The Company has a total 4 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. No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/associations (State/National) |
|---------|--|--|
| 1       | Madras Management Association                        | National   |
| 2       | Chemical Industries Association                      | National   |
| 3       | Indian Chemical Council                              | National   |
| 4       | Confederation of Indian Industry                     | 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 FY 2022-23, the Company maintained an exemplary track record, receiving no adverse orders from regulatory authorities. This achievement is a testament to the commitment to cultivating a workplace environment that places a strong emphasis 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. No. | 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 aim is to promote equitable and sustainable community development with a strong emphasis on inclusivity. We have a comprehensive framework for engagement because we value community interaction. We want to promote a culture that places a high value on fusing corporate social responsibility (CSR) principles with commercial goals. Our commitment to acting on the values of generosity and compassion is fueled by our unwavering belief in the philosophy of compassionate care. We pursue initiatives focused on quality management, environmental preservation, and socioeconomic uplift because we are fully committed to building a society that benefits everyone.

### 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:

| Sr. 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 ₹) |
|---------|--|-------|----------|---|--------------------------|---------------------------------------|
| 1       | Nil                                      | Nil   | Nil      | Nil                                     | Nil                      | Nil                                   |

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

We have a comprehensive grievance redressal mechanism for all our stakeholders. The grievance handling process is designed to be inclusive and accessible, with individuals able to submit grievances in written or verbal form and in various local languages. These grievances can be submitted through postal mail and local community relations staff to the Vigil Department of the Company. Anonymous grievances and those made on behalf of others are also accepted, and local suppliers are also welcomed to express their concerns.

Upon receiving a grievance, the Company acknowledges its receipt and assesses its severity before assigning it to a designate person from HR/Legal dept, who will follow through the process to ensure effective redressal. Grievances that are deemed to be of high severity are escalated to senior management levels for further investigation. The designated grievance manager and relevant departments work together to investigate the grievance and propose a resolution to the complainant. In some cases, additional information may be requested from the complainant to ensure a thorough investigation.

The Company strives for a dialogue-based approach to resolving grievances, working together with the complainant to find a resolution. Remedies are proposed on a case-by-case basis, and if the proposed solution is not accepted by the complainant, they have the option to appeal. The appeal will be reviewed by alternate investigators to ensure a fair evaluation of the grievance.

The Company's ultimate goal is to resolve grievances quickly, and once the complainant accepts the proposed solution, the grievance is considered resolved.

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

|   | FY 2022-23<br>Current FY | FY 2021-22<br>Previous FY |
|---|--------------------------|---------------------------|
| Directly sourced from MSMEs/Small producers                         | 4.23 %                   | 5.09 %                    |
| Sourced directly from within the district and neighboring districts | 40.87 %                  | 47.54 %                   |
| Sourced from outside India (Import)                                 | 54.90 %                  | 47.37 %                   |

#### 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. No. | State | Aspirational District | Amount Spent in ₹ |
|---------|-------|-----------------------|-------------------|
| 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

We did not own or acquire any intellectual property based on traditional knowledge in the current financial year, and therefore, no benefits were derived or shared 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 had no adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. Thus, no correct actions are underway on such issues.

## 6. Details of beneficiaries of CSR Projects.

| Sr. No. | CSR Project  | No of persons benefited from CSR Projects | % of beneficiaries from vulnerable and marginalized group                                 |
|---------|--|---|---|
| 1.      | <p style="text-align: center;"><b>Education</b></p> <ul style="list-style-type: none"> <li>Higher Education Support provided to economically backward and bright students of Cuddalore District.</li> <li>Education Support to Government Schools through NAMMA SCHOOL FOUNDATION formed by Tamil Nadu Government.</li> <li>Supported for Construction of Class room and Yoga Hall for Kala Kendrum School, Cuddalore.</li> <li>Tanjore Painting training for female poor students.</li> <li>Supported Nearby villages 4 Government Schools during Independence and Republic Day Programme by providing of education materials.</li> </ul>   | 3235                                      | 100 % beneficiaries are from vulnerable and marginalized group                            |
| 2.      | <p style="text-align: center;"><b>Health</b></p> <ul style="list-style-type: none"> <li>Conducted eye camp in Rasapettai Village Government Schools.</li> <li>Provided Dialysis Machine to Lions Eternal Empathy Foundation for benefit of Dialysis Patients.</li> <li>Supported for Physiotherapy and Sensory integration therapy for children to improve Health Conditions.</li> <li>Supported to District Administration for conducting Drug Addiction Awareness Campaign.</li> <li>Supported for Medicine and other requirements for Cancer affected children, Pattanur, Villupuram district.</li> </ul>   | 2250                                      | 100 % of beneficiaries are from villages, who are from vulnerable and marginalised group. |
| 3.      | <p style="text-align: center;"><b>Infrastructure &amp; Others</b></p> <ul style="list-style-type: none"> <li>Contributed to District Administration towards Desilting of Lake/ Ponds towards conservation of water.</li> <li>Provided Cloth bag vending machine to prevent use of plastics to conserve Environment.</li> <li>Conducted Environment Plastic abatement awareness programme for the public by providing of Manjappai in co-ordination with TNPCB &amp; District Administration.</li> <li>Supported to International Chess Olympiad 2022 organized by Tamil Nadu Government.</li> <li>Supported to District Administration for Sports awareness Programme to maintain Health conditions of society.</li> <li>Provided Cardiac Bed to Advanced Primary Health Centre, Karaikadu.</li> </ul> | 14187                                     | 100 % beneficiary are from vulnerable and marginalised group.                             |

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

The main focus is to build a caring and responsible partnership with our customers, aiming to enhance their overall experience. We engage with consumers through various channels and maintain a transparent and easy-to-follow procedure for gathering feedback and handling complaints. Our customers have unrestricted access to all our engagement platforms and communications. We are committed to continually enhancing our business processes to deliver exceptional service that meets their needs, adds value, and exceeds their expectations, and we always work with them in an ethical manner.

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

Corrective actions are determined through root cause analysis and the resolution of complaints. Once these actions are implemented, they are systematically communicated to the consumers. Additionally, continuous interaction with the consumers is maintained to ensure their satisfaction. Consumer satisfaction levels are assessed through periodic consumer feedback surveys.

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

| Category                       | FY 2022-23 Current FY    |                                       |         | FY 2021-22 Previous FY   |                                       |         |
|--------------------------------|--------------------------|---------------------------------------|---------|--------------------------|---------------------------------------|---------|
|                                | 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 a policy in place for cyber security and data privacy risks. Implementing a robust Information Security and Data Protection Policy demonstrates the commitment to safeguard consumer information and sensitive data. By having a well-defined policy, the Company can ensure safe handling of consumer information and following best practices for data protection. It not only helps in mitigating potential risks but also enhances consumer trust and confidence in the organization.

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.

During the financial year, the Company did not receive any penalties or regulatory action related to the safety of our products.

**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 strictly adhere to all essential safety protocols concerning chemical handling. The commitment to safety is evident in the provision of material safety data sheets (MSDS) to all the customers. These sheets encompass detailed information on chemical compositions, hazard specifics, and safe handling instructions.

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

In order to maintain uninterrupted essential services for the customers, the Company have implemented change procedures that automatically initiate communication through relevant channels, such as emails, whenever there is a potential risk 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 adheres to the Classification, Labelling, and Packaging (CLP) Regulation of the United Nations' Globally

Harmonized System (GHS) for the products and the customers receive accurate and essential information about products. Seeking feedback from the customers demonstrates a proactive approach to improvement. The Company actively listen to the opinions and suggestions about their systems and processes.

They regularly assess customer satisfaction to maintain a high level of service quality and to adapt to changing customer preferences and market demands.

**5. 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**

# 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) (who replaced Aditya Birla Group (ABG) last year) 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.

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 31<sup>st</sup> March, 2023, 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.

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 31<sup>st</sup> March, 2023:

| 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 *     | 09281201                     | Non-Executive –Promoter     | 6                                    | 1       | 1   | 1   |
| Dr. Jaya Chandra Bhanu Reddy*   | 10057412                     | Non-Executive –Promoter     | 6                                    | -       | 1   | -   |
| Mr. Afzal Harunbhai Malkani     | 07194226                     | Non-Executive –Promoter     | -                                    | -       | -   | -   |
| Mr. K.Sendhil Naathan           | 08850046                     | Managing Director           | -                                    | -       | -   | -   |
| Mr. V.T. Moorthy                | 00007648                     | Independent – Non-Executive | -                                    | -       | -   | -   |
| Mr. M.R. Sivaraman, IAS (Retd.) | 00020075                     | Independent – Non-Executive | -                                    | 1       | -   | -   |
| Dr. Shankar Narasimhan          | 01484214                     | Independent – Non-Executive | -                                    | 3       | -   | -   |
| Mrs. R. Rajalakshmi             | 01985132                     | Independent – Non-Executive | 1                                    | 2       | -   | -   |

\* Ms. Mariam Pallavi Baldev and Mr. Jaya Chandra Bhanu Reddy were appointed as Non-Executive and Non-Independent Director w.e.f. 23<sup>th</sup> August, 2022 & 27<sup>th</sup> March, 2023 respectively.

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

| Sl. 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 | Southern Petrochemical Industries Corporation Limited | Non-Executive – Non Independent Director |

**Board/General Meeting attendance details of Directors for the year 2022-23:**

| Name of Director                | Category/Representing       | No. of Board Meeting held (2022-23) | Nos. Attended | Whether attended last AGM held on 26.09.2022 |
|---------------------------------|-----------------------------|-------------------------------------|---------------|--|
| Ms. Mariam Pallavi Baldev *     | Non-Executive - Promoter    | 5                                   | 3             | Yes  |
| Dr. Jaya Chandra Bhanu Reddy*   | Non-Executive - Promoter    | 5                                   | -             | NA   |
| Mr. Afzal Harunbhai Malkani     | Non-Executive - Promoter    | 5                                   | 5             | Yes  |
| Mr. K.Sendhil Naathan           | Managing Director           | 5                                   | 5             | Yes  |
| Mr. V.T. Moorthy                | Independent - Non-Executive | 5                                   | 5             | Yes  |
| Mr. M.R. Sivaraman, IAS (Retd.) | Independent - Non-Executive | 5                                   | 4             | Yes  |
| Dr. Shankar Narasimhan          | Independent - Non-Executive | 5                                   | 3             | Yes  |
| Mrs. R. Rajalakshmi             | Independent - Non-Executive | 5                                   | 5             | Yes  |
| Ms. Lilly Rajendran**           | Non-Executive - Promoter    | 5                                   | -             | No   |
| Mr. R. Karthikeyan**            | Non-Executive - Promoter    | 5                                   | 5             | Yes  |

\* Ms. Mariam Pallavi Baldev and Mr. Jaya Chandra Bhanu Reddy were appointed as Non-Executive and Non-Independent Director w.e.f. 23<sup>rd</sup> August 2022 & 27<sup>th</sup> March, 2023 respectively.

\*\*Ms. Lilly Rajendran and Mr. R. Karthikeyan resigned with effect from 23<sup>rd</sup> August, 2022 and 24<sup>th</sup> March, 2023 respectively.

**Notes:**

During the year 2022-23, Five 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 6<sup>th</sup> May, 2022, 18<sup>th</sup> July, 2022, 17<sup>th</sup> October, 2022, 20<sup>th</sup> January, 2023 and 10<sup>th</sup> February, 2023 and the necessary quorum was present at all the Board Meetings.

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

**Familiarisation programme for Independent Directors:**

A Familiarisation programme 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 familiarisation program are available on the Company's website, viz., [www.tanfac.com](http://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:

| Sl. No | Name of the Directors                         | Skills, Expertise and Competence  |
|--------|---|---|
| 1      | Mrs. Mariam Pallavi Baldev<br>DIN: 09281201   | Appointed in 23 <sup>rd</sup> 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      | Dr. Jaya Chandra Bhanu Reddy<br>DIN: 10057412 | Appointed in 27 <sup>th</sup> March, 2023, as the Non-Executive and Non-Independent Director of the Company.<br><br>Dr. V Jaya Chandra Bhanu Reddy, IAS belongs to the 2011 batch IAS Officer, and has performed various roles in his 11 years of Public Services. He graduated with MBBS from Dr. NTR University of Health Service, Andhra Pradesh. Presently, he is the Executive Director of Tamilnadu Industrial Development Corporation Limited.<br><br>Earlier Dr. Jaya Chandra Bhanu Reddy, IAS served as Assistant Collector for Land Revenue & Disaster Management Department, Cuddalore for the period from 2012-13, Sub Collector in Lalgudi, Tiruchirappalli for the period from 2013-2016, Joint Managing Director for Tamil Nadu Water Supply and Drainage Board (TWAD), Chennai for the period from 2016-2017, Managing Director in Tamil Nadu Housing Board (TNHB) Chennai for the period from 2017-2018, Deputy Secretary to Government Environment, Climate Change and Forest Department for the period from 2018-2020, District Collector in Krishnagiri District for the period from 2020-2023. |
| 3      | Mr. Afzal Harunbhai Malkani<br>DIN: 7194226   | Mr. Afzal Harunbhai Malkani, Non-Executive and Non-Independent Director of the Company, 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 1 <sup>st</sup> December, 2014.   |
| 4      | Mr. K. Sendhil Naathan<br>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 one of the persons instrumental in the turnaround & growth of the Company in the last 9 years.  |
| 5      | Mr. M.R.Sivaraman IAS (Retd.)<br>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<br>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<br>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.<br><br>He has been a visiting professor at the Centre for Automatic Control in Nancy, France, Purdue University and Texas Tech University in USA.   |

| Sl. No | Name of the Directors               | Skills, Expertise and Competence   |
|--------|-------------------------------------|--|
| 8      | Mrs. R. Rajalakshmi<br>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 31<sup>st</sup> March, 2023:

Though there are no changes to the composition of the Board after 31st March, 2023, Dr. Jaya Chandra Bhanu Reddy was appointed as Additional and Non-Executive Director of the Company on 27th March, 2023 and as per the provisions of the Act, his appointment was regularized by members through postal ballot on 25th May, 2023. Necessary disclosure have been made to the Stock Exchange as per SEBI (LODR) regulations 2015.

