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January 24, 2024

Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 511473	National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051 Scrip Code: INDBANK
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Dear Sir/Madam,

Sub: Newspaper Advertisement for publishing financial results

Please find enclosed the copies of newspaper advertisements published in Business Standard (English) and Makkal Kural (Tamil) on 24th January 2024 regarding the financial results of the company for the quarter ended 31st December 2023.

This is for your information and records.

Thanking you,

Yours faithfully,

Chitra.MA
Company Secretary and Compliance Officer

Encl: a/a



STEPPING ON THE NATURAL GAS

Three-wheeler dominance gives Bajaj the confidence to try two-wheelers running on CNG

SURAJEET DAS GUPTA
New Delhi, 23 January

Bajaj Auto, the king of the market for CNG-powered passenger three-wheelers, now wants to replicate this dominance in two-wheelers. The difference is that while the former is zooming—registrations for CNG-powered passenger three-wheelers nearly doubled during January–December 2023—the latter, meaning a market for CNG-powered two-wheelers, does not exist.

CNG, or compressed natural gas, works in a way similar to petrol in internal combustion engines (ICE), but is considered more environment-friendly

and cheaper to run than petrol. More and more auto-rickshaws find it economical and profitable to run on CNG, pushing up the penetration of CNG in all three-wheelers from 26 per cent in 2020 to 57 per cent now. In passenger three-wheelers, CNG is 67 per cent.

But CNG has not yet been proven as a commercially viable two-wheeler fuel. In 2016, the central government started a pilot with Indraprastha Gas Ltd to run two-wheelers on CNG in Delhi, under which a few Honda Activa scooters were converted to CNG, but the project did not go far.

Undaunted, Bajaj is looking at launching a CNG-powered motorcycle by 2024–25 and then testing the market

with a CNG scooter. For projections, it is looking at electric two-wheelers as an indication.

"We expect it [CNG two-wheelers] to mirror the share of electric. If 5 to 7 per cent of mobikes are expected to go electric, there is no reason not to have a similar share for CNG. And in scooters, if that number is 25 per cent for electric, we are looking at the same levels for CNG," Rakesh Sharma, executive director of Bajaj Auto, told *Business Standard*.

Driven by 3-wheelers

Bajaj is not the first company in the world to think of CNG for two-wheelers. Way back in 2009, Zanella, in Argentina, came out with a factory-fitted CNG model, but

it did not lead to a big commercial breakthrough. Some companies in China have tried it, but did not look at scale.

Bajaj draws its confidence from its success with CNG-powered three-wheelers. Sharma says many who buy ICE three-wheelers and replace it after seven years are now coming after four years to replace their ICE vehicle with a CNG version. They find it so remunerative they do not mind giving up on the remaining three years of their ICE three-wheeler. As a positive side effect, the conversion to CNG helps in reducing carbon emissions, one of the stated goals of the government to curb the ill effects of climate change.

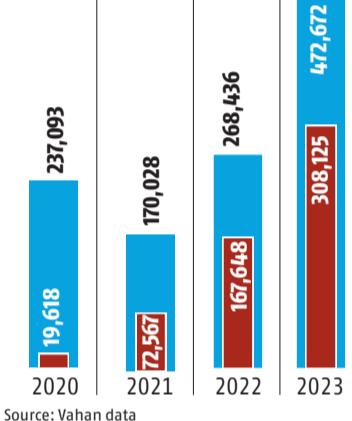
In addition to its three-wheeler success, Bajaj is buoyed by the widespread CNG infrastructure that has burgeoned in the last few years, with 4,600 filling stations in more than 335 towns, as of the last quarter. A study undertaken by Bajaj shows the average density of CNG stations is one for every 62,000 people. The network already covers 70 per cent of the two-wheeler market.

Comparing this to the EV infrastructure, EV players say there are almost 10,500 public charging stations in the country, of which 80 per cent are in the metros. These numbers must be seen in the context of the time taken to recharge an electric two-wheeler (four to seven hours, depending on the battery) versus the three to six minutes spent on refilling a CNG vehicle.

