



SECY/S.E./2026-27

Date: June 23, 2026

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

Scrip code: 506854

Dear Sir/Madam,

Subject: Intimation of the approval of the Audited Financial Statements for the Financial Year ended March 31, 2026.

Re: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

We wish to inform you that the Board of Directors of the Company at its meeting held on Wednesday, May 06, 2026 has approved the audited financial statements read with the notes and schedules thereto, along with the audit report thereon for the financial year ended March 31, 2026, prepared in accordance with the requirements of the Companies Act, 2013 and Indian Accounting Standards (Ind-AS). A copy of the audited financial statements of the Company along with the audit report are enclosed herewith.

Please note that the audited financial statements read with the notes and schedules thereto, along with the audit report thereon for the financial year ended March 31, 2026, remain subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

We request you to take the above on record and the same be treated as compliance under Regulation 30 and the other applicable provisions of the SEBI Listing Regulations.

Kindly take the same on record and acknowledge.

Thanking you,

For **Tanfac Industries Limited**

Ravichandran N R
Chief Financial Officer

TANFAC INDUSTRIES LIMITED

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

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

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

GST: 33AAACT2591A1ZU | CIN: L24117TN1972PLC006271

INDEPENDENT AUDITOR'S REPORT

To the Members of Tanfac Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Tanfac Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("The Act" or "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2026. 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 Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 29.4 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 it's 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 it's knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- v. The dividend declared or paid during the year as well as the dividend proposed (which is subject to members approval at the ensuing Annual General Meeting) by the Company are in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except at the database level, and where enabled, the same has operated throughout the year for all relevant transactions recorded in the software, as described in note 29.15 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software. Further, to the extent enabled, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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



A handwritten signature in blue ink, appearing to read "Sudesh Choraria".

Sudesh Choraria

Partner

Date : May 06,2026

Place: Chennai

Membership No: 204936
UDIN: 26204936TJYBZE9331

Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 1 of the Independent Auditors’ Report of even date to the members of TANFAC INDUSTRIES LIMITED on the financial Statements as of and for the year ended March 31, 2026)

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, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. In respect of its Inventories:
 - a) 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. During the year 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 records examined by us, Company has not given any loan, made investments or given Guarantee and Securities and covered under Section 185 / 186 of the Act. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts 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) as applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.



- 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:
- 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.
 - 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
Finance Act, 1994 (Service Tax)	Service Tax on Lease Rent	2001-02 to 2004-05	Additional Commissioner of Central Excise, Puducherry	12.30
Goods and Service Tax Act, 2017	ITC Claim disallowed	2021-22	Appellate Deputy Commissioner (GST), Vellore	131.44

- viii. 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:
- 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.
 - Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
 - 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.
 - Based on 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) 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) 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. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. 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. 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. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- 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) Based on our examination of the records of the Company, in respect of CSR Expenditure other than ongoing CSR projects, there were no amount remaining unspent u/s 135 (5) of the Companies Act, Hence no amount was required to be transferred to a Fund specified in Schedule VII to the Companies Act.
- b) Based on our examination of the records of the Company, there were no amount remaining unspent u/s 135 (5) of the Companies Act pursuant to any ongoing CSR project. Therefore, no amount was required to be transferred to a special account in compliance with provision of sub section (6) of section 135 of the said Act.

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



A handwritten signature in blue ink, appearing to read "Sudesh Choraria", written over a light blue grid background.

Sudesh Choraria

Partner

Membership No : 204936

UDIN: 26204936TJYBZE9331

Date : May 06,2026

Place: Chennai

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members of TANFAC INDUSTRIES LIMITED on the financial Statements as of and for the year ended March 31, 2026)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We have audited the internal financial controls over financial reporting of **Tanfac Industries Limited** ('the Company') as of March 31, 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

6. Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that
7. (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

8. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

9. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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



A handwritten signature in blue ink, appearing to read "Sudesh Choraria", written over a light-colored rectangular background.

Sudesh Choraria
Partner

Date : May 06,2026
Place: Chennai

Membership No: 204936
UDIN: 26204936TJYBZE9331

Tanfac Industries Limited
Balance Sheet as at 31st March 2026

(₹ in Lakhs)

Particulars	Note	As at 31-Mar-2026	As at 31-Mar-2025
ASSETS			
1) Non-Current Assets			
a) Property, Plant and Equipment	2	21,168.59	16,778.52
b) Capital Work in Progress	2	2,853.72	839.54
c) Financial Assets			
i) Investments	3	152.02	157.15
ii) Other Financial Assets	4	61.42	15.37
d) Other Non-Current Assets	5	2,679.94	211.60
Total Non-Current Assets (A)		26,915.69	18,002.18
2) Current Assets			
a) Inventories	6	9,284.22	9,015.95
b) Financial Assets			
i) Investments	7	1,699.11	698.93
ii) Trade Receivables	8	11,046.44	9,926.11
iii) Cash & Cash Equivalents	9A	2,107.39	3,011.80
iv) Bank balances other than (iii) above	9B	813.66	775.43
v) Loans & Advances	10	-	-
vi) Other Financial Assets	10	0.76	0.76
c) Current Tax Assets	11	165.05	123.18
d) Other Current Assets	11	741.25	1,086.80
Total Current Assets (B)		25,857.88	24,638.96
Total Assets (A+B)		52,773.57	42,641.14
EQUITY & LIABILITIES			
Equity			
a) Equity Share Capital	12	997.50	997.50
b) Other Equity	13	36,319.07	30,199.91
Total Equity (C)		37,316.57	31,197.41
Liabilities			
1) Non-Current Liabilities			
a) Financial Liabilities		-	-
b) Provisions	14	146.61	188.95
c) Deferred Tax Liability (net)		725.41	489.04
Total Non Current Liabilities (D)		872.02	677.99
2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	9,281.49	4,142.63
ii) Trade Payables	16		
- Outstanding Dues of Micro and Small Enterprises		471.48	296.07
- Outstanding Dues of Creditors other than Micro and Small Enterprises		2,040.18	3,594.78
b) Other Current Liabilities	17	2,629.14	2,483.72
c) Provisions	18	146.15	126.22
d) Current Tax Liabilities (Net)	19	16.53	122.32
Total Current Liabilities (E)		14,584.97	10,765.74
TOTAL EQUITY AND LIABILITIES (C+D+E)		52,773.57	42,641.14
Material Accounting Policies, Key Accounting Estimates and Judgements. The accompanying Notes are an integral part of the Financial Statements.	1		

As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936



Place: Chennai
Date: 06.05.2026

Hemango Gupta
Hemango Gupta
Chief Executive Officer

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

S Vinod Kumar
S Vinod Kumar
Company Secretary

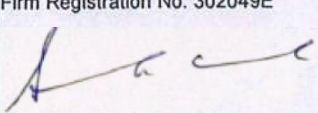

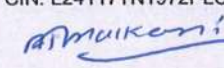
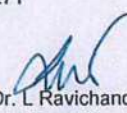

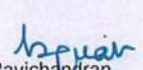
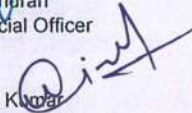
For and on behalf of the Board of Directors of
TANFAC Industries Limited
CIN: L24117TN1972PLC006271

Afzal Harunbhai Malkani
Afzal Harunbhai Malkani
Managing Director
DIN 07194226

Dr. L. Ravichandran
Dr. L. Ravichandran
Whole Time Director
DIN 02643264

Tanfac Industries Limited
Statement of Profit and Loss for the year ended 31st March 2026

(₹ in Lakhs)

