

ADITYA BIRLA



SECY/S.E./L.A./2018-19/Q4

May 22, 2019

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

SCRIP CODE : 506854

Dear Sir,

Sub: Outcome of Board Meeting held on 22.05.2019 – reg.
Ref: Regulation 30 of SEBI (LODR) Regulations, 2015.

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We wish to inform that the Board of Directors of the Company at their meeting held today at Chennai, *inter alia* considered and approved the following:

- (1) Standalone Audited Financial Results for the quarter and year ended 31st March, 2019.
- (2) Redemption of 500,000 11% Redeemable Cumulative Non-Convertible Preference Shares of Rs.100/- each issued and allotted to M/S Grasim Industries Limited on Private Placement basis
- (3) Recommendation of Dividend of Rs.11/- per share on 500,000 11% Redeemable Cumulative Non-Convertible Preference Shares of face value of Rs.100/- each subject to approval by shareholders of the Company.
- (4) Taking note of resignation of Mr. Askaran Agarwala as Non-Executive Director of the Company. Board had placed its record their appreciation to the invaluable contributions and suggestions made by him during his long tenure of over three decades as Director of the Company.
- (5) Appointment of Mr.Kalyan Ram Madabhushi as Non-Executive & Non-Independent Director of the Company with effect from 22nd May 2019 subject to approval of the shareholders of the Company.
- (6) Reappointment of Mr.K..Sendhil Naathan as Chief Executive Officer of the company from 23rd May 2019.

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TANFAC INDUSTRIES LIMITED
(Joint Sector Company with TIDCO)

Regd. Office & Factory : 14, SIPCOT Industrial Complex, Cuddalore - 607 005. Tamil Nadu, INDIA
Tel : +91 - 4142 - 239001 - 5, Fax : +91 - 4142 - 239008,
Chennai Off : Oxford Centre, 1st Floor, 66, Sir C.P. Ramaswamy Road,
Alwarpet, Chennai - 600 018. Tamil Nadu, INDIA.
Tel : +91 - 44 - 2499 0451 / 0561 / 0464, Fax : +91 - 44 - 2499 3583
Web : www.tanfacs.com

GST : 33AAACT2591A1ZU CIN: L24117TN1972PLC006271



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(7) Due to changes in composition of Board of Directors, following committees have been reconstituted:

- (a) Audit Committee
- (b) Nomination & Remuneration Committee

We are sending herewith the following as required under Regulation 33 of SEBI (LODR), 2015, read with listing requirements:

- (a) Statement of Standalone Audited Financial Results for the quarter and year ended 31st March, 2019 along with Auditors' Report thereon.
- (b) Declaration of CFO on unmodified opinion on Auditors' Report.

As required under Regulation 47 of SEBI (LODR) Regulations, 2013, the financial results will be published in the newspapers within the stipulated time as per prescribed format.

The meeting of the Board commenced at 2.00 P.M. and concluded at 4.00 P.M.

Thanking you,

Yours faithfully,
for TANFAC INDUSTRIES LIMITED


(N.R RAVICHANDRAN)
CHIEF FINANCIAL OFFICER

Encl. : As above



May 22, 2019

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

SCRIP CODE : 506854

Dear Sir,

Sub: Declaration in terms of Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 – reg.
.-o0o-

In terms of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (LODR) (Amendment) Regulations, 2016, vide its Notification No. SEBI/LAD-NRO/GN/2016-17/--1 dated 25th May, 2016 and Circular No.CIR/CFD/CMD/56/2016 dated 27th May, 2016, we wish to confirm that the Statutory Auditors of our Company, viz., M/s.Khimji Kunverji & Co LLP, Chartered Accountants (Registration LLPIN AAP-2267) have issued an Audit Report with unmodified opinion on the Standalone Audited Financial Results of the Company for the quarter and year ended 31st March, 2019.

The above declaration is issued for your information and records.

Thanking you,

Yours faithfully,
For TANFAC INDUSTRIES LIMITED


(N.R. RAVICHANDRAN)
CHIEF FINANCIAL OFFICER

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Auditors' Report on Annual Financial Results of Tanfac Industries Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Tanfac Industries Limited

Introduction

- 1 We have audited the accompanying Statement of Financial Results ('the Statement') of Tanfac Industries Limited ('the Company') for the quarter and year ended March 31, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the last quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in the statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year
- 2 The statement have been prepared on the basis of the audited annual financial statements and reviewed quarterly financial results, which are the responsibility of the Company's management. Our responsibility is to express an opinion on the statement based on our audit of the annual financial statement, which have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards Rules), 2015 ('Ind AS') and other accounting principles generally accepted in India.