GAINING GROUND

CNG growing in passenger three-wheeler market

■ Three-wheelers ■ CNG variants



Talking costs

But how does the cost of ownership and operations compare?

Sharma says the running cost per kilometre is more relevant in the case of motorcycles, which typically run 40 to 50 km a day, sometimes more, than for scooters, whose usage is usually 20 to 30 km.

This, says Bajaj, needs a nuanced look. The cost of running a petrol three-wheeler is about ₹4.4 per km and of a CNG three-wheeler about ₹2.5 per km—45 per cent lower. The difference, the company says, would be very similar, if not the same, for two-wheelers. For electric two-wheelers, however, the running costs are far lower than even CNG.

Sharma says he cannot give out the difference between the cost of producing an electric two-wheeler and a CNG-powered one, because it is competitive information, but CNG two-wheelers would have a lower cost than electric two-wheelers.

In theory, to make CNG two-wheelers, the company has to modify its ICE platform to make it suitable to run on CNG. Industry experts say 90 per cent of the cost of producing a CNG two-wheeler could be the same as a petrol two-wheeler. In electric, on the other hand, the commonality of components is only about 35 per cent.

That said, CNG two-wheelers would need to be priced higher than their petrol versions, not only because of the modifications but also because the ICE market has much larger and more efficient economies of scale. That is why Bajaj has been trying to persuade the government to lower the goods and services tax on CNG two-wheelers to promote their adoption.

Minuses and pluses

Bajaj Auto's competitors, especially startups making electric two-wheelers, say Bajaj's push for CNG does not make

sense for them.

"We don't find any benefit that compensates for the problems, such as the additional weight of the kit leading to less efficiency, and the fears on safety. Also, the range of electric, which was a worry earlier, is no longer an issue, as electric two-wheelers can be easily charged at home. So, frankly, it has no pluses for us," says the founder of a leading EV startup that once considered CNG.

Others say CNG does not really address the two focus areas of the government on going green. One is reducing the foreign exchange outgo by cutting down on fossil fuels. India depends on imports for half of its natural gas needs. The other is to reduce carbon emissions. CNG, they say, can be an interim measure but to the extent EVs do.

There have also been concerns on safety. Lugging a gas cylinder on a mobike can be tricky.

Bajaj executives point out that there are safety norms clearly written down by the government, and, because so many three-wheelers with CNG cylinders are moving around the country, the fear is unfounded. The challenge is to design a CNG unit top down again so it is in sync with the vehicle.

That is a work in progress.

Some of Bajaj's rivals say its CNG drive comes from the motorcycle major's experience in building an electric motorcycle with power, which would require heavier and bigger batteries. A heavier and larger battery impinges on performance and efficiency, undermining the appeal of a motorcycle. It can be done, but the price differential between an electric mobike and its ICE version will be so huge that it will not be a viable market proposition.

CNG could be the answer.

Growing better crops



AMBI PARAMESWARAN

The first time I learnt about diffusion of new ideas was when I was having a chat with my summer internship mentor, Subhas Chakravarthy, in 1978. We were discussing the challenges of launching products in the context of a new magazine that was being launched by the Ananda Bazar Group. Who will pick up a magazine that offered in-depth content, long-form interviews, and very little politics and movies? Is it possible to specifically target these consumers?

Subhas, I remember, told me about the way Indian agronomists managed to convince the largely illiterate farmers to adopt new varieties of hybrid seeds. This discussion flashed through my mind as I read the names of illustrious people who left us in the year 2023.

This country owes a huge debt of gratitude to Dr M.S. Swaminathan, the legendary agricultural scientist and the key architect of the Green Revolution that converted a food-shortage country into a food-surplus country in less than a decade.

How did this miracle happen? How did they convert Indian farmers to adopt new forms of cultivation and new hybrid seeds? Remember there was no internet, television or even wide spread readership of Indian language newspapers.

I was told that the agriscientist applied what had been espoused in the theory of diffusion of innovation by Everett Rogers. The first edition of the book *Diffusion of Innovations* was published in 1962 when Rogers was just 31 years of age and was an assistant professor of rural sociology at Ohio State University.