Mrs. Mariam Pallavi Baldev had sought the Member's approval to regularize her at the Annual General Meeting held on 26<sup>th</sup> September, 2023. 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 Dr. Jaya Chandra Bhanu Reddy, Non-Executive & Non Independent Director in place of Mr. R. Karthikeyan, the Board of Directors at their meeting held on 21<sup>st</sup> April, 2023, 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 Company Secretary acts as the Secretary to the Audit Committee. 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 2022-23 |          |
|---------------------------------|-----------------------------|-------------|--|----------|
|                                 |                             |             | Held   | Attended |
| Mr. M.R. Sivaraman, IAS (Retd.) | Independent - Non-Executive | Chairperson | 5  | 4        |
| Dr. Shankar Narasimhan          | Independent - Non-Executive | Member      | 5  | 3        |
| 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  | -        |
| Mr. Afzal Harunbhai Malkani     | Non-Executive               | Member      | 5  | 5        |
| Mr. R. Karthikeyan**            | Non-Executive               | Member      | 5  | 5        |

\* Appointed w.e.f. 27th March, 2023.

# Resigned w.e.f. 24th March, 2023.

During the year 2022-23, 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 28<sup>th</sup> April, 2022, 6<sup>th</sup> May, 2022, 18<sup>th</sup> July, 2022, 17<sup>th</sup> October, 2022 and 20<sup>th</sup> January, 2023 and necessary quorum was present at all the Meetings.

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

## 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 re-appointment of Directors/Key Managerial Personnel.

The composition of the Committee was reconstituted on 21<sup>th</sup> April, 2023 with the three Non-Executive Directors (including two Independent Directors). The Company Secretary is the Secretary to the Committee. The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 26<sup>th</sup> September, 2022. The Committee met two times during the year on 6<sup>th</sup> May, 2022 and 20<sup>th</sup> January, 2023.

The details are as follows:

| Name of the Directors           | Designation | No. of meetings held | No. of meetings attended |
|---------------------------------|-------------|----------------------|--------------------------|
| Mr. V.T.Moorthy                 | Chairman    | 2                    | 2                        |
| Mr. M.R. Sivaraman, IAS (Retd.) | Member      | 2                    | 2                        |
| Mr. Afzal Harunbhai Malkani     | Member      | 2                    | 2                        |

## 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 11<sup>th</sup> March, 2022 for its Senior Management and other employees.

## Details of Remuneration to Board of Directors:

(in lakhs)

| Name of Director                | Relationship with other Directors | Business relationship with the Company if any | Remuneration paid during 2022 - 2023 |                  |            |               |
|---------------------------------|-----------------------------------|---|--------------------------------------|------------------|------------|---------------|
|                                 |                                   |   | Sitting fees @                       | Salary and Perks | Commission | Total         |
| Ms. Mariam Pallavi Baldev*#     | Non-Executive -Promoter           | NIL   | 1.20                                 | -                | -          | 1.20          |
| Dr. Jaya Chandra Bhanu Reddy *# | Non-Executive -Promoter           | NIL   | -                                    | -                | -          | -             |
| Mr. Afzal Harunbhai Malkani     | Non-Executive -Promoter           | NIL   | -                                    | -                | -          | -             |
| Mr. V.T. Moorthy                | Non-Executive-Independent         | NIL   | 4.80                                 | -                | -          | 4.80          |
| Mr. M.R. Sivaraman, IAS (Retd.) | Non-Executive-Independent         | NIL   | 4.00                                 | -                | -          | 4.00          |
| Dr. Shankar Narasimhan          | Non-Executive-Independent         | NIL   | 2.40                                 | -                | -          | 2.40          |
| Mrs. R. Rajalakshmi             | Non-Executive-Independent         | NIL   | 4.20                                 | -                | -          | 4.20          |
| Mr. K. Sendhil Naathan          | Managing Director                 | NIL   | -                                    | 191.33           | -          | 191.33        |
| Ms. Lilly Rajendran**#          | Non-Executive -Promoter           | NIL   | -                                    | -                | -          | -             |
| Mr. R. Karthikeyan**#           | Non-Executive                     | NIL   | 4.40                                 | -                | -          | 4.40          |
| <b>Total</b>                    |                                   |   | <b>21.00</b>                         | <b>191.33</b>    | <b>-</b>   | <b>212.33</b> |

\* Ms. Mariam Pallavi Baldev and Dr. Jaya Chandra Bhanu Reddy were appointed as Non-Executive and Non-Independent Director w.e.f. 23<sup>rd</sup> August 2022 & 27<sup>th</sup> March, 2023 respectively.

\*\*Ms. Lilly Rajendran and Mr. R. Karthikeyan resigned with effect from 23<sup>rd</sup> August, 2022 and 24<sup>th</sup> March, 2023 respectively.

@ 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 21<sup>st</sup> 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 certificate);
- 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. Dr. Jaya Chandra Bhanu Reddy appointed with effect from 27<sup>th</sup> March, 2023.
4. Mr. R. Karthikeyan resigned with effect from 24<sup>th</sup> March, 2023.

During the year, the Stakeholders Relationship Committee met one time on 6<sup>th</sup> May, 2022 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 with effect from 24<sup>th</sup> March, 2023.

\*\* Joined as Member on 21<sup>st</sup> April, 2023.

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 21<sup>st</sup> 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 21<sup>st</sup> April, 2023
5. Mr. R. Karthikeyan resigned with effect from 24<sup>th</sup> March, 2023

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

During the year one meeting of the Committee was held on 20<sup>th</sup> January, 2023 and necessary quorum was present at the Meetings. Please refer Annexure D to Board's Report for detailed report on CSR activities during the year 2022-23.

## 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 |
|---------|--------|--|---------------------------|-------------------------------|
| 2021-22 | A.G.M. | Meeting was held through Video Conferencing (VC)/ Other Audio visual Means   | 26.09.2022/<br>12.00 P.M. | 1                             |
| 2020-21 | A.G.M. | (OAVM) Deemed to be held at the Registered Office i.e., Plot No.14, SIPCOT Industrial Complex, Cuddalore – 607 005 | 28.09.2021/<br>11.30 A.M. | NIL                           |
| 2019-20 | A.G.M. |  | 28.09.2020/<br>11.30 A.M. | 1                             |

### Annual General Meeting for the financial year 2022-23:

|                        |  |
|------------------------|--|
| Date and Time          | 27 <sup>th</sup> September, 2023; 11.30 A.M. (Wednesday)   |
| Venue                  | The meeting will be held through Video Conference (VC)/ Other Audio Visual Means (OAVM) Deemed to be held at the Registered Office, i.e., Plot No.14, Industrial Complex, Cuddalore – 607 005 TAMIL NADU |
| Period of Book Closure | 21.09.2023 to 27.09.2023 (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 <a href="http://www.bseindia.com">www.bseindia.com</a> , where your Company shares are listed and your Company's website <a href="http://www.tanfac.com">www.tanfac.com</a> |
| 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 <sup>th</sup> September, 2023; 11.30 A.M. (Wednesday) Deemed to be held at the Registered Office of the Company at - 14 SIPCOT Industrial Complex, CUDDALORE – 607 005, TAMIL NADU |
| Financial Year               | 1 <sup>st</sup> April to 31 <sup>st</sup> March   |

|  |   |
|--|---|
| Dividend Payment Date  | Dividend for the year 2022-23 was recommended by the Board of Directors at their Meeting held on 21 <sup>th</sup> April, 2023 subject to the declaration of Member at the ensuing Annual General Meeting to be held on 27 <sup>th</sup> September, 2023. if declared, the final Dividend for the financial year 2022-23 will be paid on or before 24 <sup>th</sup> October, 2023. |
| Date of Book Closure   | 21.09.2023 (Thursday) to 27.09.2023(Wednesday) (both days inclusive).   |
| Name and address Stock Exchange at which the Company's securities are listed | BSE Limited<br>Phiroze Jeejeebhoy Towers<br>25 <sup>th</sup> Floor, Dalal Street,<br>MUMBAI – 400 001.  |
| Confirmation for the Payment of Annual Listing fee                           | Listing fee for the financial year 2023-24 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 ₹ 25 Crores and ICRA A2+ for Non-Fund Based Limit of ₹ 55 Crores.<br>Acuite Rating & Research Limited have also rated ACUITE A-(Stable) for Fund Based Limit of ₹ 42 Crores and ACUITE A2+ for Non-Fund Based Limit of ₹ 58 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 2022     | 660.00                               | 580.15      |
| MAY 2022       | 604.00                               | 433.50      |
| JUNE 2022      | 538.95                               | 439.00      |
| JULY 2022      | 529.70                               | 436.00      |
| AUGUST 2022    | 585.00                               | 502.25      |
| SEPTEMBER 2022 | 915.60                               | 553.10      |
| OCTOBER 2022   | 1,030.00                             | 788.00      |
| NOVEMBER 2022  | 1,245.00                             | 910.00      |
| DECEMBER 2022  | 1,098.95                             | 810.00      |
| JANUARY 2023   | 1,164.90                             | 842.10      |
| FEBRUARY 2023  | 1,119.60                             | 927.00      |
| MARCH 2023     | 1,019.30                             | 875.00      |

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

### Tanfacs share price on BSE vis-à-vis BSE Sensex April - March 2023

| Month          | BSE Sensex Close | High ₹   | Low ₹  | Close ₹  | No. of shares traded during the month | Turnover     |
|----------------|------------------|----------|--------|----------|---------------------------------------|--------------|
| APRIL 2022     | 57,060.87        | 660.00   | 580.15 | 598.75   | 2,75,715                              | 16,78,60,323 |
| MAY 2022       | 55,566.41        | 604.00   | 433.50 | 475.40   | 2,36,927                              | 12,11,90,009 |
| JUNE 2022      | 53,018.94        | 538.95   | 439.00 | 471.65   | 1,40,108                              | 6,78,82,707  |
| JULY 2022      | 57,570.25        | 529.70   | 436.00 | 523.00   | 1,79,265                              | 8,73,89,257  |
| AUGUST 2022    | 59,537.07        | 585.00   | 502.25 | 571.65   | 2,30,683                              | 12,48,87,625 |
| SEPTEMBER 2022 | 58,766.59        | 915.60   | 553.10 | 841.55   | 6,40,961                              | 49,67,81,168 |
| OCTOBER 2022   | 57,426.92        | 1,030.00 | 788.00 | 936.10   | 2,81,664                              | 25,19,76,823 |
| NOVEMBER 2022  | 60,746.59        | 1,245.00 | 910.00 | 1,045.80 | 2,64,014                              | 28,18,09,063 |
| DECEMBER 2022  | 61,121.35        | 1,098.95 | 810.00 | 924.70   | 72,293                                | 7,08,39,084  |
| JANUARY 2023   | 63,099.65        | 1,164.90 | 842.10 | 1,081.00 | 97,367                                | 10,02,80,285 |
| FEBRUARY 2023  | 60,840.74        | 1,119.60 | 927.00 | 968.75   | 77,567                                | 8,00,37,048  |
| MARCH 2023     | 59,549.9         | 1,019.30 | 875.00 | 997.80   | 69,858                                | 6,57,65,854  |

### Distribution of Shareholding as on 31<sup>st</sup> March, 2023

| Category of shares                     | No. of Holders | % to Holders  | No. of Shares    | % to Holders  |
|--|----------------|---------------|------------------|---------------|
| Upto 500                               | 14,080         | 96.14         | 10,17,002        | 10.20         |
| 501 - 1,000                            | 283            | 1.93          | 2,18,368         | 2.19          |
| 1,001 - 2,000                          | 145            | 0.99          | 2,21,472         | 2.22          |
| 2,001 - 3,000                          | 49             | 0.33          | 1,25,114         | 1.25          |
| 3,001 - 4,000                          | 18             | 0.12          | 64,281           | 0.64          |
| 4,001 - 5,000                          | 17             | 0.12          | 80,380           | 0.81          |
| 5,001 - 10,000                         | 25             | 0.17          | 1,79,277         | 1.80          |
| Above 10,001                           | 28             | 0.19          | 80,69,106        | 80.89         |
| <b>Total</b>                           | <b>14,645</b>  | <b>100.00</b> | <b>99,75,000</b> | <b>100.00</b> |
| No. of shareholders in physical mode   | 3,361          | 22.95         | 2,72,487         | 2.73          |
| No. of shareholders in electronic mode | 11,284         | 77.05         | 97,02,513        | 97.27         |
| <b>Total</b>                           | <b>14,645</b>  | <b>100.00</b> | <b>99,75,000</b> | <b>100.00</b> |

### Categories of Shareholding as on 31<sup>st</sup> March, 2023

| CATEGORY  | 2023               |                       | 2022               |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | No. of Shares Held | % age of shareholding | No. of Shares Held | % age of Shareholding |
| PROMOTERS/PROMOTERS GROUP                             | 51,68,081          | 51.81                 | 50,84,802          | 50.98                 |
| UTI AND MUTUAL FUNDS                                  | 5,550              | 0.06                  | 5,550              | 0.06                  |
| BANKS, FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES | 700                | 0.01                  | 700                | 0.01                  |
| NON-RESIDENT INDIANS (NRIs/OCBs)                      | 63,906             | 0.64                  | 77,290             | 0.77                  |

| CATEGORY                      | 2023               |                       | 2022               |                       |
|-------------------------------|--------------------|-----------------------|--------------------|-----------------------|
|                               | No. of Shares Held | % age of shareholding | No. of Shares Held | % age of Shareholding |
| CORPORATES                    | 20,71,680          | 20.77                 | 19,20,130          | 19.25                 |
| CLEARING MEMBER               | 1,870              | 0.02                  | 7,217              | 0.07                  |
| RESIDENT INDIVIDUALS          | 22,18,385          | 25.06                 | 25,00,031          | 25.06                 |
| TRUST                         | 100                | 0.00                  | 100                | 0.00                  |
| LIMITED LIABILITY PARTNERSHIP | 26,500             | 0.27                  | 32,500             | 0.33                  |
| IEPF                          | 3,43,880           | 3.45                  | 3,46,680           | 3.48                  |
| ALTERNATIVE INVESTMENT FUND   | -                  | -                     | -                  | -                     |
| <b>TOTAL</b>                  | <b>99,75,000</b>   | <b>100.00</b>         | <b>99,75,000</b>   | <b>100.00</b>         |

### DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on 31<sup>st</sup> March, 2023, 97,02,513 Equity Shares, against subscribed fully paid equity shares of 99,75,000, were converted from the physical to electronic form. Over 97.27% of the outstanding equity shares have been dematerialised up to 31<sup>st</sup> March, 2023.