Particulars	Note	31-Mar-2026	31-Mar-2025
INCOME			
Revenue from Operations	20	71,107.40	55,698.07
Other Income	21	234.29	295.70
Total Income (A)		71,341.69	55,993.77
EXPENDITURE			
Cost of Materials Consumed	22	45,346.96	30,759.94
Changes in inventories of Finished goods, Stock in Trade and Work	23	(873.67)	(237.52)
Employee Benefit Expenses	24	2,763.48	2,291.45
Finance cost	25	429.81	259.76
Depreciation / Amortization and Impairment Expenses	2	1,747.06	1,046.27
Power and Fuel	26	5,003.68	3,833.27
Other Expenses	27	7,660.55	6,164.53
Total Expenses (B)		62,077.87	44,117.70
Profit Before Tax (C = A-B)		9,263.82	11,876.07
Tax Expense			
i) Current Tax		2,102.06	2,927.31
ii) Deferred Tax		237.57	134.05
iv) Income Tax paid/ (reversed) for earlier years		(90.08)	-
Profit for the Year (D)		7,014.29	8,814.71
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to Profit or Loss	28	6.89	48.41
(ii) Income tax relating to items that will not be reclassified to Profit or loss		(4.27)	(11.95)
(iii) Items that will be reclassified subsequently to profit or loss		-	-
(iv) Income tax relating to items that will be reclassified to Profit or loss		-	-
Other Comprehensive Income for the Year (E)		2.62	36.46
Total Comprehensive Income for the year (D+E)		7,016.91	8,851.17
Earnings per Share (Face Value of Rs. 5 each fully paid up)	29.7		
- Basic		35.16	44.18
- Diluted		35.16	44.18
Material Accounting Policies, Key Accounting Estimates and Judgements.			
The accompanying Notes are an integral part of the Financial Statements.			
<p>As per our report of even date attached For Singhi & Co., Chartered Accountants Firm Registration No. 302049E</p>		<p>For and on behalf of the Board of Directors of Tanfac Industries Limited CIN: L24117TN1972PLC006271</p>	
 Sudesh Choraria Partner Membership No. 204936	 Hemang Gupta Chief Executive Officer	 Afzal Harunbhai Malkani Managing Director DIN 07194226	 Dr. L Ravichandran Whole Time Director DIN 02643264
	 N R Ravichandran Chief Financial Officer	 S Vinod Kumar Company Secretary	
Place: Chennai Date : 06.05.2026			

Tanfac Industries Limited
Cash Flow Statement for the period ended 31st March 2026

(₹ in Lakhs)

S.No	Particulars	2025-26	2024-25	
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit before Tax Including Other Comprehensive Income	9,270.72	11,924.46	
	Adjustments for :			
	Depreciation & Amortisation of Expenses	1,747.06	1,046.27	
	Finance Cost	429.81	259.76	
	Excess provisions & Liabilities no longer required written back	(3.86)	(6.60)	
	Loss / (Profit) on Sale of Property, Plant & Equipment	58.86	(1.85)	
	Loss / (Profit) on Fair Valuation of Investment	(50.03)	(51.05)	
	Loss / (Profit) on Sale of Investment	(97.80)	(163.17)	
	Interest & Dividend Income	(44.97)	(43.46)	
	Exchange Rate Fluctuations (Net)	384.11	82.40	
	Provision for Inventories	30.53	17.48	
	Operating Profit before Working Capital changes	11,724.43	13,064.24	
	Adjustments for :			
	Trade and Other Receivables	(3,325.91)	(3,712.71)	
	Inventories	(298.79)	(3,162.82)	
	Trade Payable and Provisions	(1,659.65)	(78.96)	
	Cash Generated From / (Used in) Operations	6,440.08	6,109.75	
	Direct Taxes (Payment) / Refund (net)	(2,100.00)	(2,825.57)	
	Net Cash Generated From / (Used in) Operating Activities	4,340.08	3,284.18	
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Property Plant & Equipment (Note-II below)	(8,244.87)	(9,702.92)	
	Sale of Fixed Assets	34.69	14.65	
	Purchase of Investments	(23,044.96)	(19,607.27)	
	Sale of Investments	22,192.61	25,639.48	
	Investment In Mutual Funds / Bank Fixed Deposits	(38.23)	(556.68)	
	Interest and Dividend Income	44.97	43.46	
	Net Cash flow From / (Used in) Investing Activities	(9,055.79)	(4,169.28)	
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Buyer's credit/ICD	5,281.49	4,000.00	
	Short term loan availed / (Repaid)	(142.63)	142.64	
	Finance Cost	(429.81)	(259.76)	
	Dividend / Interim Dividend Paid	(897.75)	(698.25)	
	Net Cash flow From / (Used in) financing Activities	3,811.30	3,184.63	
	Net Increase / (Decrease) in Cash and Cash Equivalents	(904.41)	2,299.53	
	Cash & Cash Equivalents at the Beginning of the year (Note 9)	3,011.80	712.27	
	Cash & Cash Equivalents at the End of the year (Note 9)	2,107.39	3,011.80	
	Material Accounting Policies - Note 1			
	The accompanying notes are an integral 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 Singh & Co.,
Chartered Accountants
Firm Registration No. 302049E



Sudesh Choraria
Partner
Membership No. 204936

Place: Chennai
Date: 06.05.2026

For and on behalf of the Board of Directors of
TANFAC Industries Limited
CIN: L24117TN1972PLC006271

Hemang Gupta
Chief Executive Officer

Afzal Harunbhai Malkani
Managing Director
DIN 07194226

Dr. L Ravichandran
Whole Time Director
DIN 02643264

N R Ravichandran
Chief Financial Officer

S Vinod Kumar
Company Secretary

Tanfac Industries Limited
Statement of Changes in Equity for the year ended 31st March 2026

	(₹ in Lakhs)	
	As At 31-Mar-2026	As At 31-Mar-2025
A) EQUITY SHARE CAPITAL	997.50	997.50
Balance at the beginning of the reporting year	-	-
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	997.50	997.50
Balance at the end of the reporting year	997.50	997.50
B) OTHER EQUITY	(₹ in Lakhs)	
Balance as at 1st April 2025 (I)	3,324.96	30,199.91
Profit for the year	7,014.29	7,014.29
Other Comprehensive Income for the year (net of Income tax) *	7.76	2.62
Total Comprehensive Income for the year (2025-26) (II)	7,022.04	7,016.91
Less: Dividend On Equity Shares	-	(897.75)
Balance as at 31st March 2026 (III) = I+II	3,324.96	36,319.07
C) OTHER EQUITY	(₹ in Lakhs)	
Balance as at 1st April 2024 (I)	3,324.96	22,047.01
Profit for the year	8,814.69	8,814.69
Other Comprehensive Income for the year (net of Income tax) *	27.00	36.45
Total Comprehensive Income for the year (2024-25) (II)	8,841.69	8,851.16
Less: Dividend On Equity Shares	-	(698.25)
Balance as at 31st March 2025 (III) = I+II	3,324.96	30,199.91

* Represent Measurement of Defined Benefit Obligations.

Material Accounting Policies, Key Accounting Estimates and Judgements - Refer Note 1
The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached
For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

(Signature)

Sudesh Choraria
Partner
Membership No. 204936



Place: Chennai
Date : 06.05.2026

For and on behalf of the Board of Directors of
Tanfac Industries Limited
CIN: L24117TN1972PLC006271

(Signature)

Atzal Harunbhai Malkani
Managing Director
DIN 07194226

Dr. L Ravichandran
Whole Time Director
DIN 02643264

(Signature)

Hemangto Gupta
Chief Executive Officer

(Signature)
N R Ravichandran
Chief Financial Officer

(Signature)
S Vinod Kumar
Company Secretary

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.

The financial statements of the Company for the year ended 31 March 2026 were authorised for issue by the Board of Directors at their meeting held on 6th May 2026.

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.

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

Basis of Preparation:

The financial statements have been prepared on the going concern basis and a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial assets and liabilities measured at fair value
- (ii) Employee's Defined Benefit Plan measured as per Actuarial Valuation
- (iii) Derivative Financial Instruments measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency :

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest Lakhs, except as stated otherwise.