The theory explained that not all consumers are equally ready to adopt innovative products.

Rogers' research showed that adopters of any new innovation or idea can be categorised as innovators (2.5 per cent), early adopters (13.5 per cent), early majority (34 per cent), late majority (34 per cent) and laggards (16 per cent). Early work on the theory was done on two categories of products—hybrid seeds [farmers] and antibiotics [doctors]. It is reported that this book was one of the top two most quoted in the field of social sciences.

Remember we are talking about India of the 1960s. An agri-scientist cannot possibly convince a farmer to adopt an unknown method of farming. They will probably get beaten black and blue by the tough Indian farmer. What Dr Swaminathan's team did was to identify opinion leaders in key village clusters. They then got these opinion leaders, maybe the *mukhiya* of the big landlords, to give them a small plot of land. These were the "test plots"; in these test plots, agri-scientists planted the new hybrid seeds and got the villagers to monitor the progress. Low and behold, a few weeks or months later, the result was there for all to see.

The trick was not to

try and convert

everyone in one

sweep but to go

after the potential

"innovators". Even

with them don't

ask for the whole landholding,

just a test plot. By adopting

this gentle nudging method

they managed to spread the

good word about the new

hybrid seeds within a few

years. What happened then was a tsunami of farmers

clamouring for the new

miracle "seed". And the rest is

history. India's foodgrain

production increased from

around 70 million tonnes in

1966 to around 120 million

tonnes in 1976; it kept

climbing and reached 176

million tonnes by 2000.

The adoption of

hybrid seeds by

Indian farmers was

not an accident, but it was

through the

application of a

well-designed

consumer strategy.

Can all products and

services take this

approach? Academic

research is a little

lean on this

Academic research is a little lean on this. Often adoption behaviour is explained post-facto. After a product has been adopted it is easy to find out who adopted it early and who came late to the party. But if I am launching a new product or service, it is very difficult to identify the innovators and early adopters and beam my messages to them. In this regard, Indian agri-scientists managed to identify the right target to convert, the opinion leaders in village clusters. For those who want to understand the adoption of technology products like mobile phones and tablets, the book *Crossing the Chasm* by Geoffrey Moore is a good guide.

Many government policy interventions can benefit from the diffusion of innovation theory. Getting people to pay their income taxes on time, getting urban citizens to keep their city clean, getting more childless couples to adopt orphans, getting more people to donate their organs, can go on. The question is who will be the innovators and early adopters in each of these categories. I remember discussing the challenge of raising funds for an orphanage with a non-governmental organisation. They were emphatic that their best source were women and hence they spent their limited budgets on women's ports.

Could they have gone a little more narrow in defining their innovators? Can it be girls in senior years in colleges? Can they be targeted better?

As the year 2023 drew to a close I was left with many of these thoughts as I remembered the way Indian farmers were convinced to use hybrid seeds and the tremendous contribution made by Dr Swaminathan to help India become a net food grain exporter.

Ambi Parameswaran is a bestselling author and founder of Brand-Building.com a brand advisory. He can be reached at ambimgp@brand-building.com

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EXTRACT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31ST DECEMBER, 2023

Sl. No.	Particulars	Quarter ended 31.12.2023	Quarter ended 30.09.2023	Quarter ended 31.12.2022	Nine Months ended 31.12.2023	Nine Months ended 31.12.2022	Year ended 31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Total income operations (net)	8,872.60	8,297.89	9,968.65	28,040.14	26,104.61	38,286.98
2.	Net Profit / (Loss) for the period (before tax, exceptional items)	1,362.41	1,531.54	2,162.32	5,369.14	4,536.29	7,546.24
3.	Net Profit / (Loss) for the period before tax (after exceptional items)	1,362.41	1,531.54	2,162.32	5,369.14	4,536.29	7,546.24
4.	Net profit / (Loss) for the period after tax	1,007.97	1,137.09	1,625.30	3,984.28	3,375.18	5,612.97
5.	Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and other Comprehensive Income (after tax)	1,010.19	1,144.05	1,625.30	3,993.46	3,367.26	5,606