In view of the advantages offered by the Depository System, members who have not yet dematerialised their shares are requested to avail of the facility of dematerialisation 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: [corpserv@integratedindia.in](mailto:corpserv@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 – [invreln.tanfac@adityabirla.com](mailto:invreln.tanfac@adityabirla.com).

### Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practising 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.  | 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.<br><br>None of the transactions with any of the related parties were in conflict with the interest of the Company during the year. |
| 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.

The Company has a Group's Whistle Blower Policy to articulate the Group's point of view on whistleblowing,

And the objective is to strengthen the whistleblowing mechanism.

The objectives of the policy are:

To provide a platform and mechanism for the employees and Directors to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal:

- 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](http://www.tanfac.com).

As per whistle blower mechanism of the Company, it is hereby confirmed that no personnel has been denied access to the Audit Committee.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has complied with all the mandatory requirements as per SEBI (LODR) Regulations, 2015 read with the listing agreement.

The Company has also adopted the following non-mandatory requirements:

(a) Auditor's Report does not contain any qualifications;

(b) The Internal Auditors report directly to the Audit Committee.

Weblink where policy on determining "material" subsidiaries is disclosed.

Not Applicable

Weblink where policy on dealing with related party transactions

Policy on dealing with related party transactions is available in Company's website at:

[http://www.tanfac.com/documents/policy\\_Materiality\\_Of\\_Related\\_Party\\_Transactions.pdf](http://www.tanfac.com/documents/policy_Materiality_Of_Related_Party_Transactions.pdf)

Total fees for all services paid to the Statutory Auditor of the Company for the financial year 2022-23.

The Audit Committee approved the fee for other services rendered by the Statutory Auditors other than the Statutory Audit.

Total Remuneration applicable for the Statutory Auditors for the year 2022-23 amounts to ₹ 15 lakhs.

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](http://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 2022-23.

## 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 23<sup>rd</sup> August, 2022. Mr. K. Sendhil Naathan was re-appointed as Managing Director of the Company on 17<sup>th</sup> August, 2023 for a term of 18 months from 27<sup>th</sup> 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.

| Sl. No. | Disclosure of loans/advances/ investments outstanding during the year  | As at 31 <sup>st</sup> March, 2023 (₹) | 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 and Senior Management of the Company. The details of the code of conduct have been posted on the Company's website [www.tanfac.com](http://www.tanfac.com).

The Board and the senior management have affirmed compliance with the code as on 31<sup>st</sup> March, 2023.

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](http://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 and Senior Management, available on the Company's website.

I confirm that the Company has received from the Board of Directors of the Company and the Senior Management, a declaration of compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2023, as applicable to them

**Date:** 17<sup>th</sup> July, 2023

**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 31<sup>st</sup> March, 2023 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:** 17<sup>th</sup> July, 2023

## INDEPENDENT AUDITOR'S REPORT ON CORPORATE GOVERNANCE

### To the Members of Tanfac Industries Limited

1. We have examined the compliance of conditions of corporate governance by Tanfac Industries Limited (the 'Company') for the year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

#### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance stipulated in the Listing regulations as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We conducted our examination of the Corporate Governance Report in accordance with the Guidance

Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2023.
7. We 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.

#### Restriction on use

8. This Report is addressed to and provided to the members of the Company pursuant to requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). Our certificate should not be used for any other person or for any other purpose. Accordingly we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**Place:** Mumbai  
**Date:**

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

**Sudesh Choraria**  
Partner  
Membership No. 204936  
UDIN: 23204936BGYIUX8749

# FINANCIAL STATEMENTS

## FINANCIAL STATEMENTS

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# 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 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023. 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 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.
- (i) 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.
- (j) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1<sup>st</sup> April , 2023, reporting under this clause is not applicable.

**Date:** 21<sup>st</sup> April, 2023  
**Place:** Mumbai

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

**Sudesh Choraria**  
Partner  
Membership No: 204936  
UDIN: 23204936BGYIRO1598

# 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 31<sup>st</sup> March, 2023)

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                              |
| Income Tax Act, 1961            | Replacement of equipment claimed as revenue expenditure, reclassified by Dept. as capital expenditure [tax demanded] (Including Interest) | 2002-03                            | Income Tax Appellate Tribunal                         | 85.39                              |
| Central Sales Tax               | Appeal Against Assessment Orders for shortfall of Form C  | FY 2014-15 to 2017-18              | Appellate Deputy Commissioner CT                      | 246.86                             |
| 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                               |

- 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.
- 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 of 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 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.
- 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 previous financial year, the existing statutory auditors of the Company had rotated out on completion of their term. We had 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, 2013. Hence no amount was required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013.
- 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, 2013

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

**Date:** 21<sup>st</sup> April, 2023  
**Place:** Mumbai

**Sudesh Choraria**  
Partner  
Membership No: 204936  
UDIN: 23204936BGYIRO1598

# 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 31<sup>st</sup> March, 2023)

## 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023, 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: 23204936BGYIRO1598

**Date:** 21<sup>st</sup> April, 2023

**Place:** Mumbai

# Statement of Balance Sheet

as at 31<sup>st</sup> March 2023

(₹ in Lakhs)

| Particulars   | Note | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------|------------------------------------|------------------------------------|
| <b>ASSETS</b>   |      |                                    |                                    |
| <b>1) Non-Current Assets</b>  |      |                                    |                                    |
| a) Property, Plant and Equipment  | 2    | 5,471.04                           | 3,998.46                           |
| b) Capital Work in Progress   | 2    | 593.03                             | 1,218.55                           |
| c) Financial Assets   |      |                                    |                                    |
| i) Investments  | 3    | 141.93                             | 137.56                             |
| ii) Other Financial Assets  | 4    | 13.09                              | 6.56                               |
| d) Other Non-Current Assets   | 5    | 82.55                              | 78.63                              |
| <b>Total Non-Current Assets (A)</b>                                       |      | <b>6,301.64</b>                    | <b>5,439.76</b>                    |
| <b>2) Current Assets</b>  |      |                                    |                                    |
| a) Inventories  | 6    | 5,292.90                           | 4,163.23                           |
| b) Financial Assets   |      |                                    |                                    |
| i) Investments  | 7    | 6,562.37                           | 4,057.96                           |
| ii) Trade Receivables   | 8    | 5,077.85                           | 2,491.90                           |
| iii) Cash & Cash Equivalents  | 9    | 389.73                             | 692.33                             |
| iv) Bank balances other than (iii) above                                  | 9    | 878.27                             | 632.41                             |
| v) Loans & Advances   | 10   | -                                  | -                                  |
| vi) Other Financial Assets  | 10   | 0.75                               | 0.75                               |
| c) Current Tax Assets   | 11   | 68.47                              | 138.97                             |
| d) Other Current Assets   | 11   | 608.93                             | 615.17                             |
| <b>Total Current Assets (B)</b>   |      | <b>18,879.27</b>                   | <b>12,792.72</b>                   |
| <b>Total Assets (A+B)</b>   |      | <b>25,180.91</b>                   | <b>18,232.48</b>                   |
| <b>EQUITY &amp; LIABILITIES</b>   |      |                                    |                                    |
| <b>Equity</b>   |      |                                    |                                    |
| a) Equity Share Capital   | 12   | 997.50                             | 997.50                             |
| b) Other Equity   | 13   | 17,429.96                          | 12,371.82                          |
| <b>Total Equity (C)</b>   |      | <b>18,427.46</b>                   | <b>13,369.32</b>                   |
| <b>Liabilities</b>  |      |                                    |                                    |
| <b>1) Non-Current Liabilities</b>   |      |                                    |                                    |
| a) Financial Liabilities  |      | -                                  | -                                  |
| b) Provisions   | 14   | 110.38                             | 61.20                              |
| c) Deferred Tax Liability (net)   |      | 317.40                             | 318.94                             |
| <b>Total Non-Current Liabilities (D)</b>                                  |      | <b>427.78</b>                      | <b>380.14</b>                      |
| <b>2) Current Liabilities</b>   |      |                                    |                                    |
| a) Financial Liabilities  |      |                                    |                                    |
| i) Borrowings   | 15   | -                                  | -                                  |
| ii) Trade Payables  | 16   |                                    |                                    |
| - Outstanding Dues of Micro and Small Enterprises                         |      | 183.38                             | 27.22                              |
| - Outstanding Dues of Creditors other than Micro and Small Enterprises    |      | 4,455.85                           | 3,463.44                           |
| b) Other Current Liabilities  | 17   | 553.65                             | 148.97                             |
| c) Provisions   | 18   | 1,026.94                           | 833.36                             |
| d) Current Tax Liabilities (Net)  | 18   | 105.85                             | 10.03                              |
| <b>Total Current Liabilities (E)</b>                                      |      | <b>6,325.67</b>                    | <b>4,483.02</b>                    |
| <b>TOTAL EQUITY AND LIABILITIES (C+D+E)</b>                               |      | <b>25,180.91</b>                   | <b>18,232.48</b>                   |
| Significant 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

**N.R.Ravichandran**  
Chief Financial Officer

**Afzal Harunbhai Malkani**  
Director  
DIN: 07194226

**M.R.Sivaraman**  
Director  
DIN: 00020075

**Place:** Cuddalore  
**Date:** 21<sup>st</sup> April, 2023

**H.Narayana Rao**  
Company Secretary

**K.Sendhil Naathan**  
Managing Director  
DIN: 08850046

# Statement of Profit and Loss

For the year ended 31<sup>st</sup> March, 2023

(₹ in Lakhs)

| Particulars   | Note | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------|------------------------------|------------------------------|
| <b>INCOME</b>   |      |                              |                              |
| Revenue from Operations   | 19   | 37,494.81                    | 32,017.20                    |
| Other Income  | 20   | 792.17                       | 340.43                       |
| <b>Total Income (A)</b>   |      | <b>38,286.98</b>             | <b>32,357.63</b>             |
| <b>EXPENDITURE</b>  |      |                              |                              |
| Cost of Materials Consumed  | 21   | 22,880.95                    | 17,621.97                    |
| Changes in inventories of Finished goods, Stock in Trade and Work in Progress     | 22   | (206.07)                     | (171.91)                     |
| Employee Benefit Expenses   | 23   | 1,629.84                     | 1,286.97                     |
| Finance cost  | 24   | 88.43                        | 102.03                       |
| Depreciation/Amortization and Impairment Expenses                                 | 2    | 633.27                       | 559.95                       |
| Power and Fuel  | 25   | 1,603.94                     | 1,973.19                     |
| Other Expenses  | 26   | 4,110.38                     | 3,790.78                     |
| <b>Total Expenses (B)</b>   |      | <b>30,740.74</b>             | <b>25,162.98</b>             |
| <b>Profit Before Tax (C = A-B)</b>  |      | <b>7,546.24</b>              | <b>7,194.65</b>              |
| Tax Expense   |      |                              |                              |
| i) Current Tax  |      | 1,935.82                     | 1,881.46                     |
| ii) Deferred Tax  |      | (2.55)                       | (75.89)                      |
| iii) MAT Credit Entitlement/Refund  |      | -                            | 60.70                        |
| iv) Income Tax paid/(reversed) for earlier years                                  |      | -                            | -                            |
| <b>Profit for the Year (D)</b>  |      | <b>5,612.97</b>              | <b>5,328.38</b>              |
| <b>Other Comprehensive Income (OCI)</b>   |      |                              |                              |
| (i) Items that will not be reclassified to Profit or Loss                         | 27   | (8.40)                       | 88.72                        |
| (ii) Income tax relating to items that will not be reclassified to Profit or loss |      | 2.20                         | (22.23)                      |
| (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     |      | -                            | -                            |
| <b>Other Comprehensive Income for the Year (E)</b>                                |      | <b>(6.20)</b>                | <b>66.49</b>                 |
| <b>Total Comprehensive Income for the year (D+E)</b>                              |      | <b>5,606.77</b>              | <b>5,394.87</b>              |
| Earnings per Share (Face Value of ₹ 10 each fully paid up)                        |      |                              |                              |
| - Basic   |      | <b>56.27</b>                 | <b>53.42</b>                 |
| - Diluted   |      | <b>56.27</b>                 | <b>53.42</b>                 |
| Significant 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