Scope

- 3 We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit includes examining, on test basis, evidence supporting the amounts disclosed as financial results.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion



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LLPIN- AAP-2267 [Converted from Khimji Kunverji & Co (a partnership firm with registration no. 46150) into LLP w.e.f. 8.5.2019]



Opinion

- 4 In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (ii) gives true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Company contained in the Statement for the year ended March 31, 2019.

For **Khimji Kunverji & Co LLP**
(Formerly Khimji Kunverji & Co. – FRN 105146W)
Chartered Accountants

Hasmukh B. Dedhia
Partner (F-033494)



Camp: Chennai
Dated: May 22, 2019

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₹ in Lacs

SN	Particulars	Quarter Ended			Year Ended	
		Standalone				
		31st Mar 2019	31st Dec 2018	31st Mar 2018	31st Mar 2019	31st Mar 2018
		Audited	Unaudited	Audited	Audited	Audited
	Revenue:					
I	a) Revenue from Operations	5,393.62	5,708.95	4,774.97	22,171.24	16,541.76
II	b) Other Income	85.73	0.00	15.10	94.03	33.28
III	Total Revenue (I + II)	5,479.35	5,708.95	4,790.07	22,265.27	16,575.04
IV	Expenses:					
	a) Cost of Raw Materials consumed	3,072.97	2,999.88	2,505.45	11,007.95	8,547.57
	b) Changes in inventories of Finished Goods, Work in progress and stock in trade	(219.76)	(9.76)	(13.97)	(142.56)	84.68
	c) Excise Duty on sales	-	-	-	-	354.05
	d) Employee Benefits Expenses	212.53	337.70	278.01	1,158.87	1,136.74
	e) Finance Cost	57.02	55.38	137.34	304.40	597.76
	f) Depreciation and Amortisation Expenses	445.16	117.61	118.65	802.28	494.00
	g) Power and Fuel	521.05	592.22	414.79	2,322.46	1,944.00
	h) Other Expenses	737.40	584.51	1,117.79	2,648.56	2,436.69
	Total Expenses (IV)	4,826.37	4,677.34	4,558.06	18,101.96	15,595.61
V	Profit Before Exceptional and Extraordinary Items and Tax (III -IV)	652.98	1,031.61	232.01	4,163.31	979.53
VI	Exceptional Item	-	-	-	-	-
VII	Profit Before Tax (V - VI)	652.98	1,031.61	232.01	4,163.31	979.53
VIII	Tax Expense					
	i) Current Tax	224.05	192.97	40.20	764.22	198.08
	ii) Deferred Tax	323.25	243.28	-	566.54	-
	iii) MAT Credit Entitlement	(224.05)	(192.97)	(37.82)	(764.22)	(186.34)
IX	Profit / (Loss) for the period (VII - VIII)	329.73	788.33	229.63	3,596.77	967.79
X	Other Comprehensive Income (OCI)					
A	(i) Items that will not be reclassified to Profit or Loss	1.67	-	(38.16)	12.24	(29.77)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	(2.14)	-
B	(i) Items that will be reclassified subsequently to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total of Other Comprehensive Income	1.67	-	(38.16)	10.10	(29.77)
XI	Total Comprehensive Income for the period (IX+X)	331.40	788.33	191.47	3,606.87	938.02
XII	Paid-up Equity Share Capital [Face value Rs. 10/-]	997.50	997.50	997.50	997.50	997.50
XIII	Other Equity				3,805.08	266.03
XIV	Earnings per share of face value of Rs 10/- each (Not Annualised)					
	Basic (Rs)	3.31	7.90	2.30	36.06	9.70
	Diluted(Rs)	3.31	7.90	2.30	36.06	9.70