Classification of Assets and Liabilities into Current/Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle

Note 1(A) Material Accounting Policies

a. **Property, Plant and Equipment (PPE)**

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date

b. **Expenditure during construction period**

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets"

c. **Depreciation**

Depreciation is the systematic allocation of the depreciable amount over its useful life. Depreciation on Buildings, Road and Culverts 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 (Factory Buildings/Other than factory buildings)	30 Year/60 Year
2)Roads & Culverts	5-10 Year
3)Plant & Machinery	8-15 Year
4) Office Equipment	4-7 Year
5) Furniture & Fixture	5-12 Year
6) Company Vehicles (Other Than those provided to Employees)	8-10 Year
7) Motor Cars given to Employees as per the Company's Scheme Policy	4-5 Year
8) Server & Networks	4-5 Year
9) Stores and Spares in the Nature of PPE	3 Year

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
 - 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

d. **Intangible Assets and Amortization:**

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. The Company determines the useful life as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances.

Intangible assets are measured at cost. Following initial recognition, intangible asset is carried at acquisition/development cost less accumulated amortization and accumulated impairment loss if any. Cost of Intangible asset includes purchase price including non – refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is recognised.

e. **Impairment of Non-Financial Assets:**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



- f. **Non-Current assets (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.

- g. **Inventories:**

Raw materials, fuel, stores & spare parts and packing materials

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition

Work-in-progress (WIP), finished goods, stock-in-trade:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

Waste / Scrap:

Waste / Scrap inventory is valued at NRV. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

- h. **Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings and exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

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

- i. **Revenue Recognition:**

Revenue is recognized on the basis of approved contracts regarding the transfer of goods 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 from the sale of goods is recognized at a point in time when the control over the product has been transferred to the Customer. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product shipped. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation, in accordance with Ind AS115 " Revenue from contract with customers". Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable

Export Incentives are accounted for to the extent considered recoverable by the Management.

- j. **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.

- k. **Employee Benefit Expense:**

Defined benefit plan:

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.



Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Re-measurement recognised in Other Comprehensive Income ('OCI') is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plan

Employee benefits in the form of contribution to superannuation fund, provident fund managed by Government authorities, Employee state Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to Statement of Profit or Loss for the year when the contributions to the respective funds are due.

Other long-term employee benefits:

The Company has a scheme for leave encashment for employee, the liability for which is determined on the basis of an actuarial valuation carried out at the end of the year using Projected Unit Credit method.

Short Term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

i. Income Taxes:

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the OCI or in equity. In which case, the tax is also recognized in OCI or equity.

Current Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be used to settle current tax liabilities.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

m. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items carried at fair value are translated at the rates prevailing at the date when the fair value was determined. Foreign currency non-monetary items measured in terms of historical cost are translated using the exchange rate as at the date of initial transactions.

Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost on those foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

n. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Assets & Financial Liabilities are recognized when the Company becomes party to contractual provisions of the relevant

Initial Measurement:

At initial recognition, the Company measures a financial asset and financial liabilities at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

Fair Value through Other Comprehensive Income ('FVOCI') :

A financial asset shall be classified and measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial Asset included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVOCI

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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Equity instruments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when

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

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

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.

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

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 Company de-recognises financial liabilities when and only when, the Company'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.

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



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 Company 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

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 Company'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 Company'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 Company, 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.

o. Government Grant:

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Statement of Profit & loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between initial carrying value of the loan and the proceeds received. The loan is

p. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.



- q. **Earnings Per Share:**
The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split, if any that have changed the number of equity shares. For the purpose of calculating diluted EPS, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- r. **Cash and cash equivalent**
Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less, that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.
- s. **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.
- t. **Derivative Financial Instruments and Hedge Accounting:**
The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to 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
- u. **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.
- v. **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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

(i) Useful Lives of Property, Plant & Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.



(ii) Defined Benefit Plans and Compensated Absences:

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Expected Credit Losses on Financial Assets:

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(iv) Fair Value measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.



NOTE - 2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Sr. No.	Description of the Block of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
		As at 01/04/2025	Additions	Deductions/ Discarded	As at 31/03/2026	As at 01/04/2025	Depreciation	Deductions	As at 31/03/2026	As at 31/03/2026
Tangible Assets										
1	Freehold Land	12.01	-	-	12.01	-	-	-	-	12.01
2	Leasehold Land	39.68	-	-	39.68	15.01	0.38	-	15.39	24.29
3	Building- Freehold	207.46	-	-	207.46	88.76	5.25	-	94.01	113.45
4	Building- Leasehold	1,895.77	831.01	-	2,726.78	440.75	72.17	-	512.92	2,213.86
5	Road, Well, Culvert, Fencing etc	302.61	29.24	-	331.85	167.17	27.34	-	194.51	137.34
6	Plant & Machinery *	26,648.24	5,190.83	1,499.33	30,339.74	11,997.24	1,413.79	1,438.26	11,972.77	18,366.97
7	Plant & Machinery-Data Processing Equip	62.53	31.43	2.18	91.78	37.93	20.60	1.96	56.57	35.21
8	Vehicles & Tanks	576.66	78.31	128.94	526.03	316.25	132.10	99.66	348.69	177.34
9	Furnitures & Fixtures	171.65	35.53	58.69	148.49	122.75	50.43	55.76	117.42	31.07
10	Office Equipment	230.85	34.35	1.11	264.09	183.08	25.03	1.06	207.05	57.05
	Total	30,147.46	6,230.70	1,690.25	34,687.91	13,368.94	1,747.09	1,596.70	13,519.33	21,168.59
Intangible Assets										
1	Specialised Software	52.08	-	-	52.08	52.08	-	-	52.08	-
2	Other Softwares	6.21	-	-	6.21	6.21	-	-	6.21	-
	Total	58.29	-	-	58.29	58.29	-	-	58.29	-
	Capital Work In Progress									2,853.72
GROSS BLOCK										
DEPRECIATION/AMORTISATION										
NET BLOCK										
Sr. No.	Description of the Block of Assets	As at 01/04/2024	Additions	Deductions/ Discarded	As at 31/03/2025	As at 01/04/2024	Depreciation	Deductions	As at 31/03/2024	As at 31/03/2025
Tangible Assets										
1	Freehold Land	12.01	-	-	12.01	-	-	-	-	12.01
2	Leasehold Land	39.68	-	-	39.68	14.63	0.38	-	15.01	24.67
3	Building- Freehold	207.46	-	-	207.46	85.54	3.22	-	88.76	118.70
4	Building- Leasehold	712.23	1,183.54	-	1,895.77	412.83	27.92	-	440.75	1,455.02
5	Road, Well, Culvert, Fencing etc	207.78	94.83	-	302.61	149.62	17.55	-	167.17	135.44
6	Plant & Machinery	16,549.02	10,124.63	25.41	26,648.24	11,138.43	878.75	19.94	11,997.24	14,651.00
7	Plant & Machinery-Data Processing Equip	40.67	22.30	0.44	62.53	28.48	9.87	0.42	37.93	24.60
8	Vehicles & Tanks	408.00	240.36	71.70	576.66	319.95	62.18	65.88	316.25	260.41
9	Furnitures & Fixtures	101.25	70.40	-	171.65	91.74	31.01	-	122.75	48.90
10	Office Equipment	223.05	37.44	29.64	230.85	195.85	15.39	28.16	183.08	47.77
	Total	18,501.15	11,773.50	127.19	30,147.46	12,437.07	1,046.27	114.40	13,368.94	16,778.52
Intangible Assets										
1	Software Items	6.21	-	-	6.21	6.21	-	-	6.21	-
2	Specialised Software	52.08	-	-	52.08	52.08	-	-	52.08	-
	Total	58.29	-	-	58.29	58.29	-	-	58.29	-
	Capital Work In Progress									839.54

- i) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company itself
ii) Working Capital borrowings are charged with Property, Plant & Equipment of the company



Tanfac Industries Limited
Notes to the Financial Statements for the year ended 31st Mar 2026

Capital Work in Progress (CWIP) ageing schedule

As at March 31, 2025

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	2,016.00	833.60	4.12	-	2,853.72
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2024

Capital Work in Progress	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	810.23	29.31	-	-	839.54
Projects temporarily suspended	-	-	-	-	-

C (ii) There were no Projects included under capital-work-in progress, whose completion was overdue or has exceeded its cost compared to its original plan.