**N.R.Ravichandran**  
Chief Financial Officer

**Afzal Harunbhai Malkani**  
Director  
DIN: 07194226

**M.R.Sivaraman**  
Director  
DIN: 00020075

**Place:** Cuddalore  
**Date:** 21<sup>st</sup> April, 2023

**H.Narayana Rao**  
Company Secretary

**K.Sendhil Naathan**  
Managing Director  
DIN: 08850046



# Statement of Cash Flow

For the year ended 31<sup>st</sup> March, 2023

(₹ in Lakhs)

| S.No      | Particulars  | 2022-23           | 2021-22           |
|-----------|--|-------------------|-------------------|
| <b>A.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                               |                   |                   |
|           | Net Profit before Tax Including Other Comprehensive Income               | 7,537.84          | 7,283.37          |
|           | Adjustments for:   |                   |                   |
|           | Depreciation & Amortisation of Expenses                                  | 633.27            | 559.95            |
|           | Finance Cost   | 88.43             | 102.03            |
|           | Provision for Taxation   | -                 | -                 |
|           | Provision for Liabilities no longer required written back                | (20.41)           | (108.39)          |
|           | Loss/(Profit) on Sale of Fixed Assets                                    | 0.70              | (17.08)           |
|           | Loss/(Profit) on Fair Valuation of Investment                            | (54.41)           | (24.30)           |
|           | Loss/(Profit) on Sale of Investment                                      | (186.88)          | (99.70)           |
|           | Interest & Dividend Income   | (30.59)           | (7.88)            |
|           | Exchange Rate Fluctuations (Net)   | (23.49)           | (15.71)           |
|           | Provision for Inventories  | 16.04             | -                 |
|           | Operating Profit before Working Capital changes                          | 7,960.50          | 7,672.29          |
|           | Adjustments for:   |                   |                   |
|           | Trade and Other Receivables  | (2,524.04)        | (981.85)          |
|           | Inventories  | (1,145.71)        | (1,692.77)        |
|           | Trade Payable and Provisions   | 1,725.88          | 1,270.57          |
|           |  | (1,943.87)        | (1,404.05)        |
|           | Cash Generated From/(Used in) Operations                                 | 6,016.63          | 6,268.24          |
|           | Direct Taxes (Payment)/Refund (net)                                      | (1,722.76)        | (1,875.00)        |
|           |  | (1,722.76)        | (1,875.00)        |
|           | <b>Net Cash Generated From/(Used in) Operating Activities</b>            | <b>4,293.87</b>   | <b>4,393.24</b>   |
| <b>B.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                               |                   |                   |
|           | Purchase of Property Plant & Equipment (Note-II below)                   | (1,491.08)        | (1,532.56)        |
|           | Sale of Fixed Assets   | 10.05             | 69.20             |
|           | Purchase of Investments  | (13,678.47)       | (9,250.03)        |
|           | Sale of Investments  | 11,415.36         | 7,453.03          |
|           | Investment In Mutual Funds/Bank Fixed Deposits                           | (245.85)          | (235.39)          |
|           | Interest and Dividend Income   | 30.59             | 7.88              |
|           | <b>Net Cash flow From/(Used in) Investing Activities</b>                 | <b>(3,959.41)</b> | <b>(3,487.87)</b> |
| <b>C.</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                               |                   |                   |
|           | Buyer's credit/ICD   | -                 | -                 |
|           | Short term loan availed/(Repaid)   | -                 | -                 |
|           | Redemption of Preference Shares  | -                 | -                 |
|           | Amortized Cost on Redeemable NC Preference Shares                        | -                 | -                 |
|           | Finance Cost   | (88.43)           | (102.03)          |
|           | Dividend/Interim Dividend Paid   | (548.63)          | (349.13)          |
|           | <b>Net Cash flow From/(Used in) financing Activities</b>                 | <b>(637.06)</b>   | <b>(451.16)</b>   |
|           | <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>              | <b>(302.60)</b>   | <b>454.21</b>     |
|           | Cash & Cash Equivalents at the Beginning of the year (Note 9)            | 692.33            | 238.12            |
|           | Cash & Cash Equivalents at the End of the year (Note 9)                  | 389.73            | 692.33            |
|           |  | <b>(302.60)</b>   | <b>454.21</b>     |
|           | 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

**N.R.Ravichandran**  
Chief Financial Officer

**Afzal Harunbhai Malkani**  
Director  
DIN: 07194226

**M.R.Sivaraman**  
Director  
DIN: 00020075

**Place:** Cuddalore  
**Date:** 21<sup>st</sup> April, 2023

**H.Narayana Rao**  
Company Secretary

**K.Sendhil Naathan**  
Managing Director  
DIN: 08850046

# Statement Of Changes in Equity

For the year ended 31<sup>st</sup> March, 2023

## A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| 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 | -                                  | -                                  |
| 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 <sup>st</sup> 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         |
| Trasferred to Capital Redemption Reserve                      | -               | -                 | -                  | -                          | -               | -                              | -                |
| Other Comprehensive Income for the year (net of Income tax) * | -               | (10.57)           | -                  | -                          | -               | 4.37                           | (6.20)           |
| <b>Total Comprehensive income for the year (2022-23) (II)</b> | <b>-</b>        | <b>5,602.40</b>   | <b>-</b>           | <b>-</b>                   | <b>-</b>        | <b>4.37</b>                    | <b>5,606.77</b>  |
| Less: Dividend Paid On Equity Shares                          | -               | (548.63)          | -                  | -                          | -               | -                              | (548.63)         |
| <b>Balance as at 31<sup>st</sup> March, 2023 (III) = I+II</b> | <b>3,324.96</b> | <b>13,475.49</b>  | <b>2.18</b>        | <b>500.00</b>              | <b>30.46</b>    | <b>96.87</b>                   | <b>17,429.96</b> |

## 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 <sup>st</sup> April, 2021 (I)                 | 3,324.96        | 3,380.19          | 2.18               | 500.00                     | 30.46           | 88.28                          | 7,326.07 |
| Profit for the year   | -               | 5,328.38          | -                  | -                          | -               | -                              | 5,328.38 |
| Transferred to Capital Redemption Reserve                     | -               | -                 | -                  | -                          | -               | -                              | -        |
| Other Comprehensive Income for the year (net of Income tax) * | -               | 62.27             | -                  | -                          | -               | 4.23                           | 66.50    |

**C) OTHER EQUITY** (Contd.)

(₹ in Lakhs)

| Particulars   | General Reserve | Retained Earnings | Securities premium | Capital Redemption Reserve | Capital Reserve | Equity Instruments through OCI | Total            |
|---|-----------------|-------------------|--------------------|----------------------------|-----------------|--------------------------------|------------------|
| <b>Total Comprehensive income for the year (2021-22) (II)</b> | -               | <b>5,390.65</b>   | -                  | -                          | -               | <b>4.23</b>                    | <b>5,394.88</b>  |
| Less: Dividend Paid On Equity Shares                          | -               | (349.13)          | -                  | -                          | -               | -                              | (349.13)         |
| <b>Balance as at 31<sup>st</sup> March, 2022 (III) = I+II</b> | <b>3,324.96</b> | <b>8,421.72</b>   | <b>2.18</b>        | <b>500.00</b>              | <b>30.46</b>    | <b>92.51</b>                   | <b>12,371.83</b> |

\* Represent Measurement of Defined Benefit Obligations.

Significant 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

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Chief Financial Officer

**Afzal Harunbhai Malkani**  
Director  
DIN: 07194226

**M.R.Sivaraman**  
Director  
DIN: 00020075

**Place:** Cuddalore  
**Date:** 21<sup>st</sup> April, 2023

**H.Narayana Rao**  
Company Secretary

**K.Sendhil Naathan**  
Managing Director  
DIN: 08850046

# Notes Forming part of the Financial Statements

For the Period Ended 31<sup>st</sup> March, 2023

## 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.

## NOTE - 1(A) SIGNIFICANT ACCOUNTING POLICIES

### a. 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 21<sup>st</sup> April, 2023.

### b. Basis for Preparation and Presentation of Financial Statements:

#### Basis of Preparation:

The financial statements have been prepared on a 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

### c. 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

### d. 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".

### e. 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  | 7-12 Year                                 |
| 5) Company Vehicles (Other Than those provided to Employees)        | 3 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

**f. 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.

**g. 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.

#### **h. Non-Current assets (or disposal Company) 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 or Company of 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.

#### **i. 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.

#### **j. 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

#### **k. 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.

#### **l. 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 on 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.

#### **m. 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 recognized upon transfer of control of promised products to customers. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation, in accordance with Ind AS115 "Revenue from contract with customers". Amounts disclosed as revenue are net of sales returns and allowances, trade discounts and Goods and service tax.

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.

Rental income on assets given under operating lease arrangements is recognized on a straight-line basis over the period of the lease unless the receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

#### **n. Lease:**

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.

#### **o. 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.

#### **p. 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

#### **q. 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

#### **r. 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.

#### **s. 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 FVTOCI 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 FVTOCI 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.

#### **t. 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.

#### **u. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **v. Derivative Financial Instruments and Hedge Accounting:**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure foreign exchange rate risks. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting

period. The resulting gain or loss is recognized in statement of profit or loss immediately excluding derivatives designated as cash flow hedge.

#### Recognition and measurement of fair value hedge:

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument is recognized in the Statement of Profit and Loss

#### w. 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.

#### x. 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) SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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 credit worthiness, 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 - 1(C) STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31<sup>st</sup> March, 2023, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1<sup>st</sup> April, 2023, as below:

**I. Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material

accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**II. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

**III. Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

## NOTE - 2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Lakhs)

| Sr. No.                         | Description of the Block of Assets           | GROSS BLOCK      |                 |                       | As at 31/03/2023 | DEPRECIATION/AMORTISATION |               |               | NET BLOCK        |                  |
|---------------------------------|--|------------------|-----------------|-----------------------|------------------|---------------------------|---------------|---------------|------------------|------------------|
|                                 |  | As at 01/04/2022 | Additions       | Deductions/ Discarded |                  | As at 01/04/2022          | Depreciation  | Deductions    | As at 31/03/2023 | As at 31/03/2023 |
| <b>Tangible Assets</b>          |  |                  |                 |                       |                  |                           |               |               |                  |                  |
| 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            |
|                                 | <b>Total</b>                                 | <b>15,335.33</b> | <b>2,116.59</b> | <b>215.84</b>         | <b>17,236.08</b> | <b>11,336.86</b>          | <b>633.27</b> | <b>205.09</b> | <b>11,765.04</b> | <b>5,471.04</b>  |
| <b>Intangible Assets</b>        |  |                  |                 |                       |                  |                           |               |               |                  |                  |
| 1                               | Software Items                               | 6.21             | -               | -                     | 6.21             | 6.21                      | -             | -             | 6.21             | -                |
| 2                               | Specialised Software                         | 52.08            | -               | -                     | 52.08            | 52.08                     | -             | -             | 52.08            | -                |
|                                 | <b>Total</b>                                 | <b>58.29</b>     | <b>-</b>        | <b>-</b>              | <b>58.29</b>     | <b>58.29</b>              | <b>-</b>      | <b>-</b>      | <b>58.29</b>     | <b>-</b>         |
| <b>Capital Work-in-Progress</b> |  |                  |                 |                       |                  |                           |               |               |                  |                  |
|                                 |  |                  |                 |                       |                  |                           |               |               |                  | <b>593.03</b>    |

(₹ in Lakhs)

| Sr. No.                         | Description of the Block of Assets           | GROSS BLOCK      |               |                       | DEPRECIATION/AMORTISATION |                  |               | NET BLOCK     |                  |                  |
|---------------------------------|--|------------------|---------------|-----------------------|---------------------------|------------------|---------------|---------------|------------------|------------------|
|                                 |  | As at 01/04/2021 | Additions     | Deductions/ Discarded | As at 31/03/2022          | As at 01/04/2021 | Depreciation  | Deductions    | As at 31/03/2022 | As at 31/03/2022 |
| <b>Tangible Assets</b>          |  |                  |               |                       |                           |                  |               |               |                  |                  |
| 1                               | Freehold Land                                | 12.01            | -             | -                     | 12.01                     | -                | -             | -             | -                | 12.01            |
| 2                               | Leasehold Land                               | 39.68            | -             | -                     | 39.68                     | 13.49            | 0.38          | -             | 13.87            | 25.81            |
| 3                               | Building- Freehold                           | 207.46           | -             | -                     | 207.46                    | 75.88            | 3.22          | -             | 79.10            | 128.36           |
| 4                               | Building- Leasehold                          | 544.17           | 4.54          | -                     | 548.71                    | 372.51           | 11.92         | -             | 384.43           | 164.28           |
| 5                               | Road, Well, Culvert, Fencing etc             | 149.84           | -             | -                     | 149.84                    | 100.70           | 9.53          | -             | 110.23           | 39.61            |
| 6                               | Plant & Machinery                            | 14,065.98        | 504.08        | 1,027.50              | 13,542.56                 | 10,555.84        | 487.78        | 976.13        | 10,067.49        | 3,475.07         |
| 7                               | Plant & Machinery-Data Processing Equipments | 181.41           | 11.87         | -                     | 193.28                    | 171.44           | 4.20          | 0.82          | 174.82           | 18.46            |
| 8                               | Vehicles & Tanks                             | 285.34           | 52.39         | 10.17                 | 327.56                    | 223.34           | 24.85         | 9.66          | 238.53           | 89.03            |
| 9                               | Furnitures & Fixtures                        | 75.70            | 4.38          | -                     | 80.08                     | 72.32            | 1.59          | -             | 73.91            | 6.17             |
| 10                              | Office Equipment                             | 212.22           | 26.55         | 4.62                  | 234.15                    | 181.57           | 16.47         | 3.56          | 194.48           | 39.67            |
|                                 | <b>Total</b>                                 | <b>15,773.81</b> | <b>603.81</b> | <b>1,042.29</b>       | <b>15,335.33</b>          | <b>11,767.09</b> | <b>559.94</b> | <b>990.17</b> | <b>11,336.86</b> | <b>3,998.46</b>  |
| <b>Intangible Assets</b>        |  |                  |               |                       |                           |                  |               |               |                  |                  |
| 1                               | Software Items                               | 6.21             | -             | -                     | 6.21                      | 6.21             | -             | -             | 6.21             | -                |
| 2                               | Specialised Software                         | 52.08            | -             | -                     | 52.08                     | 52.08            | -             | -             | 52.08            | -                |
|                                 | <b>Total</b>                                 | <b>58.29</b>     | <b>-</b>      | <b>-</b>              | <b>58.29</b>              | <b>58.29</b>     | <b>-</b>      | <b>-</b>      | <b>58.29</b>     | <b>-</b>         |
| <b>Capital Work-in-Progress</b> |  |                  |               |                       |                           |                  |               |               |                  |                  |
|                                 |  |                  |               |                       |                           |                  |               |               |                  | <b>1,218.55</b>  |

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.