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held at Chennai on May 22, 2019. The results has been prepared in accordance with the IND AS notified under the Companies (Indian Accounting Standards) Rule,2015.
- The company operates in a single segment i.e. Chemicals in India and all other activities evolve around the same. Hence, there is no reportable primary/ secondary segment in accordance with the requirements of Ind AS 108, 'Operating Segments'.
- Figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date reviewed figures upto the 3rd quarter of the relevant financial year.
- The Company had entered into MOU with an interested party for transfer of machinery and technical knowhow of its (Isobutyl) Acetophenone (IBAP) plant in 2012-13 and based on terms / conditions of the said MOU the company had initially made a provision for impairment of Rs. 277.96 lacs in 2012-13. Based on the current estimate of recovery from the project, the management has recognised further impairment of Rs.323.52 lakhs during the quarter.
- Renewable Power Obligation (RPO): The company had initially filed a petition with Hon'ble Tamil Nadu Electricity Regulatory Commission (TNERC) to declare its 2.3 MW cogeneration plant exempt from RPO obligation. The said petition was dismissed by Hon'ble TNERC on 13th November 2015 relying on an order passed by Hon'ble Appellate Tribunal for Electricity (APTEL) in a different petition which the company believed the facts of the case has no applicability to the factors of its petition and also based on erroneous premise that its plant is a fossil-fuel based cogeneration plant. Aggrieved by the order the company filed an appeal with Hon'ble APTEL which was favourably considered by APTEL vide its order dated 2nd January 2019, setting aside TNERC's original order mentioned above.



6 Statement of Assets and Liabilities as on 31st March 2019 is given below:

S.No	Particulars	Rs in Lakhs	
		Year Ended	Year Ended
		3/31/2019 Audited	3/31/2018 Audited
ASSETS			
1) Non-Current Assets			
	a) Property, Plant and Equipment	3,434.17	4,086.66
	b) Capital Work in Progress	88.47	19.46
	c) Investment Property		
	d) Other Intangible Assets	-	2.91
	e) Intangible Assets under Development		
	f) Financial Assets		
	i) Investments	85.98	75.41
	ii) Loans		
	iii) Other Financial Assets	35.83	26.89
	g) Deferred Tax Assets(Net)		
	h) Other Non-Current Assets	95.23	115.40
	Sub total- Non Current Assets	3,739.68	4,326.73
2) Current Assets			
	a) Inventories	3,028.75	1,690.45
	b) Financial Assets		
	i) Investments		
	ii) Trade Receivables	2,292.35	1,941.40
	iii) Cash & Cash Equivalents	0.83	0.79
	iv) Bank balances (other than iii above)	94.46	3.37
	v) Loans	34.45	19.09
	vi) Other Financial Assets		
	c) Current Tax Assets (Net)		
	d) Other Current Assets	2,255.47	565.14
	Sub total- Current Assets	7,706.31	4,220.24
	TOTAL ASSETS	11,446.00	8,546.97
EQUITY & LIABILITIES			
Equity			
	a) Equity Share Capital	997.50	997.50
	b) Other Equity	3,805.08	266.03
	Sub total- Shareholders' Funds	4,802.58	1,263.53
Liabilities			
1) Non-Current Liabilities			
	a) Financial Liabilities		
	i) Borrowings	559.47	668.17
	ii) Other Financial Liabilities		
	b) Provisions	48.95	60.35
	c) Deferred Tax Liability (Net)	568.67	
	d) Other non - current liabilities		
	Sub total- Non Current liabilities	1,177.09	728.52
2) Current Liabilities			
	a) Financial Liabilities		
	i) Borrowings	620.32	3,677.14
	ii) Trade Payables		
	- Due to Micro and Small Enterprises	3.92	6.75
	- Due to Others	2,555.44	1,649.72
	iii) Other financial liabilities		
	b) Other Current Liabilities	373.06	325.74
	c) Provisions	1,913.58	895.56
	d) Current Tax Liabilities (Net)		
	Sub total -Current Liabilities	5,466.32	6,554.91
	TOTAL EQUITY AND LIABILITIES	11,446.00	8,546.97

7 Sales for the quarters and Year ended 31st March,2019 quarter ended 31st December, 2018 and 31st March,2018 are net of Goods and Service Tax (GST). Net Revenue from operations (net of GST / Excise Duty) as applicable are as stated below:

Particulars	Rs in Lakhs				
	Quarter Ended			Year Ended	
	31st Mar 2019	31st Dec 2018	31st Mar 2018	31st Mar 2019	31st Mar 2018
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations (as above)	5,393.62	5,708.95	4,774.97	22,171.24	16,541.76
Less: Excise Duty					354.05
Net Revenue from operations	5,393.62	5,708.95	4,774.97	22,171.24	16,187.71

8 The Board of Directors have passed a resolution approving redemption of 500,000 11% Redeemable Cumulative Non-Convertible Preference Shares of Rs 100/- each out of internal accruals.

9 Figures for the previous period / year have been rearranged /reclassified wherever necessary, to correspond with current period / year presentation.

Place : Chennai
Date : 22nd May 2019



M R Sivaraman
M R SIVARAMAN
DIRECTOR