Tanfacs Industries Limited

Notes to the Financial Statements for the year ended 31st Mar 2026

NOTE - 3 NON CURRENT INVESTMENTS (NON TRADED AND UNQUOTED)

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31-Mar-2026	As at 31-Mar-2025
At Fair Value through Other Comprehensive Income (FVTOCI) 16,963 Shares of Rs.100/- each fully paid up in Equity shares of Cuddalore Sipcot Industries Common Utilities Limited	152.02	157.15
TOTAL	152.02	157.15

Note:

NON CURRENT INVESTMENTS (NON TRADED AND UNQUOTED)

(Long Term Fully Paid up)

Particulars	Face Value Rs.	As at 31st Mar 2026		As at 31st Mar 2025	
		No.	(₹ in Lakhs)	No.	(₹ in Lakhs)
Investment in Equity Instrument Carried at Fair Value through Other Comprehensive Income (FVTOCI)	100	16,963	152.02	16,963	157.15
Total		16,963	152.02	16,963	157.15
Aggregate carrying value of unquoted Investments			152.02		157.15
Aggregate market value of unquoted Investments			152.02		157.15

NOTE - 4 Non Current -Other Financial Assets

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31-Mar-2026	As at 31-Mar-2025
Security Deposits & Other Deposits	61.42	15.37
TOTAL	61.42	15.37

NOTE - 5 Other Non Current Assets

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31-Mar-2026	As at 31-Mar-2025
Deposits & Balance with Government & Other Authorities	300.34	129.44
Capital Advances	2,379.60	82.16
TOTAL	2,679.94	211.60

NOTE - 6 INVENTORIES

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31-Mar-2026	As at 31-Mar-2025
Raw materials including Packing Materials #	6,766.29	6,002.12
Raw materials including Packing Materials - In transit	0.00	1,764.10
Finished Goods	1,655.57	781.90
Finished Goods in Transit	-	-
Stores, Spares & Consumables #	650.91	376.79
Coal, Fuel Oil & Other utilities	211.45	91.04
TOTAL	9,284.22	9,015.96

Net of Provision of Rs.159.89 lakhs (Previous year Rs. 129.35 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

6.3 Working Capital Borrowings are secured by hypothecation of inventories of the Company.



NOTE - 7 CURRENT INVESTMENTS (₹ in Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Investments in various Mutual Funds (FVTPL)	1,699.11	698.93
TOTAL	1,699.11	698.93
Aggregate cost of unquoted investments	1,649.08	647.88
Aggregate amount of unquoted investments	1,699.11	698.93

NOTE - 8 TRADE RECEIVABLES (₹ in Lakhs)

Particulars	As at 31-03-2026	As at 31-03-2025
Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	11,046.44	9,926.11
Trade Receivables which has significant increase in credit risk	-	-
Trade Receivables - Credit impaired	8.76	11.40
	11,055.20	9,937.51
Less : Allowance for Bad and Doubtful Debts	(8.76)	(11.40)
TOTAL	11,046.44	9,926.11

- (i) For Lien/ charge details against trade receivables, Refer Note 29.
(ii) Includes due from Related parties Rs. 1,534.63 Lakhs (Previous Year Rs. 2,099.12 Lakhs). Refer Note 29.2.

Trade receivables Ageing Schedule- Based on the requirements of

Particulars	Outstanding from due date of payment as on Mar 31, 2026						
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Considered good	7,521.56	3,025.72	284.20	212.27	2.68	-	#####
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	5.17	0.99	1.47	0.52	0.61	8.76
Disputed							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Sub Total	7,521.56	3,030.89	285.19	213.74	3.20	0.61	#####
Less: Loss allowance	-	(5.17)	(0.99)	(1.47)	(0.52)	(0.61)	(8.76)
Total	7,521.56	3,025.72	284.20	212.27	2.68	-	#####

Particulars	Outstanding from due date of payment as on March 31, 2025						
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Considered good	6,090.32	3,231.24	604.55	-	-	-	9,926.11
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	7.35	0.21	3.22	0.03	0.59	11.40
Disputed							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Sub Total	6,090.32	3,238.59	604.76	3.22	0.03	0.59	9,937.51
Less: Loss allowance	-	(7.35)	(0.21)	(3.22)	(0.03)	(0.59)	(11.40)
Total	6,090.32	3,231.24	604.55	-	-	-	9,926.11

NOTE - 9 CASH AND BANK BALANCES (₹ in Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
A. Cash & Cash Equivalent		
Balances with Bank		
Current Accounts	-	-
Cash Credit Accounts	1,957.39	2,311.80
Fixed Deposits Less than 3 Months	150.00	700.00
TOTAL (A)	2,107.39	3,011.80
B. Other Bank Balances		
Unclaimed Dividend	57.37	41.73
Margin Deposit Accounts (Under Lien)	756.29	733.70
TOTAL (B)	813.66	775.43
TOTAL (A+B)	2,921.05	3,787.23

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



Tanfac Industries Limited

Notes to the Financial Statements for the year ended 31st Mar 2026

NOTE - 10 - OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Security Deposits & Other Deposits	0.76	0.76
TOTAL	0.76	0.76

NOTE - 11A - CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Income Tax Refund Receivable	165.05	123.18
Sub Total - A	165.05	123.18

NOTE - 11 B - OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Unsecured, Considered Good except otherwise stated		
Export Incentives Receivable	24.52	66.55
Advance to Suppliers and others	297.86	595.53
Advances to Employees	16.52	13.67
Others Loans & Advances	126.83	140.56
Claims Recoverable, GST Input Credit etc	116.39	187.63
Prepaid Expenses	134.07	54.60
Mark to Market on Currency Forward contracts	-	20.26
Others	168.41	162.23
TOTAL	741.25	1,086.80

Others include Gratuity Fund Balance and Advance to employees etc



NOTE - 12 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at	As at
	31-Mar-2026	31-Mar-2025
Authorised		
5,00,00,000 Equity Shares of Rs.5/- each (Previous Year - 2,50,00,000 Equity Shares of Rs. 10 each)*	2,500.00	2,500.00
10,00,000 11% Redeemable Cumulative Preference Shares of Rs 100 each	1,000.00	1,000.00
	3,500.00	3,500.00
Issued, Subscribed and Paid up		
1,99,50,000 Equity shares of Rs.5/- each fully paid up (Previous Year - 99,75,000 Equity Shares of Rs. 10 each fully paid up)*	997.50	997.50
	997.50	997.50

12.1 The Company has issued only one class of Equity Shares having face value of Rs.5 each (Previous Year Rs.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. During the year, one equity share of the Company having face value of Rs. 10 each was sub divided into 2 equity shares having face value of Rs.5 each which

12.2 Reconciliation of the No. of Shares outstanding is set out below: (₹ in Lakhs)

Particulars	As at 31st March 2026		As at 31st March 2025	
	No.	Amount	No.	Amount
(i) Equity Shares at the beginning of the year	99,75,000	997.50	99,75,000	997.50
Add: Shares issued if any during the year	-	-	-	-
Add: Increase in number of equity shares on account of Sub division of shares	99,75,000	-	-	-
Equity Shares at the end of the year	1,99,50,000	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 Equity:

Name of the Shareholder	As at 31st March 2026*		As at 31st March 2025	
	No. of Shares	%age of holding	No. of Shares	%age of holding
Tamilnadu Industrial Development Corporation Limited	51,90,000	26.02%	25,95,000	26.02%
Anupam Rasayan Limited	51,46,162	25.80%	25,73,081	25.80%
Kamaljiyot Investments Limited	20,13,798	10.09%	10,21,899	10.24%
Anshul Specialty Molecules	10,00,000	5.01%	5,00,000	5.01%

12.4 Disclosure of changes in Shareholding during last 5 financial years

- i Shares issued for consideration other than cash in last 5 financial years Nil
- ii Shares issued by way of bonus in last 5 financial years Nil
- iii Shares bought back in last 5 financial years Nil

12.5 Disclosure of shareholding of promoters

Shares held by promoters at the end of the year

SL	Promoter name	As at March 31, 2026*			As at March 31, 2025		
		No. of shares (Of Rs.5 each)	% of total shares	% Change during the year	No. of shares (Of Rs.10 each)	% of total shares	% Change during the year
1	Tamilnadu Industrial Development Corporation Limited	51,90,000	26.02%	0.00%	25,95,000	26.02%	0.00%
2	Anupam Rasayan Limited	51,46,162	25.80%	0.00%	25,73,081	25.80%	0.00%
	Total	1,03,36,162	51.81%	0.00%	51,68,081	51.81%	0.00%

*The Board of Directors of the Company in its meeting held on January 9, 2026 and the shareholders of the Company in the EGM held on February 23, 2026 approved the sub-division of Company's existing one (1) equity share having face value of Rs. 10 each into two (2) equity shares having face value of Rs. 5 each of the Company and the subdivision of shares was given effect from March 9, 2026. Consequently, the number of authorised, issued and subscribed shares have accordingly been disclosed above.



NOTE - 13 RESERVES AND SURPLUS

(₹ In Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Capital Reserve (A)		
i) State Capital Subsidy from SIPCOT	30.00	30.00
ii) Profit on sale of Forfeited Shares	0.46	0.46
TOTAL	30.46	30.46
Securities Premium Reserve (B)	2.18	2.18
General Reserve (C)		
Opening balance	3,324.96	3,324.96
TOTAL	3,324.96	3,324.96
Capital Redemption Reserve (D)	500.00	500.00
Retained Earnings (E)		
Opening balance	26,233.09	18,089.65
Add: Net profit for the year	7,022.04	8,841.69
Less: Dividend Distributed during the year	(897.75)	(698.25)
TOTAL	32,357.38	26,233.09
Other Comprehensive Income (F)		
Items that will not be reclassified to Profit or Loss		
Equity Instruments through OCI		
Opening balance	109.21	99.77
Add: OCI for the year	(5.14)	9.46
	104.09	109.22
Total (A+B+C+D+E+F)	36,319.07	30,199.91

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

- a) **Securities Premium:** Securities Premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc
- b) **General Reserve:** It is a free reserve, which is created by appropriation from undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.
- c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.
- d) **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.
- e) **Capital Redemption Reserve:** Created out of profit upon redemption of 500,000 11% Redeemable Cumulative Non-Convertible Preference Shares of Rs.100/- each. It can be used to issue bonus shares or reduced or cancelled by means of reduction of Capital.
- f) **Other Comprehensive Income Equity Instruments through OCI:**
This represents the fair value of Investments designated as FVOCI.



Tanfac Industries Limited
Notes to the Financial Statements for the year ended 31st Mar 2026

NOTE - 14 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Employee Benefits Compensated absences	146.61	188.95
TOTAL	146.61	188.95



NOTE - 15 CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
<u>SECURED LOANS</u>		
<u>Working Capital Loan</u>		
Packing Credit Foreign Currency Loan (PCFC)		
From Banks	-	142.63
Other	-	-
TOTAL	-	142.63
<u>UNSECURED LOANS</u>		
Loan Repayable on Demand		
From Banks -Working Capital Demand Loan	4,000.00	4,000.00
Others - Buyer's Credit/ RA Financing	5,281.49	-
TOTAL - II	9,281.49	4,000.00
TOTAL (I + II)	9,281.49	4,142.63

15.1 Nature of Security for Working Capital Loans from Bank

Secured by way of Paripassu first charge in favour of consortium banks by way of hypothecation over stocks, receivables and other current assets of the Company, present and future and further secured by way of Equitable mortgage of lease hold rights of land belonging to SIPCOT situated at Cuddalore.

15.2 Working Capital Demand Loan

Unsecured Working Capital Demand Loan of Rs. 4,000 Lakhs is obtained from HDFC Bank bearing an interest rate of 7.50% p.a.

15.3 Short Term Borrowings - Unsecured Loan

Unsecured working capital loan has been availed in Foreign Currency (US \$) for financing the payment of imported Raw Materials. The currency risk is hedged where felt necessary. Interest is charged at SOFR Plus spread. Due date for repayment of these loans is between 60 to 90 days from the date of availment.

15.4 As on 31st March 2026, the Company has not utilized the sanctioned limit.



NOTE - 16 TRADE PAYABLES (₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31-Mar-2026	As at 31-Mar-2025
Trade Payables		
Outstanding Dues of Micro and Small Enterprises	471.48	296.07
Outstanding Dues of Creditors other than Micro and Small Enterprises	2,040.18	3,594.78
TOTAL	2,511.66	3,890.85

Disclosure under Sec. 22 of MSMED Act, 2006

(Chapter V - Delayed payment to Micro, Small and Medium Enterprises)

Micro, Small and Medium Enterprises

Information in respect of Micro, Small and Medium Enterprises Development Act, 2006; based on the information available with the company. The required disclosures are given below:

Particulars	(₹ in Lakhs)	
	As at 31-Mar-2026	As at 31-Mar-2025
The principal amount remaining unpaid to any supplier as at the end of each accounting year;	471.48	296.07
The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

Trade Payables Ageing Schedule - Based on the requirements of Amended Schedule III

Particulars	Outstanding as on Mar 31, 2026 from due date of payment						
	Unbilled & Not Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	-	471.48	-	-	-	-	471.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	42.50	1,980.71	8.74	0.28	7.95	2,040.18
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	-	513.98	1,980.71	8.74	0.28	7.95	2,511.66

Particulars	Outstanding as on March 31, 2025 from due date of payment						
	Unbilled & Not Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	-	296.07	-	-	-	-	296.07
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	2,148.84	1,417.66	11.61	8.72	7.95	3,594.78
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	-	2,444.91	1,417.66	11.61	8.72	7.95	3,890.85



NOTE - 17 OTHER CURRENT LIABILITIES**(₹ in Lakhs)**

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Contract Liabilities (Advance from Customers) *	119.06	73.18
Unclaimed Dividend	57.37	41.73
<u>Other Payables</u>		
Statutory Dues	963.75	710.39
Security Deposits	56.43	10.25
Payables pertaining to employees	157.58	117.29
Creditors for Fixed Assets	496.70	623.58
Other Liabilities #	778.25	907.30
TOTAL	2,629.14	2,483.72

*The Contract liabilities outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2026. Contract liability of current year will be recognised as revenue in coming twelve months.