**Capital Work in Progress (CWIP) ageing schedule**As at 31<sup>st</sup> March, 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 | -                              | -         | -         | -                 | -      |

As at 31<sup>st</sup> March, 2022

(₹ 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           | 1,005.06                       | 126.20    | 87.29     | -                 | 1,218.55 |
| Projects temporarily suspended | -                              | -         | -         | -                 | -        |

**NOTE - 3 NON-CURRENT INVESTMENT (NON TRADED AND UNQUOTED)**

(Long Term Fully Paid up)

| Particulars   | Face Value ₹ | As at 31 <sup>st</sup> March, 2023 |               | As at 31 <sup>st</sup> March, 2022 |               |
|---|--------------|------------------------------------|---------------|------------------------------------|---------------|
|   |              | No. of shares                      | (₹ in Lakhs)  | No. of shares                      | (₹ in Lakhs)  |
| Investment in Equity Instrument Carried at Fair Value through Other Comprehensive Income (FVTOCI) |              |                                    |               |                                    |               |
| Equity shares of Cuddalore Sipcot Industries Common Utilities Limited                             | 100          | 16,963                             | 141.93        | 16,963                             | 137.56        |
| <b>Total</b>  |              | <b>16,963</b>                      | <b>141.93</b> | <b>16,963</b>                      | <b>137.56</b> |

**NOTE - 4 NON-CURRENT - OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| Security Deposits & Other Deposits                    | 11.11                              | 4.58                               |
| Loans & Advances to related parties (Refer Note 28.2) | 1.98                               | 1.98                               |
| Income Tax Refund Receivables                         | -                                  | -                                  |
|   | <b>13.09</b>                       | <b>6.56</b>                        |

**NOTE - 5 OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

| Particulars                                      | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Input Credit, Statutory/Electricity deposits etc | 82.55                              | 78.63                              |
| <b>TOTAL</b>                                     | <b>82.55</b>                       | <b>78.63</b>                       |



## NOTE - 6 INVENTORIES

(₹ in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Raw materials including Packing Materials #            | 4,136.23                           | 3,082.60                           |
| Raw materials including Packing Materials - In transit | 220.62                             | 297.18                             |
| Finished Goods   | 487.91                             | 374.94                             |
| Finished Goods in Transit                              | 93.10                              | -                                  |
| Stores, Spares & Consumables #                         | 295.37                             | 281.04                             |
| Coal, Fuel Oil & Other utilities                       | 59.66                              | 127.47                             |
| <b>TOTAL</b>   | <b>5,292.90</b>                    | <b>4,163.23</b>                    |

#Net of Provision of ₹ 67.39 Lakhs (Previous year ₹ 51.34 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 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| <b>Unquoted</b>  |                                    |                                    |
| Investments in various Mutual Funds<br>(At fair value through Profit & Loss) | 6,562.37                           | 4,057.96                           |
| <b>TOTAL</b>   | <b>6,562.37</b>                    | <b>4,057.96</b>                    |
| Aggregate cost of unquoted investments                                       | 6,507.96                           | 4,033.66                           |
| Aggregate amount of unquoted investments                                     | 6,562.37                           | 4,057.96                           |

## NOTE - 8 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Trade Receivables  |                                    |                                    |
| Secured, considered good & Undisputed                            | -                                  | -                                  |
| Unsecured, considered good & Undisputed                          | 5,077.85                           | 2,491.90                           |
| Trade Receivables: which has significant increase in credit risk | -                                  | -                                  |
| Trade Receivables Credit impaired                                | 15.47                              | 21.22                              |
|  | <b>5,093.32</b>                    | <b>2,513.12</b>                    |
| Less: Allowance for Bad and Doubtful Debts                       | (15.47)                            | (21.22)                            |
| <b>TOTAL</b>   | <b>5,077.85</b>                    | <b>2,491.90</b>                    |

(1) For Lien/charge details against trade receivables, Refer Note 28.



## NOTE - 9 CASH AND BANK BALANCES

(₹ in Lakhs)

| Particulars                          | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--------------------------------------|------------------------------------|------------------------------------|
| <b>A. Cash &amp; Cash Equivalent</b> |                                    |                                    |
| Balances with Bank                   |                                    |                                    |
| Current Accounts                     | -                                  | -                                  |
| Cash Credit Accounts                 | 389.73                             | 692.33                             |
| <b>TOTAL (A)</b>                     | <b>389.73</b>                      | <b>692.33</b>                      |
| <b>B. Other Bank Balance</b>         |                                    |                                    |
| Unclaimed Dividend                   | 15.96                              | 6.49                               |
| Deposit Accounts                     | 862.31                             | 625.92                             |
| <b>TOTAL (B)</b>                     | <b>878.27</b>                      | <b>632.41</b>                      |
| <b>TOTAL (A+B)</b>                   | <b>1,268.00</b>                    | <b>1,324.74</b>                    |

**Note:** There are no restriction with regard to Cash and Cash Equivalents as at the end of reporting period and prior period.

## NOTE - 10 CURRENT LOANS AND ADVANCES AND OTHER FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| <b>A) Loans and Advances (Unsecured, Considered Good except otherwise stated)</b> |                                    |                                    |
| Claims Recoverable  | -                                  | -                                  |
| <b>Total Loans and Advances</b>   | <b>-</b>                           | <b>-</b>                           |
| <b>B) Other Financial Assets</b>  |                                    |                                    |
| Security Deposits & Other Deposits  | 0.75                               | 0.75                               |
| <b>Total Other Financial Assets</b>   | <b>0.75</b>                        | <b>0.75</b>                        |

## NOTE - 11 OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| <b>Unsecured, Considered Good except otherwise stated</b> |                                    |                                    |
| <b>A) Current Tax Assets</b>                              |                                    |                                    |
| Income Tax Refund Receivables                             | 68.47                              | 138.97                             |
| Sub Total - A   | <b>68.47</b>                       | <b>138.97</b>                      |
| <b>B) Other Current Assets</b>                            |                                    |                                    |
| Export Incentives Receivable                              | 54.18                              | 45.78                              |
| Advance for Expenses & Purchases of Material              | 228.45                             | 210.54                             |
| Claims Recoverable, VAT Input Credit etc                  | 115.18                             | 115.18                             |
| Prepaid Expenses  | 77.94                              | 73.31                              |
| Mark to Market on Currency Forward contracts              | 0.01                               | 14.81                              |
| Others  | 133.17                             | 155.55                             |
| Sub Total - B   | <b>608.93</b>                      | <b>615.17</b>                      |
| <b>TOTAL</b>  | <b>677.40</b>                      | <b>754.14</b>                      |

**NOTE - 12 EQUITY SHARE CAPITAL**

(₹ in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2023 |                 | As at 31 <sup>st</sup> March, 2022 |                 |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
|   | No. of Shares                      | Amount          | No. of Shares                      | Amount          |
| <b>Authorised</b>   |                                    |                 |                                    |                 |
| 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        |
|   |                                    | <b>3,500.00</b> |                                    | <b>3,500.00</b> |
| <b>Issued, Subscribed and Paid up</b>                               |                                    |                 |                                    |                 |
| 99,75,000 Equity shares of ₹ 10/- each fully paid up                |                                    | 997.50          |                                    | 997.50          |
|   |                                    | <b>997.50</b>   |                                    | <b>997.50</b>   |

**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 31 <sup>st</sup> March, 2023 |        | As at 31 <sup>st</sup> March, 2022 |        |
|--|------------------------------------|--------|------------------------------------|--------|
|  | No. of Shares                      | Amount | No. of Shares                      | 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 shareholder holding more than 5% shares of the total no of shares issued by the Company Equity:**

(₹ in Lakhs)

| Name of the Shareholder                              | As at 31 <sup>st</sup> March, 2023 |                  | As at 31 <sup>st</sup> March, 2022 |                  |
|--|------------------------------------|------------------|------------------------------------|------------------|
|  | 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 <sup>#</sup>                  | 25,73,081                          | 25.80%           | 24,89,802                          | 24.96%           |
| Kamaljyot Investments Limited                        | 8,30,925                           | 8.33%            | 8,30,925                           | 8.33%            |
| Anshul Specialty Molecules                           | 7,15,970                           | 7.18%            | 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

(₹ in Lakhs)

| Promoter name  | As at 31 <sup>st</sup> March, 2023 |                   |                          | As at 31 <sup>st</sup> March, 2022 |                   |                          |
|--|------------------------------------|-------------------|--------------------------|------------------------------------|-------------------|--------------------------|
|  | No. of shares                      | % of total shares | % Change during the year | No. of shares                      | % of total shares | % Change during the year |
| Tamilnadu Industrial Development Corporation Limited | 25,95,000                          | 26.02%            | 0.00%                    | 25,95,000                          | 26.02%            | 0.00%                    |
| Anupam Rasayan Limited #                             | 25,73,081                          | 25.80%            | 0.83%                    | 24,89,802                          | 24.96%            | 24.96%                   |
| <b>Total</b>   | <b>51,68,081</b>                   | <b>51.81%</b>     | <b>0.83%</b>             | <b>50,84,802</b>                   | <b>50.98%</b>     | <b>0.00%</b>             |

# On 11<sup>th</sup> March, 2022, M/S Anupam Rasayan India Limited acquired shares of M/S Birla Group Holdings Private Limited, M/S Pilani Investment & Industries Limited and Mr. Askaran agarwala (1,150 shares Person Acting in Concert), totalling 24,89,802 shares vide Share Purchase Agreement dated 1<sup>st</sup> February, 2022 and obtained joint control over the Company along with Tamilnadu Industrial Development Corporation Limited (continuing promoter). M/S Anupam Rasayan India Limited had further acquired 83,279 shares tendered by public during the tendering period of open offer made in compliance with SEBI SAST Regulations.

## NOTE - 13 RESERVES AND SURPLUS

(₹ in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| <b>Capital Reserve (A)</b>                              |                                    |                                    |
| i) State Capital Subsidy from SIPCOT                    | 30.00                              | 30.00                              |
| ii) Profit on sale of Forfeited Shares                  | 0.46                               | 0.46                               |
| <b>TOTAL</b>  | <b>30.46</b>                       | <b>30.46</b>                       |
| <b>Securities Premium Reserve (B)</b>                   | <b>2.18</b>                        | <b>2.18</b>                        |
| <b>General Reserve (C)</b>                              |                                    |                                    |
| Opening balance   | 3,324.96                           | 3,324.96                           |
| <b>TOTAL</b>  | <b>3,324.96</b>                    | <b>3,324.96</b>                    |
| <b>Capital Redemption Reserve (D)</b>                   | <b>500.00</b>                      | <b>500.00</b>                      |
| <b>Retained Earnings (E)</b>                            |                                    |                                    |
| Opening balance   | 8,514.22                           | 3,468.47                           |
| Add: Net profit for the year                            | 5,606.77                           | 5,394.87                           |
| Less: Dividend Distributed (including Interim Dividend) | (548.63)                           | (349.13)                           |
| <b>TOTAL</b>  | <b>13,572.36</b>                   | <b>8,514.22</b>                    |
| <b>Total (A+B+C+D+E)</b>                                | <b>17,429.96</b>                   | <b>12,371.82</b>                   |

### The Description of the nature and purpose of each reserve within equity is as follows:

- 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
- 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.
- 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.
- Capital Redemption Reserve:** Created out of profit upon redemption of 500,000 11% Redeemable Cumulative 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.

**NOTE - 14 NON-CURRENT PROVISIONS**

(₹ in Lakhs)

| Particulars       | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|-------------------|------------------------------------|------------------------------------|
| Employee Benefits |                                    |                                    |
| Leave Encashment  | 110.38                             | 61.20                              |
| <b>TOTAL</b>      | <b>110.38</b>                      | <b>61.20</b>                       |

**NOTE - 15 CURRENT BORROWINGS**

(₹ in Lakhs)

| Particulars               | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---------------------------|------------------------------------|------------------------------------|
| <b>SECURED LOANS</b>      |                                    |                                    |
| Working Capital Borrowing |                                    |                                    |
| Bank                      | -                                  | -                                  |
| <b>TOTAL</b>              | <b>-</b>                           | <b>-</b>                           |

**15.1 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.

**15.2** 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 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| <b>Trade Payables</b>  |                                    |                                    |
| Outstanding Dues of Micro and Small Enterprises                      | 183.38                             | 27.22                              |
| Outstanding Dues of Creditors other than Micro and Small Enterprises | 4,455.85                           | 3,463.44                           |
| <b>TOTAL</b>   | <b>4,639.23</b>                    | <b>3,490.66</b>                    |

**Disclosure under Sec. 22 of MSMED Act, 2006**

(Chapter V - Delayed Payment to Micro and Small Enterprises)

(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 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| The principal amount remaining unpaid to any supplier as at the end of each accounting year;     | 183.38                             | 27.22                              |
| 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;                                  | -                                  | -                                  |

## 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 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| 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 31 <sup>st</sup> March, 2023 from due date of payment |               |                 |              |             |                   | Total           |
|--|---|---------------|-----------------|--------------|-------------|-------------------|-----------------|
|  | Unbilled & Not 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          | -   | -             | -               | -            | -           | -                 | -               |
| <b>Total</b>   | <b>-</b>  | <b>208.15</b> | <b>4,351.71</b> | <b>66.37</b> | <b>1.55</b> | <b>11.45</b>      | <b>4,639.23</b> |

(₹ in Lakhs)

| Particulars  | Outstanding as on 31 <sup>st</sup> March, 2022 from due date of payment |               |                 |              |              |                   | Total           |
|--|---|---------------|-----------------|--------------|--------------|-------------------|-----------------|
|  | Unbilled & Not 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                      | -   | 27.22         | -               | -            | -            | -                 | 27.22           |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | -   | 214.59        | 3,193.99        | 17.74        | 15.57        | 21.55             | 3,463.44        |
| Disputed dues of micro enterprises and small enterprises                               | -   | -             | -               | -            | -            | -                 | -               |
| Disputed dues of creditors other than micro enterprises and small enterprises          | -   | -             | -               | -            | -            | -                 | -               |
| <b>Total</b>   | <b>-</b>  | <b>241.81</b> | <b>3,193.99</b> | <b>17.74</b> | <b>15.57</b> | <b>21.55</b>      | <b>3,490.66</b> |

**NOTE - 17 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

| Particulars                      | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|----------------------------------|------------------------------------|------------------------------------|
| Advance from Customers           | 122.59                             | 46.55                              |
| Unclaimed Dividend               | 15.96                              | 6.49                               |
| Other Payables                   |                                    |                                    |
| Statutory Dues                   | 402.79                             | 43.34                              |
| Security Deposits                | 10.75                              | 6.25                               |
| Payables pertaining to employees | 0.52                               | 0.35                               |
| Creditors for Fixed Assets       | 1.04                               | 45.99                              |
| <b>TOTAL</b>                     | <b>553.65</b>                      | <b>148.97</b>                      |

**NOTE - 18 CURRENT PROVISIONS**

(₹ in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| <b>i) Current Provisions:</b>  |                                    |                                    |
| Employee Benefits - Leave Encashment   | 14.61                              | 22.11                              |
| Disputed Liabilities   | 52.77                              | 52.77                              |
| Provision for expenses   | 953.17                             | 758.49                             |
| Mark to Market on Currency Forward contracts   | 6.39                               | -                                  |
|  | <b>1,026.94</b>                    | <b>833.37</b>                      |
| <b>ii) Current Tax Liabilities (Net):</b>  |                                    |                                    |
| Income Tax (Net of Advance tax - ₹ 1,892.38 Lakhs Previous Year<br>₹ 1,092.68 Lakhs) | 105.85                             | 10.03                              |
| <b>TOTAL</b>   | <b>1,132.79</b>                    | <b>843.40</b>                      |

**18.1 Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset"****a) Provision for expenses**

(₹ in Lakhs)

| Particulars                    | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--------------------------------|------------------------------------|------------------------------------|
| Opening Balance                | 758.49                             | 333.34                             |
| Add: Provision during the year | 707.33                             | 665.13                             |
| Less: Utilised during the year | (512.65)                           | (239.98)                           |
| <b>TOTAL</b>                   | <b>953.17</b>                      | <b>758.49</b>                      |



## NOTE - 19 REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars                                 | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| <b>Sale of Products</b>                     |  |  |
| Manufactured                                | 37,052.12                                  | 31,404.70                                  |
| <b>Total (A)</b>                            | <b>37,052.12</b>                           | <b>31,404.70</b>                           |
| <b>Other Operating Income</b>               |  |  |
| Export Incentives                           | 52.22                                      | 110.03                                     |
| Scrap sales                                 | 155.93                                     | 132.97                                     |
| Freight Packing & forwarding                | 234.54                                     | 369.50                                     |
| <b>Total (B)</b>                            | <b>442.69</b>                              | <b>612.50</b>                              |
| <b>Total Revenue from Operations (A+ B)</b> | <b>37,494.81</b>                           | <b>32,017.20</b>                           |

## NOTE - 20 OTHER INCOME

(₹ in Lakhs)

| Particulars   | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| Interest on Income tax refunds                                  | 15.24                                      | -  |
| Interest on deposits  | 30.59                                      | 7.88                                       |
| Profit on sale of Fixed assets                                  | -  | 17.08                                      |
| Profit on Sale of Current Investments (Net)                     | 186.88                                     | 99.70                                      |
| Gain on Fair Valuation of Current Investments                   | 54.41                                      | 24.30                                      |
| Claims Received   | 440.90                                     | -  |
| Other Miscellaneous receipt                                     | 20.25                                      | 67.37                                      |
| Fluctuation in Exchange Rates (excluding forward cover charges) | 23.49                                      | 15.71                                      |
| Excess provisions & Liabilities no longer required written back | 20.41                                      | 108.39                                     |
| <b>Total</b>  | <b>792.17</b>                              | <b>340.43</b>                              |

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## NOTE - 21 COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

(₹ in Lakhs)

| Particulars                        | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|------------------------------------|--|--|
| Cost of Raw materials consumed     | 22,018.15                                  | 16,910.14                                  |
| Cost of Packing materials consumed | 862.80                                     | 711.83                                     |
| <b>Total</b>                       | <b>22,880.95</b>                           | <b>17,621.97</b>                           |

**NOTE - 22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

(₹ in Lakhs)

| Particulars   | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| <b>Opening stock</b>  |  |  |
| Finished Goods  | 374.94                                     | 203.03                                     |
| Work in Progress  | -  | -  |
| <b>Total</b>  | <b>374.94</b>                              | <b>203.03</b>                              |
| <b>Less:</b>  |  |  |
| <b>Closing Stock</b>  |  |  |
| Finished Goods  | (581.01)                                   | (374.94)                                   |
| Work in Progress  | -  | -  |
| <b>Total</b>  | <b>(581.01)</b>                            | <b>(374.94)</b>                            |
| <b>Increase/(Decrease) in Inventories of Finished Goods and WIP</b> | <b>(206.07)</b>                            | <b>(171.91)</b>                            |

**NOTE - 23 EMPLOYEE BENEFIT EXPENSES ( REFER NOTE 29.1)**

(₹ in Lakhs)

| Particulars                             | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| Salaries, Wages and Bonus               | 1,316.69                                   | 1,013.87                                   |
| Contribution to Provident & Other Funds | 162.36                                     | 106.30                                     |
| Staff Welfare Expenses                  | 150.79                                     | 166.80                                     |
| <b>Total</b>                            | <b>1,629.84</b>                            | <b>1,286.97</b>                            |

**NOTE - 24 FINANCE COST**

(₹ in Lakhs)

| Particulars                  | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|------------------------------|--|--|
| Interest Expenses            |  |  |
| Banks                        |  |  |
| Borrowings - Working Capital | 5.15                                       | 6.89                                       |
| Processing Fees              | 29.04                                      | 28.28                                      |
| Forward Cover Charges        | 54.24                                      | 66.86                                      |
| <b>Total</b>                 | <b>88.43</b>                               | <b>102.03</b>                              |

**NOTE - 25 POWER AND FUEL**

(₹ in Lakhs)

| Particulars  | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|--------------|--|--|
| Power        | 267.65                                     | 234.34                                     |
| Furnace oil  | 1,142.01                                   | 1,003.54                                   |
| Steam coal   | 118.93                                     | 553.96                                     |
| Others       | 75.35                                      | 181.35                                     |
| <b>Total</b> | <b>1,603.94</b>                            | <b>1,973.19</b>                            |

## NOTE - 26 OTHER EXPENSES

(₹ in Lakhs)

| Particulars  | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Consumption of stores and Spares                                 | 748.05                                     | 928.04                                     |
| Effluent Treatment Expenses                                      | 99.41                                      | 125.23                                     |
| Water charges  | 83.70                                      | 94.50                                      |
| Other Manufacturing Expenses -Consumables and Operation Expenses | 130.63                                     | 103.48                                     |
| Repairs & Maintenance  |  |  |
| - Building   | 364.24                                     | 122.26                                     |
| - Plant & machinery  | 273.29                                     | 295.04                                     |
| - Others   | 596.34                                     | 580.40                                     |
| Rent   | 9.53                                       | 9.75                                       |
| Insurance (Net)  | 144.66                                     | 119.82                                     |
| Rates & Taxes  | 38.00                                      | 38.48                                      |
| Travelling & Conveyance  | 75.95                                      | 44.95                                      |
| Vehicle Running Expenses   | 9.84                                       | 7.92                                       |
| Communication Expenses   | 65.16                                      | 71.82                                      |
| Auditors Remuneration  |  |  |
| - Audit Fee  | 8.00                                       | 8.00                                       |
| - Tax Audit Fee  | 2.00                                       | 2.00                                       |
| - Limited Review   | 5.00                                       | 6.50                                       |
| - Other Certification work                                       | -  | -  |
| Travel and Stay Expenses   | 0.29                                       | 0.29                                       |
| Printing & Stationery  | 7.39                                       | 6.11                                       |
| Legal & Professional Charges                                     | 122.13                                     | 78.80                                      |
| Consultancy Charges  | 1.81                                       | 0.16                                       |
| Miscellaneous Expenses   | 97.05                                      | 28.55                                      |
| Bank Charges ( other than borrowings)                            | 137.17                                     | 100.28                                     |
| Loss on sale of Fixed assets                                     | 0.70                                       | -  |
| Area maintainance charges  | 19.82                                      | 17.18                                      |
| Security Service charges   | 84.26                                      | 70.24                                      |
| Lease Charges  | -  | 18.03                                      |
| Freight Packing & forwarding                                     | 863.03                                     | 808.75                                     |
| Directors sitting fees   | 21.00                                      | 27.40                                      |
| Contribution To CSR Activities (Refer Note 28.11)                | 79.07                                      | 47.79                                      |
| Commission on sales  | 6.81                                       | 29.02                                      |
| Provision for Inventory  | 16.05                                      | -  |
| <b>Total</b>   | <b>4,110.38</b>                            | <b>3,790.78</b>                            |

**NOTE - 27 OTHER COMPREHENSIVE INCOME**

(₹ in Lakhs)

| Particulars   | Year Ended<br>31 <sup>st</sup> March, 2023 | Year Ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| Net actuarial Gain loss on employees defined benefit obligation | (12.77)                                    | 83.21                                      |
| Gain on Fair Value of Investments                               | 4.37                                       | 5.51                                       |
| <b>Total</b>  | <b>(8.40)</b>                              | <b>88.72</b>                               |

**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 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| <b>Present value of DBO at start of the year</b>                 | 230.16                             | 284.78                             |
| Interest Cost  | 17.17                              | 19.88                              |
| Current Service Cost   | 18.37                              | 14.69                              |
| Past Service Cost  | -                                  | -                                  |
| Benefit Paid   | -                                  | (4.04)                             |
| 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    | (3.92)                             | (85.15)                            |
| <b>Present value of DBO at end of the year</b>                   | <b>261.78</b>                      | <b>230.16</b>                      |

(₹ in Lakhs)

| Reconciliation of Fair Value of Plan Assets:                  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| <b>Fair Value of Plan Assets at the beginning of the year</b> | 370.18                             | 351.60                             |
| Interest Income on Plan Assets                                | 27.62                              | 24.56                              |
| Contributions by Employer                                     | -                                  | -                                  |
| Benefit Paid  | -                                  | (4.04)                             |
| Re-measurements:  |                                    |                                    |
| Actuarial (Loss)/Gain   | (16.69)                            | (1.94)                             |
| <b>Fair Value of Plan Assets at the end of the year</b>       | <b>381.11</b>                      | <b>370.18</b>                      |
| Actual Return on Plan Assets                                  | 10.92                              | 22.63                              |

(₹ in Lakhs)

| Amount recognized in the Balance Sheet:           | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| Present value of DBO at the end of the year       | 261.78                             | 230.16                             |
| Fair Value of Plan Assets at the end of the year  | 381.11                             | 370.18                             |
| <b>Net Asset/(Liability) in the Balance Sheet</b> | <b>119.33</b>                      | <b>140.02</b>                      |

(₹ in Lakhs)

| <b>Gratuity recognized in the Statement of Profit and Loss</b> | <b>As at 31<sup>st</sup> March, 2023</b> | <b>As at 31<sup>st</sup> March, 2022</b> |
|--|--|--|
| Current Service Cost   | 18.37                                    | 14.69                                    |
| Past Service Cost  | -  | -  |
| Interest on defined benefit obligation (Net)                   | (10.44)                                  | (4.70)                                   |
| <b>Expense Recognized in Statement of Profit and Loss</b>      | <b>7.93</b>                              | <b>9.99</b>                              |