Other Liabilities comprises provision for expenses and other liabilities

NOTE - 18 CURRENT PROVISIONS**(₹ in Lakhs)**

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Employee Benefits - Leave Encashment	39.38	19.45
Disputed Liabilities	106.77	106.77
Mark to Market on Currency Forward contracts	5.35	-
TOTAL	146.15	126.22

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

Particulars	As At 31-Mar-2026	As At 31-Mar-2025
Opening Balance	106.77	106.77
Add : Provision during the year	-	-
Less : Utilised during the year	-	-
Less ; Unused Amount reversed during the year	-	-
TOTAL	106.77	106.77

NOTE - 19 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Income Tax	16.53	122.32
TOTAL	16.53	122.32



Tanfac Industries Limited
Notes to the Financial Statements for the year ended 31st Mar 2026

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
NOTE -20 Revenue from Operations		
Sale of Products		
Manufactured Goods		
Domestic Sales	66,813.68	51,971.79
Export Sales	3,583.43	3,083.56
Total (A)	70,397.11	55,055.35
Notes:		
i) All Sales are recognized at a Point in time.		
ii) The expected credit loss recognised on receivables arising from the Company's contracts with customers is disclosed in Note No. 8.		
iii) No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.		
iv) Revenue recognised from Contract liability (Advances from Customers) is disclosed in Note No. 17		
v) The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. The Company does not give significant credit period hence there is no significant financing component. The credit period depends on the product being		
Other Operating Income		
Insurance claims	-	35.50
Export Incentives	93.40	50.92
Scrap sales	241.70	127.35
Freight, Packing & forwarding	375.18	428.95
Total (B)	710.29	642.72
Total Revenue from Operations (A+ B)	71,107.40	55,698.07
NOTE - 21		
Other Income		
Interest on deposits	44.97	43.46
Profit on sale of Property, Plant & Equipment	-	1.85
Profit on Sale of Current Investments (Net)	97.80	163.17
Gain on Fair Valuation of Current Investments	50.03	51.05
Other Miscellaneous receipt	37.64	29.57
Excess provisions & Liabilities no longer required written back	3.86	6.60
Total	234.29	295.70
NOTE - 22		
Cost of Raw Materials including Packing Material Consumed		
Cost of Raw materials consumed	43,583.59	29,566.42
Cost of Packing materials consumed	1,763.37	1,193.51
Total	45,346.96	30,759.94
Details of Materials Consumed under broad heads as follows		
Flurospar	31,344.12	23,837.77
Sulphur	10,461.92	3,763.04
Alumimum Hydroxide	-	-
Pottassium Carbonate	1,302.74	1,689.79
Others (includes Boric Acid / Ether and other materials used in speci	2,238.18	1,469.34
Total	45,346.96	30,759.94



Tanfac Industries Limited		
Notes to the Financial Statements for the year ended 31st Mar 2026		
(₹ in Lakhs)		
Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
NOTE - 23		
Changes in Inventories of Finished goods and Work in Progress		
Opening stock		
Finished Goods	781.90	544.38
Work in Progress	-	-
Total	781.90	544.38
Less:		
Closing Stock		
Finished Goods	(1,655.57)	(781.90)
Work in Progress	-	-
Total	(1,655.57)	(781.90)
	-	-
Increase / (Decrease) in Inventories of Finished Goods and WIP	(873.67)	(237.52)
NOTE - 24		
Employee Benefit Expenses (Refer Note 29.1)		
Salaries, Wages and Bonus	2,149.95	1,817.82
Contribution to Provident & Other Funds	324.78	208.82
Staff Welfare Expenses	288.75	264.81
Total	2,763.48	2,291.45



Tanfac Industries Limited		(₹ in Lakhs)	
Notes to the Financial Statements for the year ended 31st Mar 2026			
Particulars	Year Ended 31-Mar-26	Year Ended 31-Mar-25	
NOTE - 25			
Finance Cost			
Interest Expenses			
Banks			
Borrowings - Working Capital	292.39	188.64	
Processing Fees	106.07	50.13	
Forward Cover Charges	31.34	20.99	
Total	429.81	259.76	
NOTE - 26			
Power and Fuel			
Power	1,138.42	731.52	
Furnace oil	2,692.40	2,155.15	
Light Diesel oil	17.75	22.52	
High Speed oil	240.21	319.96	
Steam coal	914.90	604.12	
Total	5,003.68	3,833.27	
NOTE - 27			
Other Expenses			
Consumption of stores and Spares	1,113.12	1,087.17	
Effluent Treatment Expenses	180.62	169.20	
Water charges	160.81	144.04	
Other Manufacturing Expenses -Consumables and Operation Expenses	230.44	227.67	
Repairs & Maintenance			
- Building	248.86	231.74	
- Plant & machinery	410.42	359.90	
- Others	783.07	750.25	
Rent	13.77	13.54	
Insurance (Net)	285.31	207.73	
Rates & Taxes	89.41	116.01	
Travelling & Conveyance	181.25	128.91	
Communication Expenses	98.48	54.70	
Auditors Remuneration			
- Audit Fee	12.50	12.50	
-Tax Audit Fee	3.75	3.75	
- Limited Review	11.25	11.25	
- Other Certification work	-	-	
Travel and Stay Expenses	4.67	1.65	
Cost Audit Fee	0.80	0.70	
Printing & Stationery	16.18	12.50	
Legal & Professional Charges	169.51	130.38	
Miscellaneous Expenses	85.92	103.27	
Bank Charges (other than borrowings)	137.02	218.78	
Fluctuation in Exchange Rates (excluding forward cover charges)	384.11	82.40	
Loss on sale of Property, Plant & Equipment	58.86	-	
Area maintainance charges	41.32	34.83	
Security Service charges	121.67	106.13	
Freight, Packing & forwarding	2,558.03	1,724.70	
Directors sitting fees	30.00	35.40	
Contribution To CSR Activities (Refer Note 29.11)	176.21	147.98	
Commission on sales	23.44	30.67	
Provision for Inventory	30.53	17.48	
Total	7,660.55	6,164.53	
NOTE - 28			
Other Comprehensive Income			
Net actuarial Gain loss on employees defined benefit obligation	12.03	36.08	
Gain on Fair Value of Investments	5.14	12.33	
Total	6.89	48.41	



Notes to Financial Statements

29.1 Employee Benefits:

a) Disclosure in respect of gratuity liability

Reconciliation of Defined Benefit Obligation (DBO):	As at 31 st March, 2026	As at 31 st March, 2025
Present value of DBO at start of the year	315.29	297.85
Interest Cost	21.69	21.51
Current Service Cost	34.46	29.23
Past Service Cost	0.98	-
Benefit Paid	-	-
<u>Re-measurements:</u>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changes in financial assumptions	(37.01)	-
c. Actuarial Loss/(Gain) from experience over the period	4.26	(33.30)
Present value of DBO at end of the year	339.67	315.29

Reconciliation of Fair Value of Plan Assets :	As at 31st March, 2026	As at 31st March, 2025
Fair Value of Plan Assets at the beginning of the year	455.85	422.56
Interest Income on Plan Assets	31.36	30.51
Contributions by Employer	-	-
Benefit Paid	-	-
<u>Re-measurements:</u>		
Actuarial (Loss)/Gain	(20.71)	2.78
Fair Value of Plan Assets at the end of the year	466.50	455.85
Actual Return on Plan Assets	10.65	33.29

Amount recognized in the Balance Sheet:	As at 31st March, 2026	As at 31st March, 2025
Present value of DBO at the end of the year	339.67	315.29
Fair Value of Plan Assets at the end of the year	466.50	455.85
Net Asset / (Liability) in the Balance Sheet	126.83	140.56

Gratuity recognized in the Statement of Profit and Loss	31st March, 2026	31st March, 2025
Current Service Cost	34.45	29.23
Past Service Cost	0.98	-
Interest on defined benefit obligation (Net)	(9.67)	(9.00)
Expense Recognized in Statement of Profit and Loss	25.76	20.23

Remeasurement effects recognized in Other Comprehensive Income (OCI)	31st March, 2026	31st March, 2025
<u>Re-measurements on DBO</u>		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	(37.00)	8.61
c. Actuarial (Loss)/Gain from experience over the past period	4.26	(41.91)
<u>Re-measurements on Plan Assets</u>		
Actuarial (Loss)/Gain	20.71	(2.78)
Remeasurement effect recognized in OCI	(12.03)	(36.08)

Principal Assumption used in determining Gratuity liability	31st March, 2026	31st March, 2025
Discount Rate	7.53%	6.88%
Attrition Rate	6.00%	6.00%
Salary Escalation	6.00%	7.00%
Mortality Table	Indian Assured Lives mortality (2012-14) (Ultimate)	Indian Assured Lives mortality (2012-14) (Ultimate)
Retirement Age	60	60



Sensitivity Analysis	31st March, 2026		31st March, 2025	
	Increases 1%	Decreases 1%	Increases 1%	Decreases 1%
	Change in DBO (Amount)		Change in DBO (Amount)	
Salary Growth Rate	362.78	317.67	336.38	295.59
Discount Rate	316.86	365.78	293.32	340.61
Attrition Rate	340.49	339.52	314.13	316.59

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 Plan Assets are fully invested in Insurance Schemes.