(₹ in Lakhs)

| <b>Remeasurement effects recognized in Other Comprehensive Income (OCI)</b> | <b>As at 31<sup>st</sup> March, 2023</b> | <b>As at 31<sup>st</sup> March, 2022</b> |
|---|--|--|
| Re-measurements on DBO  |  |  |
| a. Actuarial (Loss)/Gain from changes in demographic assumptions            | -  | -  |
| b. Actuarial (Loss)/Gain from changes in financial assumptions              | 1.57                                     | 18.26                                    |
| c. Actuarial (Loss)/Gain from experience over the past period               | (5.50)                                   | 66.89                                    |
| Re-measurements on Plan Assets  |  |  |
| Actuarial (Loss)/Gain   | 16.69                                    | (1.94)                                   |
| <b>Remeasurement effect recognized in OCI</b>                               | <b>12.76</b>                             | <b>83.21</b>                             |

| <b>Principal Assumption used in determining Gratuity liability</b> | <b>As at 31<sup>st</sup> March, 2023</b>            | <b>As at 31<sup>st</sup> March, 2022</b>            |
|--|---|---|
| Discount Rate  | 7.37%   | 7.46%   |
| Attrition Rate   | 6.00%   | 6.00%   |
| Salary Escalation  | 6.50%   | 6.50%   |
| Mortality Table  | Indian Assured Lives mortality (2012-14) (Ultimate) | Indian Assured Lives mortality (2012-14) (Ultimate) |
| Retirement Age   | 60  | 60  |

(₹ in Lakhs)

| <b>Sensitivity Analysis</b> | <b>As at 31<sup>st</sup> March, 2023</b> |                     | <b>As at 31<sup>st</sup> March, 2022</b> |                     |
|-----------------------------|--|---------------------|--|---------------------|
|                             | <b>Increases 1%</b>                      | <b>Decreases 1%</b> | <b>Increases 1%</b>                      | <b>Decreases 1%</b> |
|                             | <b>Change in DBO (Amount)</b>            |                     | <b>Change in DBO (Amount)</b>            |                     |
| Salary Growth Rate          | 244.07                                   | 247.96              | 244.07                                   | 217.66              |
| Discount Rate               | 246.22                                   | 279.46              | 217.93                                   | 244.01              |
| Attrition Rate              | 262.28                                   | 261.27              | 230.08                                   | 230.26              |

**a) 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 2022-23.

**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 ₹ 22.42 Lakhs (P.Y. ₹ 17.68 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 ₹ 90.75 Lakhs (P.Y. ₹ 65.37 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 (w.e.f. 11-03-2022) <sup>#</sup> | 25.79%                                   |

<sup>#</sup> On 11<sup>th</sup> March, 2022, M/S Anupam Rasayan India Limited acquired shares of M/S Birla Group Holdings Private Limited, M/S Pilani Investment & Industries Limited and Mr. Askaran agarwala (1,150 shares Person Acting in Concert), totalling 24,89,802 shares vide Share Purchase Agreement dated 1<sup>st</sup> February, 2022 and obtained joint control over the Company along with Tamilnadu Industrial Development Corporation Limited (continuing promotor). M/S Anupam Rasayan India Limited had further acquired 83,279 shares tendered by public during the tendering period of open offer made in compliance with SEBI SAST Regulations.

**b) Key Management Personnel (KMP):**

| Name of KMP's                             | Designation                          |
|---|--------------------------------------|
| Mr. R. Karthikeyan <sup>+</sup>           | Non-Executive Director               |
| Dr. Jaya Chandra Bhanu Reddy <sup>+</sup> | Non-Executive Director               |
| Mr. Afzal Harunbhai Malkani               | 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 <sup>#</sup>          | Company Secretary                    |

<sup>\*</sup> Resigned on 23<sup>rd</sup> March, 2023. <sup>+</sup>Effective from 27<sup>th</sup> March, 2023. <sup>#</sup> Effective from 6<sup>th</sup> May, 2022.

c) **Post-Employment Benefits Plan:** TANFAC Employees Gratuity Trust Fund

d) **Entities where Promoters/Directors or their relatives exercise control/significant influence:** Nil

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 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| Contribution towards TANFAC Employees Gratuity Trust Fund                         | -                                  | -                                  |
| Transaction with Cuddalore SIPCOT Industries Common Utilities Ltd (including GST) | 31.30                              | 24.17                              |
| Sale Transactions (Gross) with Anuapm Rasayan Ltd                                 | 1172.69                            | -                                  |

**g) Outstanding Balances:**

(₹ in Lakhs)

| Particulars                                      | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Cuddalore SIPCOT Industries Common Utilities Ltd | 2.57                               | 2.57                               |
| Anuapm Rasayan Ltd - Trade Receivables           | 890.25                             | -                                  |

**h) Compensation to KMP:**

(₹ in Lakhs)

| Nature of Benefits#                          | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Short-term benefits (including Sitting Fees) | 301.01                             | 208.86                             |
| Post-employment gratuity and medical         | -                                  | -                                  |
| Other long-term benefits                     | -                                  | -                                  |
| Share-based payment transactions             | -                                  | -                                  |
| Termination Benefits                         | -                                  | -                                  |
| <b>Total</b>                                 | <b>301.01</b>                      | <b>208.86</b>                      |

# 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 31.3.2023 | 12                  | 37.16                     | 3,053.82                             |
| Forward contract to buy USD- As on 31.3.2022 | 10                  | 16.48                     | 1,249.16                             |

**Exposure in Foreign Currency- Unhedged****The Foreign currency exposure not hedged as at 31<sup>st</sup> March, 2023:**

| Currency     | Payable (in Foreign currency) |                           | Receivables (in foreign currency) |                           |
|--------------|-------------------------------|---------------------------|-----------------------------------|---------------------------|
|              | As at<br>31st March, 2023     | As at<br>31st March, 2022 | As at<br>31st March, 2023         | As at<br>31st March, 2022 |
| USD in Lakhs | 7.27                          | 6.73                      | 3.66                              | 4.29                      |
| INR in Lakhs | 597.28                        | 509.77                    | 301.13                            | 325.12                    |

**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 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| Service tax & VAT                                   | 13.81                  | 13.81                  |
| Central Sales Tax                                   | 246.86                 | 246.86                 |

- b) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) - ₹ 588.88 Lakhs (Previous Year ₹ 332.92 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 the all 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 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

| Particulars  | Fair value measurement using |                     |                     | Total<br>(Amount) |
|--|------------------------------|---------------------|---------------------|-------------------|
|  | (Level 1)<br>Amount          | (Level 2)<br>Amount | (Level 3)<br>Amount |                   |
| (₹ in Lakhs)   |                              |                     |                     |                   |
| <b>As at 31<sup>st</sup> March, 2023:</b>            |                              |                     |                     |                   |
| <b>Financial Assets at amortised cost:</b>           |                              |                     |                     |                   |
| Trade receivables                                    | -                            | -                   | 5,077.85            | 5,077.85          |
| Cash and cash equivalents                            | -                            | -                   | 389.73              | 389.73            |
| Bank Balances other than cash and cash equivalent    | -                            | -                   | 878.26              | 878.26            |
| Investment in Short Term Mutual Funds                | 6,562.38                     | -                   | -                   | 6,562.38          |
| Loans & Advances & other financial assets            | -                            | -                   | 13.09               | 13.09             |
| <b>Assets measured at fair value</b>                 |                              |                     |                     |                   |
| <b>Fair value through Other Comprehensive Income</b> |                              |                     |                     |                   |
| Investment in Equity shares                          | -                            | 141.93              | -                   | 141.93            |
| <b>As at 31<sup>st</sup> March, 2022:</b>            |                              |                     |                     |                   |
| <b>Financial Assets at amortised cost:</b>           |                              |                     |                     |                   |
| Trade receivables                                    | -                            | -                   | 2,491.90            | 2,491.90          |
| Cash and cash equivalents                            | -                            | -                   | 692.33              | 692.33            |
| Bank Balances other than cash and cash Equivalent    | -                            | -                   | 632.41              | 632.41            |
| Investment in Short Term Mutual Funds                | 4,057.96                     | -                   | -                   | 4,057.96          |
| Loans & Advances & other financial assets            | -                            | -                   | 6.55                | 6.55              |
| <b>Assets measured at fair value</b>                 |                              |                     |                     |                   |
| <b>Fair value through Other Comprehensive Income</b> |                              |                     |                     |                   |
| Investment in Equity shares                          | -                            | 137.56              | -                   | 137.56            |

B. Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022.

| Particulars                                     | Fair value measurement using |                     |                     | Total<br>(Amount) |
|---|------------------------------|---------------------|---------------------|-------------------|
|   | (Level 1)<br>Amount          | (Level 2)<br>Amount | (Level 3)<br>Amount |                   |
| (₹ in Lakhs)                                    |                              |                     |                     |                   |
| <b>As at 31<sup>st</sup> March, 2023:</b>       |                              |                     |                     |                   |
| <b>Financial Liabilities at amortised cost:</b> |                              |                     |                     |                   |
| Other Borrowings                                | -                            | -                   | -                   | -                 |
| Trade payables                                  | -                            | -                   | 4,639.23            | 4,639.23          |
| <b>As at 31<sup>st</sup> March, 2022:</b>       |                              |                     |                     |                   |
| <b>Financial Liabilities at amortised cost:</b> |                              |                     |                     |                   |
| Other Borrowings                                | -                            | -                   | -                   | -                 |
| Trade payables                                  | -                            | -                   | 3,490.66            | 3,490.66          |

## 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 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

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 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

#### (i) Foreign currency risk

The Company may also have foreign currency exchange risk on procurement of raw materials. The Company manages this foreign currency 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.

| Basis Points                         | As at 31 <sup>st</sup> March, 2023 |             | As at 31 <sup>st</sup> March, 2022 |             |
|--------------------------------------|------------------------------------|-------------|------------------------------------|-------------|
|                                      | 2% increase                        | 2% decrease | 2% increase                        | 2% decrease |
| Effect on profit before tax (Amount) | (5.92)                             | 5.92        | (3.69)                             | 3.69        |

### 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:

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv. Significant increase in credit risk on other financial instruments of the same counterparty,
- v. 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 of invoice falls due:**

(₹ in Lakhs)

| Ageing             | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--------------------|------------------------------------|------------------------------------|
| 1 to 60 days       | 5,077.53                           | 2,251.51                           |
| 61 to 91 days      | 0.30                               | 23.39                              |
| 92 to 181 days     | 6.17                               | 132.38                             |
| 182 to 365 days    | 1.56                               | 97.96                              |
| 365 days and above | 7.76                               | 7.88                               |
| <b>Total</b>       | <b>5,093.32</b>                    | <b>2,513.12</b>                    |

**The following table summarizes the changes in loss allowances measured using life time expected credit loss model:**

(₹ in Lakhs)

| Provisions  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| Opening Provision   | 21.22                              | 21.79                              |
| Add: Additional provision made  | -                                  | -                                  |
| Less: Provision utilised against bad debts/reversal of excess provision | 5.75                               | 0.57                               |
| Closing provisions  | 15.47                              | 21.22                              |

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 31 <sup>st</sup> March, 2023 | Less than 1 year<br>(Amount) | 1 to 5 years<br>(Amount) | More than 5<br>Years (Amount) | Total (Amount)  |
|------------------------------------|------------------------------|--------------------------|-------------------------------|-----------------|
| Borrowings                         | -                            | -                        | -                             | -               |
| Trade payables                     | 4,639.23                     | -                        | -                             | 4,639.23        |
| <b>Total</b>                       | <b>4,639.23</b>              | <b>-</b>                 | <b>-</b>                      | <b>4,639.23</b> |

(₹ in Lakhs)

| As at 31 <sup>st</sup> March, 2022 | Less than 1 year<br>(Amount) | 1 to 5 years<br>(Amount) | More than 5<br>Years (Amount) | Total (Amount)  |
|------------------------------------|------------------------------|--------------------------|-------------------------------|-----------------|
| Borrowings                         | -                            | -                        | -                             | -               |
| Trade payables                     | 3,490.66                     | -                        | -                             | 3,490.66        |
| <b>Total</b>                       | <b>3,490.66</b>              | <b>-</b>                 | <b>-</b>                      | <b>3,490.66</b> |

**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 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|----------------------------|------------------------------------|------------------------------------|
| Net Debt                   | -                                  | -                                  |
| Total Equity               | 17,897.00                          | 12,838.86                          |
| Total Capital and Net debt | 17,897.00                          | 12,838.86                          |
| <b>Gearing Ratio</b>       | -                                  | -                                  |

**28.7 Assets taken on operating lease**

The Company had taken certain assets on operating lease. The lease rentals payable by the Company was on monthly/quarterly basis. The Company had terminated the operating lease during the current financial year. Future minimum lease rental payable under non-cancellable lease agreements is as under:

(₹ in Lakhs)

| Particulars                                  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Not Later than 1 year                        | -                                  | -                                  |
| Later than 1 year but not later than 5 years | -                                  | -                                  |
| Later than 5 years                           | -                                  | -                                  |
| <b>Total</b>                                 | -                                  | -                                  |

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 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Profit/(loss) after taxation   | 5,612.97                           | 5,328.38                           |
| Weighted average number of shares outstanding during the year (Nos ' in Lakhs) | 99.75                              | 99.75                              |
| Earnings per share of ₹ 10 each  |                                    |                                    |
| Basic (in ₹)   | 56.27                              | 53.42                              |
| Diluted (in ₹)   | 56.27                              | 53.42                              |

**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 31 <sup>st</sup><br>March, 2023 | As at 31 <sup>st</sup><br>March, 2022 | % Variance | Remarks (For<br>variance >25%)  |
|----------------------------------|---|---|---------------------------------------|---------------------------------------|------------|---|
| Current ratio                    | Current Assets  | Current Liabilities   | 2.98                                  | 2.85                                  | 4.59%      |   |
| Debt-equity ratio                | Total Debt  | Shareholder's<br>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                                   | 1,214.12                              | 853.67                                | 42.22%     | 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  | 0.35                                  | 0.49                                  | -28.13%    | Due to low base effect of Average shareholders equity in previous year  |
| Inventory turnover ratio         | Cost of goods sold OR sales   | Average inventory = (Opening + Closing balance/2)   | 4.80                                  | 5.26                                  | -8.84%     |   |
| Trade receivables turnover ratio | Net Credit Sales=Gross credit sales minus sales return. Trade receivables includes sundry debtors and bill's receivables.   | Average trade debtors = (Opening + Closing balance/2)   | 9.91                                  | 15.64                                 | -36.68%    | Due to higher Trade Receivables on account of higher level of operations.   |
| Trade payables turnover ratio    | "Net Credit Purchases =Gross credit purchases minus purchase return "   | Average Trade Payables  | 6.39                                  | 7.16                                  | -10.80%    |   |
| 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. | 2.99                                  | 3.85                                  | -22.48%    |   |
| Net profit ratio                 | Net profit after tax  | Net Sales =Net sales shall be calculated as total sales minus sales returns.                      | 0.15                                  | 0.17                                  | -10.05%    |   |
| Return on capital employed       | Earning before interest and taxes   | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability                       | 0.40                                  | 0.53                                  | -23.43%    |   |
| Return on investment             | Income from investment  | Cost of Investment  | 0.05                                  | 0.04                                  | 13.51%     |   |

**28.11 CSR Expenditure:**

(₹ in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March, 2023  | As at 31 <sup>st</sup> March, 2022  |
|--|---|---|
| Amount required to be spent by the Company during the year | 74.74   | 46.94   |
| Amount spent during the year on:                           |   |   |
| Construction/acquisition of any asset                      | -   | -   |
| On purposes other than (i) above                           | 79.07   | 47.79   |
| Shortfall at the end of the year                           | -   | -   |
| Total of previous years shortfall                          | -   | -   |
| Contribution to a trust controlled by the Company          | -   | -   |
| The nature of CSR activities undertaken by the Company     | Environment<br>Sustainability, Animal<br>Welfare, Healthcare &<br>Education | Environment<br>Sustainability, Animal<br>Welfare, Healthcare &<br>Education |

**For movement is CSR, refer below:**

(₹ in Lakhs)

| Particulars                              | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Opening Balance                          | -                                  | -                                  |
| Gross amount to be spent during the year | 74.74                              | 46.94                              |
| Actual spent                             | 79.07                              | 47.79                              |
| <b>(Excess)/short spent*</b>             | <b>(4.33)</b>                      | <b>(0.85)</b>                      |

**Reason for CSR Funds unspent:**

Not applicable as the Company has spent more than the amount to be spent during the year ending 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

**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 ₹ 24,819 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<sup>th</sup> March, 2021 is disclosed wherever applicable. Further, the following disclosures are not applicable to the Company:

- Disclosure on Revaluation of property, plant and equipment and intangible assets from Registered Valuers is not applicable to Company.
- 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.
- The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- 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.

- 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 The 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 Dividend:** The Board of Directors in their meeting held on 6<sup>th</sup> May, 2022 had recommended final dividend of ₹ 5.50 per share totaling ₹ 548.62 Lakhs for the financial year 2021-22 and the said dividend was transferred to the Final Dividend in September 2022 after confirmation by members in their General Meeting held on 26<sup>th</sup> September, 2022.

The Board of Directors have recommended dividend of ₹ 6.50 per share totaling ₹ 648.38 Lakhs for the financial year 2022-23 subject to the approval of shareholders in the forthcoming Annual General Meeting.

**28.15** 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

**N.R.Ravichandran**  
Chief Financial Officer

**Afzal Harunbhai Malkani**  
Director  
DIN: 07194226

**M.R.Sivaraman**  
Director  
DIN: 00020075

**Place:** Cuddalore  
**Date:** 21<sup>st</sup> April, 2023

**H.Narayana Rao**  
Company Secretary

**K.Sendhil Naathan**  
Managing Director  
DIN: 08850046



**Assurance statement on third-party verification of sustainability information**

Unique identification number: **4153847605**

TÜV SÜD South Asia Pvt. Ltd. (hereinafter TÜV SÜD) has been engaged by Tanfac Industries Ltd. to perform a limited assurance and verification of sustainability information in the “BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT” of Tanfac Industries Limited (hereinafter “Company”) for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. The verification was carried out according to the steps and methods described below.

**Scope of the verification**

The third-party verification was conducted to obtain limited assurance about whether the sustainability information is prepared in accordance with the reporting criteria of the Standard on International Standard on Assurance Engagements (ISAE) 3000 (hereinafter “Reporting Criteria”).

The following selected disclosures are included in the scope of the assurance engagement:

- qualitative and quantitative disclosures on sustainability in the “BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT”, published at [Report link](#)

| S.No. | BRSR indicator reference                            | Description of indicator   |
|-------|---|--|
| 1.    | Section A – 18-a                                    | Employees and workers (including differently abled).   |
| 2.    | Section A – 18-b                                    | Differently abled Employees and workers.   |
| 3.    | Section A – 19                                      | Participation/Inclusion/Representation of women.   |
| 4.    | Section A – 20                                      | Turnover rate for permanent employees and workers.   |
| 5.    | Section A – 23                                      | Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct.  |
| 6.    | Section B – 6                                       | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.   |
| 7.    | Section C – Principle 1 – 1 (Essential Indicator)   | Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year.   |
| 8.    | Section C – Principle 1 – 1 (Leadership Indicator)  | Awareness programmes conducted for value chain partners on any of the Principles during the Financial Year.  |
| 9.    | Section C – Principle 2 – 2-A (Essential Indicator) | Procedures in place for sustainable sourcing?  |
| 10.   | Section C – Principle 2 – 2-B (Essential Indicator) | Percentage of inputs were sourced sustainably?   |
| 11.   | Section C – Principle 2 – 4 (Essential Indicator)   | 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 |





|     |   |   |
|-----|---|---|
| 12. | Section C – Principle 2 – 3<br>(Leadership Indicator) | Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).  |
| 13. | Section C – Principle 2 – 4<br>(Leadership Indicator) | Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.  |
| 14. | Section C – Principle 3 – 1<br>(Essential Indicator)  | Details of measures for the well-being of employees and workers.  |
| 15. | Section C – Principle 3 – 2<br>(Essential Indicator)  | Details of retirement benefits, for Current Financial Year  |
| 16. | Section C – Principle 3 – 3<br>(Essential Indicator)  | Accessibility to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016  |
| 17. | Section C – Principle 3 – 5<br>(Essential Indicator)  | Return to work and Retention rates of permanent employees and workers that took parental leave  |
| 18. | Section C – Principle 3 – 6<br>(Essential Indicator)  | Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?  |
| 19. | Section C – Principle 3 – 8<br>(Essential Indicator)  | Details of training given to employees and workers  |
| 20. | Section C – Principle 3 – 9<br>(Essential Indicator)  | Details of performance and career development reviews of employees and worker   |
| 21. | Section C – Principle 3 – 10<br>(Essential Indicator) | Health and safety management system   |
| 22. | Section C – Principle 3 – 11<br>(Essential Indicator) | Details of safety related incidents   |
| 23. | Section C – Principle 3 – 13<br>(Essential Indicator) | Number of Complaints on working conditions & Health safety made by employees and workers  |
| 24. | Section C – Principle 3 – 14<br>(Essential Indicator) | Assessments for the year (Health and safety practices, Working Conditions)  |
| 25. | Section C – Principle 3 – 1<br>(Leadership Indicator) | life insurance or any compensatory package in the event of death  |
| 26. | Section C – Principle 3 – 3<br>(Leadership Indicator) | Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: |
| 27. | Section C – Principle 4 – 2<br>(Essential Indicator)  | List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group   |
| 28. | Section C – Principle 5 – 1<br>(Essential Indicator)  | Employees and workers who have been provided training on human rights issues and policies of the entity   |
| 29. | Section C – Principle 5 – 2<br>(Essential Indicator)  | Details of minimum wages paid to employees and workers  |
| 30. | Section C – Principle 5 – 4<br>(Essential Indicator)  | Focal point responsible for addressing human rights impacts or issues caused or contributed to by the business  |
| 31. | Section C – Principle 5 – 5<br>(Essential Indicator)  | Internal mechanisms in place to redress grievances related to human rights issues.  |
| 32. | Section C – Principle 5 – 6<br>(Essential Indicator)  | Number of Complaints made by employees and workers  |



|     |   |   |
|-----|---|---|
| 33. | Section C – Principle 5 – 9<br>(Essential Indicator)  | Assessments for child labour, Forced/involuntary labour, Sexual harassment, Discrimination at workplace and Wages   |
| 34. | Section C – Principle 6 – 1<br>(Essential Indicator)  | Details of total energy consumption and energy intensity  |
| 35. | Section C – Principle 6 – 3<br>(Essential Indicator)  | Details of total water consumption and water intensity  |
| 36. | Section C – Principle 6 – 5<br>(Essential Indicator)  | Details of air emissions (other than GHG emissions) by the entity   |
| 37. | Section C – Principle 6 – 6<br>(Essential Indicator)  | Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions)   |
| 38. | Section C – Principle 6 – 7<br>(Essential Indicator)  | Does the entity have any project related to reducing Green House Gas emission?  |
| 39. | Section C – Principle 6 – 8<br>(Essential Indicator)  | Details of total waste generated  |
| 40. | Section C – Principle 6 – 9<br>(Essential Indicator)  | 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 products and processes and the practices adopted to manage such wastes |
| 41. | Section C – Principle 6 – 1<br>(Leadership Indicator) | Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources   |
| 42. | Section C – Principle 6 – 2<br>(Leadership Indicator) | Water discharge by destination and level of treatment (in kiloliters)   |
| 43. | Section C – Principle 6 – 4<br>(Leadership Indicator) | Please provide details of total Scope 3 emissions & its intensity   |
| 44. | Section C – Principle 6 – 6<br>(Leadership Indicator) | 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   |
| 45. | Section C – Principle 8 – 3<br>(Essential Indicator)  | Describe the mechanisms to receive and redress grievances of the community  |
| 46. | Section C – Principle 8 – 4<br>(Essential Indicator)  | Percentage of input material sourced from MSME suppliers  |
| 47. | Section C – Principle 8 – 5<br>(Leadership Indicator) | Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved  |
| 48. | Section C – Principle 9 – 2<br>(Essential Indicator)  | Turnover of products and/ services as a percentage of turnover from all products/service that carry information about.  |
| 49. | Section C – Principle 9 – 3<br>(Essential Indicator)  | Number of consumer complaints   |
| 50. | Section C – Principle 9 – 4<br>(Essential Indicator)  | Details of instances of product recalls on account of safety issues   |

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the sustainability reporting, and accordingly, we do not express a conclusion on this information. It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.



## Responsibility of the Company

The legal representatives of the Company are responsible for the preparation of the sustainability information in accordance with the Reporting Criteria. This responsibility includes in particular the selection and use of appropriate methods for sustainability reporting, the collection and compilation of information and the making of appropriate assumptions or, where appropriate, the making of appropriate estimates. Furthermore, the legal representatives are responsible for necessary internal controls to enable the preparation of a sustainability report that is free of material - intentional or unintentional - erroneous information.

## Verification methodology and procedures performed

The verification engagement has been planned and performed in accordance with the verification methodology developed by the TÜV SÜD Group which is based upon the ISO 17029 and ISAE 3000. Regarding the verification process, also called “assurance process” the best practices guidelines used in the TUV SUD methodology refers to ISAE 3000 as main reference standards.

The applied level of assurance was “limited assurance”. Because the level of assurance obtained in a limited assurance, the engagement is lower than in a reasonable assurance engagement, the procedures the verification team performs in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures.

The verification was based on a systematic and evidence-based assurance process limited as stated above. The selection of assurance procedures is subject to the auditor’s own judgment.

The procedures included amongst others:

- Inquiries of personnel who are responsible for the stakeholder engagement und materiality analysis to understand the reporting boundaries
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls
- Inquiries of company’s representatives responsible for collecting, preparing and consolidating sustainability information and performing internal controls
- Analytical procedures and inspection of sustainability information as reported at group level by all locations
- Assessment of local data collection and management procedures and control mechanisms through a sample survey at Tanfac Corporate office.

## Conclusion

On the basis of the assessment procedures carried out from 15.06.2023 to 10.07.2023, Nothing has come to our attention to suggest that the Report does not meet the completeness with respect the Reporting Criteria.

## Limitations

The assurance process was subject to the following limitations:

- The subject matter information covered by the engagement are described in the “scope of the verification”. Assurance of further information included in the sustainability reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on this information.
- Financial data were only considered to the extent to check the compliance with the economic indicators provided by the GRI Standards and were drawn directly from independently audited financial accounts. TÜV SÜD did not perform any further assurance procedures on data, which were subject of the annual financial audit.



- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

### Use of this Statement

The Company must reproduce the TÜV SÜD statement and possible attachments in full and without omissions, changes, or additions.

This statement is by the scope of the engagement solely intended to inform the Company as to the results of the mandated assessment. TÜV SÜD has not considered the interest of any other party in the selected sustainability information, this assurance report or the conclusions TÜV SÜD has reached. Therefore, nothing in the engagement or this statement provides third parties with any rights or claims whatsoever.

### Independence and competence of the verifier

TÜV SÜD South Asia Pvt Ltd is an independent certification and testing organization and member of the international TÜV SÜD Group, with accreditations also in the areas of social responsibility and environmental protection. The assurance team was assembled based on the knowledge, experience and qualification of the auditors. TÜV SÜD South Asia Pvt Ltd. hereby declares that there is no conflict of interest with the Company.

Place, Date

28<sup>th</sup> August 2023

Gurugram (Haryana)

A handwritten signature in black ink, appearing to read 'Prosenjit Mitra'.

Prosenjit Mitra

DGM- Audit Services

(Business Line - Verification, Validation & Audit)

A handwritten signature in black ink, appearing to read 'Shashank Chaudhary'.

Shashank Chaudhary

Manager- Sustainability Services



**TANFAC INDUSTRIES LIMITED**

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