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 Rs. 56.13 lakhs (P.Y. Rs.25.82 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 Rs. 129.78 lakhs (P.Y. Rs 126.77 lakhs).

29.2 Related Party Disclosure:

Disclosures as per Ind AS 24 – 'Related Party Disclosures' are given below

a) Promoters of the Company:

Name of the Promoters	% of equity share-holding in the Company
Tamil Nadu Industrial Development Corporation Limited.	26.02%
Anupam Rasayan Limited	25.80%

b) Key Management Personnel (KMP):

Name of KMP's	Designation
Mr. R. Karthikeyan	Non-Executive Director
Mrs. Sandhya Venugopal Sharma #	Non-Executive Director
Mrs. Mariam Pallavi Baldev ****	Non-Executive Director
Mr. Afzal Harunbhai Malkani ##	Managing Director
Mr. R K Tyagi	Independent – Non-Executive Director
Mr. Amreek Singh Sandhu	Independent – Non-Executive Director
Mrs. Mallidi Anuradha Reddy	Independent – Non-Executive Director
Mr. K. Senthil Naathan *	Managing Director
Mr. Hemango Gupta^	Chief Executive Officer
Mr. N.R. Ravichandran	President & Chief Financial Officer
Mr. S Vinod kumar \$	Company Secretary
Ms. Mridula Dhoot @	Company Secretary

Appointed as Non- Executive Director w.e.f. 09.01.2026 **** Ceased to be director w.e.f 09.01.2026

Non Executive Director upto 08.01.2026. Appointed as Managing Director w.e.f 09.01.2026

* Ceased to be director w.e.f 18.04.2025 due to his demise.

^ Appointed on 16th July 2025

\$ Joined with effective from 31st January 2025. @ Resigned on 30th January 2025

c) Post-Employment Benefits Plan:

TANFAC Employees Gratuity Trust Fund

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

Jainam Intermediates Pvt Ltd

e) Entities for Common Effluent utility: Cuddalore SIPCOT Industries Common Utilities Ltd

f) Disclosure in respect of material transactions with related parties during the year:



Particulars	31st March, 2026	31st March, 2025
Contribution towards TANFAC Employees Gratuity Trust Fund	-	-
Transaction with Cuddalore SIPCOT Industries Common Utilities Ltd (including GST)	35.95	27.49
Sale Transactions (Gross) with Anuapm Rasayan Ltd	1,323.24	1,764.17
Sale Transactions (Gross) with Jainam Intermediates Pvt Ltd	-	100.80

g) Outstanding Balances:

Particulars	31st March, 2026	31st March, 2025
Cuddalore SIPCOT Industries Common Utilities Ltd	3.13	2.25
Anuapm Rasayan Ltd - Trade Receivables	1,322.36	1,886.85
Jainam Intermediates Pvt Ltd - Trade Receivables	212.27	212.27

h) Compensation to KMP:

Nature of Benefits#	31st March, 2026	31st March, 2025
Short-term benefits (including Sitting Fees - Rs.30 Lakhs, PY - Rs. 35.40 Lakhs)	529.55	352.59
Post-employment gratuity and medical	-	-
Other long-term benefits	-	-
Total	529.55	352.59

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.

29.3. 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 (Rs in Lakhs)
Forward contract to buy USD - As on 31.3.2026	-	-	-
Forward contract to buy USD - As on 31.3.2025	6	13.61	1,164.93

Exposure in Foreign Currency- Unhedged

The Foreign currency exposure not hedged as at 31st March 2026:

Currency	Payable (in Foreign currency)		Receivables (in foreign currency)	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
USD in Lakhs	64.23	18.23	7.47	8.50
INR in Lakhs	6,092.01	1,558.64	709.13	727.50

29.4. Contingent Liabilities and Commitments:

a) Contingent liabilities not provided for (excluding interest and penalty, if any)

Rs. In Lakhs

Claims against the Company not acknowledged as debt	31st March, 2026	31st March, 2025
Service tax & VAT	12.30	13.81
Goods and Service Tax (GST)	131.44	39.94

b) Unredeemed Letters of Credit / Bank Guarantees - Rs.5,183.19 Lakhs (Previous Year- Rs. 5,314.34 Lakhs)



c) Capital Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) - Rs. 25,765.65 lakhs (Previous Year Rs. 3,871.67 lakhs)

c) SIPCOT has raised a demand of Rs. 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 Rs 6.00 lakhs in 1995 and additional amount of Rs 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 Rs. 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 Rs. 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 Statements 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.

29.5. Fair Value Measurement:

The management assessed that cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities-

A. Quantitative disclosures fair value measurement hierarchy for financial assets as at 31st March, 2026 and 31st March, 2025

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
As at March 31, 2026:-				
Financial Assets at amortised cost:				
Trade receivables	-	-	11,046.44	11,046.44
Cash and cash equivalents	-	-	2,107.39	2,107.39
Bank Balances other than cash and cash equivalent	-	-	813.66	813.66
Investment in Short Term Mutual Funds	1,699.11	-	-	1,699.11
Loans & Advances & other financial assets	-	-	62.18	62.18
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares	-	152.02	-	152.02
As at March 31, 2025:-				
Financial Assets at amortised cost:				
Trade receivables	-	-	9,926.11	9,926.11
Cash and cash equivalents	-	-	3,011.80	3,011.80
Bank Balances other than cash and cash Equivalent	-	-	775.43	775.43
Investment in Short Term Mutual Funds	698.93	-	-	698.93
Loans & Advances & other financial assets	-	-	16.13	16.13
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares	-	157.15	-	157.15



B. Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31st March, 2026, 31st March, 2025.

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
As at March 31, 2026:-				
Financial Liabilities at amortised cost:				
Other Borrowings			9,281.49	9,281.49
Trade payables	-		2,511.66	2,511.66
As at March 31, 2025:-				
Financial Liabilities at amortised cost:				
Other Borrowings			4,142.63	4,142.63
Trade payables	-		3,890.85	3,890.85

29.6. Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Material Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign currency risk. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and borrowings. The sensitivity analyses in the following sections relate to the position as at 31st March, 2026 and 31st March, 2025.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2026 and 31st March, 2025.

(i) Foreign currency risk

The Company may also have foreign currency exchange risk on procurement of raw materials. The Company manages this foreign risk using derivatives, wherever required to mitigate or eliminate the risk.

Foreign currency sensitivity

Basis Points	31st March, 2026		31st March, 2025	
	2% increase	2% decrease	2% increase	2% decrease
Effect on profit before tax (Amount)	(107.66)	107.66	(16.62)	16.62

b) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company.

Assets in the nature of Investment, security deposits, loans and advances are measured using 12 months expected credit losses (ECL). Balances with Banks is subject to low credit risk due to good credit rating assigned to these banks. Trade receivables are measured using life time expected credit losses.



The Ageing analysis of Account receivables has been considered from the date the invoice falls due-

Rs. In Lakhs

Ageing	31st March, 2026	31st March, 2025
1 to 60 days	9,734.02	8,295.37
61 to 91 days	156.59	248.89
92 to 181 days	661.84	787.12
182 to 365 days	285.19	604.76
365 days and above	217.55	3.83
Total	11,055.19	9,939.97

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

Rs. In Lakhs

Provisions	31st March, 2026	31st March, 2025
Opening Provision	11.40	15.47
Add:- Additional provision made		-
Less:- Provision utilised against bad debts / reversal of excess provision	2.64	5.56
Closing provisions	8.76	11.40

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-

Rs. In Lakhs

As at 31 st March, 2026	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	9,281.49	-	-	9,281.49
Trade payables	2,511.66	-	-	2,511.66
Total	11,793.15	-	-	11,793.15

As at 31 st March, 2025	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	4,142.63	-	-	4,142.63
Trade payables	3,890.85	-	-	3,890.85
Total	8,033.48	-	-	8,033.48

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.



Particulars	Rs. In Lakhs	
	31st March, 2026	31st March, 2025
Net Debt	9,281.49	4,142.63
Total Equity	36,786.11	30,666.95
Total Capital and Net debt	46,067.60	34,809.59
Gearing Ratio	25%	14%

29.7. Earnings Per Share

Particulars	Rs. In Lakhs	
	31st March, 2026	31st March, 2025
Profit / (loss) after taxation	7,014.29	8,814.69
Weighted average number of shares outstanding during the year (Nos) **	1,99,50,000	1,99,50,000
Earnings per share of Rs 5 each		
Basic (in Rs.)	35.16	44.18
Diluted (in Rs.)	35.16	44.18

** Pursuant to the sub-division of Company's existing one (1) equity share into two (2) equity shares, the Basic and Diluted EPS for the comparative year presented has been restated considering the number of equity shares with a face value of Rs. 5/- each in accordance with Ind AS 33 –Earning per

29.8. 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



29.9 Key Ratios:

Particulars	Numerator	Denominator	31st March, 2026	31st March, 2025	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	1.77	2.29	-22.53%	
Debt-equity ratio	Total Debt	Shareholder's Equity	0.25	0.13	100.00%	Due to increase in Short term borrowings in CY
Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed	Debt service = Interest & Lease Payments + Principal Repayments	31.17	53.26	-41.49%	Due to increase in Short term borrowings in CY
Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.20	0.33	-37.95%	Due to lower Net Profit in the current year
Inventory turnover ratio	Cost of goods sold OR sales	Average inventory = (Opening + Closing balance / 2)	4.86	4.10	18.55%	
Trade receivables turnover ratio	Net Credit Sales = Gross credit sales minus sales return.	Average trade debtors = (Opening + Closing balance / 2)	6.78	6.95	-2.43%	
Trade payables turnover ratio	Net Credit Purchases = Gross credit purchases minus purchase return	Average Trade Payables	15.55	9.02	72.44%	Due to Increase in overall business activities coupled with lower Trade Payables in current year.
Net capital turnover ratio	Net Sales = Total sales minus sales returns.	Working Capital = Current assets minus current liabilities.	6.31	4.01	57.11%	Higher level of operations. Higher short term borrowings in CY resulting in lower Net Working Capital.
Net profit ratio	Net profit after tax	Net Sales = Total sales minus sales returns.	0.10	0.16	-37.67%	Due to lower Net Profit in the current year
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.20	0.34	-40.03%	Due to lower EBIDTA in the current year
Return on investment	Income from investment	Average Cost of Investment	0.12	0.06	107.66%	As per market conditions.



29.10 CSR Expenditure:

Particulars	31st March, 2026	31st March, 2025
Amount required to be spent by the company during the year	172.58	144.98
Amount spent during the year on:		
Construction/acquisition of any asset	-	-
On purposes other than (i) above	176.21	147.98
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 Sustainability & Animal Welfare, Healthcare, Education	Environment Sustainability & Animal Welfare, Healthcare, Education

Movement of CSR Expenditure is given below:

Opening Balance - Shortfall / (Excess)	(5.90)	(2.90)
Gross amount to be spent during the year	172.58	144.98
Actual amount spent during the year	176.21	147.98
(Excess) /short spent	(9.53)	(5.90)

Reason for CSR Funds unspent:

Not applicable as the Company has spent more than the amount to be spent during the year ending 31st March 2026 and 31st March 2025

29.11. Registrar of Charges

The Register of Charges of the Company as per MCA records shows some old charges of various Banks amounting to Rs.2,586 Lacs 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.

29.12. Additional Regulatory disclosures required by schedule III to the Companies Act, 2013:

To the best of information of management of the Company, Additional regulatory information required to be given pursuant to Gazette notification for Amendments in Schedule III to Companies Act, 2013 dated 24 March 2021 effective from 01 April 2021 is disclosed wherever applicable as follows:

- i) Disclosure on Revaluation of property, plant and equipment and intangible assets from Registered Valuers is not applicable to
- ii) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made thereunder.
- iii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- iv) **Transactions with Struck off Companies***
During the year, the Company has not entered into any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
* based on information available as on the date of reporting.
- v) As per clause (87) of section 2 and section 186 (1) of the Companies Act, 2013 and Rules made thereunder, the company is in compliance with the number of layers as permitted under the said provisions
- vi) The Company has not carried out any scheme of arrangement which is approved by regulatory authorities during the year.
- vii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- viii) There are no transactions recorded in books of account reflecting surrender/ disclosure of income in the assessment under Income Tax Act, 1961.
- ix) During the year no loans / advances in the nature of Loans have been given to Promoters, Directors, KMP and Related Parties.



x) The company does not have investment in subsidiary companies and accordingly the disclosure as to whether the company has complied with the number of layers of companies prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

xi) (a) In the opinion of the Management, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xi) (b) In the opinion of the Management, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entity ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

29.13. 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. As on March 31, 2026 there were no material amendments to the Companies (Indian Accounting Standards) Rules issued by the MCA which were not yet effective.

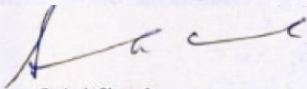
29.14. Dividend: The Board of Directors in their meeting held on 28th April 2025 had recommended final dividend of Rs.9.00 per share totaling Rs. 897.75 lakhs for the financial year 2024-25 and the said dividend was transferred to the Dividend Warrant Account in September 2025 after confirmation by members in their General Meeting held on 25th September 2025. The Board of Directors have recommended dividend of Rs.4.50 per share totaling Rs.897.75 Lakhs for the financial year 2025-26 subject to the approval of shareholders in the forthcoming Annual General Meeting

29.15. Audit Trail : The accounting software used by the Company, to maintain its Books of account have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software, except at the Database level. The Company are taking necessary steps for upgrading its Software which would have the facility for recording audit trail (edit log).

29.16. Impact of New Labour Codes considered : The Government of India notified New Labour Codes with effect from November 21, 2025. Based on the assessment made having regard to the understanding of the Codes, the FAQs and clarifications issued by the Ministry of Labour, the Company has accounted for the impact of the same in the financial statements, which was however not material. The Rules have not yet been notified by the State Governments. The Company will continue to monitor developments relating to the New Labour Codes and will provide appropriate accounting effects, as and when the need arises.

29.17. 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



Sudesh Choraria
Sudesh Choraria
Partner
Membership No. 204936

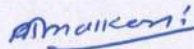


Place: Chennai
Date : 06.05.2026

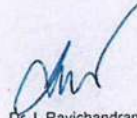
For and on behalf of the Board of Directors of
Tanfac Industries Limited
CIN: L24117TN1972PLC006271



Namango Gupta
Chief Executive Officer



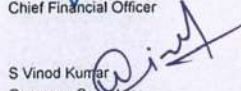
Afzal Harunbhai Malkani
Managing Director
DIN 07194226



Dr. L. Ravichandran
Whole Time Director
DIN 02643264



N R Ravichandran
Chief Financial Officer



S Vinod Kumar
Company Secretary