

TANFAC Industries Limited
Annual Report **2025-2026**



Deepening the Platform



Deepening the Platform

The molecule
beneath
everything
the Company
makes

Hydrofluoric acid is the foundation of the Company's business. Every product it manufactures and every market it serves begins with this molecule. Produced in-house from fluorspar and supported by captive sulphuric acid capacity, hydrofluoric acid has remained at the core of the Company's operations for over four decades. Over this period, the Company has developed the expertise, infrastructure and operating discipline required to manufacture, handle and transport this complex product safely and at scale, creating a strong competitive advantage in a market where hydrofluoric acid production demands significant technical capabilities.

This foundation has enabled the Company to pursue a focused strategy of building greater value from its fluorine chemistry platform. Rather than diversifying away from its core, the Company has continued to deepen its presence across the fluorochemical value chain by expanding capacities, developing downstream products and entering higher-value applications. The theme of this

Annual Report, "Deepening the Platform," reflects this strategic direction. During FY26, the Company operated its additional hydrofluoric acid capacity, which was commissioned in Oct'2024 and successfully commissioned both phases of its Solar Grade Diluted Hydrofluoric Acid facility—the first and only such capacity in India—and advanced its entry into refrigerant gas manufacturing through the HFC-32 project. Each of these initiatives is built upon the same captive hydrofluoric acid base and the Company's long-standing expertise in fluorine chemistry.

Deepening means staying within fluorine chemistry and moving up the value chain, from conventional inorganic fluorides towards higher-value specialty and downstream products. The result is a platform that serves more end-markets from one molecule, that carries longer contract visibility, and that provides a base for the products the Company is developing for solar, refrigeration, pharmaceuticals, agrochemicals, steel and electronics.

About the Report

Reporting period and entity

This report presents the performance of TANFAC Industries Limited (the Company) for the financial year 1 April 2025 to 31 March 2026 (FY26). The Company is a joint-sector fluorochemicals manufacturer promoted by Anupam Rasayan India Limited (Anupam Rasayan) and Tamil Nadu Industrial Development Corporation Limited (TIDCO), with an integrated manufacturing complex at Cuddalore, Tamil Nadu.

Reporting boundary and basis of preparation

The financial information in this report is presented on a standalone basis. The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Unless stated otherwise, all financial figures are in Indian Rupees (₹) lakhs, and prior-year figures relate to FY25.

Feedback

The Company welcomes feedback on this report. Enquiries may be addressed to the Company Secretary and Compliance Officer at the Registered Office, 14 SIPCOT Industrial Complex, Cuddalore 607 005, Tamil Nadu, or through tanfac.invreln@anupamrasayan.com

Forward-Looking Statement

This report contains statements about the Company's plans, objectives, expectations and estimates that may be forward-looking. These statements reflect the Company's current views on future events and are based on assumptions that are subject to risks and uncertainties. Actual results could differ materially from those expressed or implied, on account of changes in economic conditions, raw-material prices and availability, regulatory developments, project-execution timelines, market demand and other factors. The Company undertakes no obligation to revise any forward-looking statement to reflect events or circumstances after the date of this report.

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A YEAR OF RECORD REVENUE AND DELIBERATE INVESTMENT

Highlights of the Year

A year of record revenue and deliberate investment

FY26 was the Company's highest year for revenue and production. Margins normalised from the exceptional levels of FY25 as sulphur costs rose and depreciation increased following recent capital expenditure. The figures below are for FY26 unless stated.

Financial highlights (FY26)

₹71,107.40 lakhsRevenue from operations
↑ 27.67% on FY25**₹26,634.11 lakhs**Gross profit
37.46% margin**20.48%**

Return on equity

₹11,206.40 lakhsOperating EBITDA
15.76% margin**₹35.16**Earnings per share
face value ₹5**20.19%**

Return on capital employed

₹7,014.29 lakhsProfit after tax
9.86% margin**₹4.50 per share**Final dividend
recommended for FY26**91 days**Working-capital cycle
improved by 8 daysNet debt at 31 March 2026: **₹4,661.33 lakhs***

*The Company became net debt-free after the reporting period, following a ₹25,000 lakhs Qualified Institutional Placement completed in the first quarter of FY27.

Operational highlights (FY26)

101%Sulphuric acid
capacity utilisation**95%**Hydrofluoric acid
capacity utilisation**30,000 TPA**Hydrofluoric acid
capacity**20,000 TPA**Solar-grade
DHF capacity(both phases commissioned,
June and October 2025)**~1,35,000 TPA**Total installed capacity
across all product lines

The Company recorded its highest-ever production volumes and capacity utilisation during the year.

Strategic highlights

Announced capital expenditure of approximately ₹49,500 lakhs for establishing a 20,000 TPA HFC-32 refrigerant-gas facility, along with associated utilities and other value-added fluorine products, at Cuddalore. The HFC-32 facility is targeted for commissioning by the end of Q3 FY27.

Secured long-term refrigerant-gas supply arrangements aggregating approximately ₹3,61,250 lakhs over five to seven years,

together with a further agreement of ~₹6100 lakhs per annum for an indefinite duration, covering close to 67.5% of the Planned annual capacity.

Held solar-grade DHF orders of ~₹1,06,800 lakhs to be executed till FY29, covering close to 85% of annual capacity.

Remained the first and only producer of solar-grade diluted hydrofluoric acid in India.



ABOUT THE COMPANY

About the Company

TANFAC Industries Limited (the Company) is a fluorochemicals manufacturer with over four decades of experience in hydrofluoric acid and fluorine chemistry. The Company operates a single integrated complex at Cuddalore, Tamil Nadu, from which it produces hydrofluoric acid and a range of value-added fluorine derivatives for the solar, refrigeration, pharmaceutical, agrochemical, steel and electronics industries.

The Company at a glance

Over 4 decades
of fluoride-chemistry experience

~1,35,000 TPA
installed capacity, one site

12+ product variants
niche fluorine products

60 acres
integrated complex, Cuddalore

105+ clients
across 13+ countries

Around 700
Employees (on roll & contracted)

The Company commenced commercial production in March 1985. It is promoted jointly by Anupam Rasayan India Limited and the Tamil Nadu Industrial Development Corporation (TIDCO). TIDCO provides institutional strength and stability through a long association with the Company. Anupam Rasayan brings technical expertise in fluorine chemistry, access to global customers and speciality-chemistry capability. Since the change in ownership, the Company has moved from a phase of stabilisation and operational improvement to one of capacity expansion, forward integration and value-added product development.

Position in the market

Among the leading domestic manufacturers of hydrofluoric acid, with strong backward integration into sulphuric acid.

The first and only manufacturer of solar-grade diluted hydrofluoric acid in India, serving the photovoltaic industries.

A diversified portfolio comprising anhydrous and diluted hydrofluoric acid, solar-grade DHF, speciality inorganic fluorides and sulphuric acid, with refrigerant gas under development.

Accreditations and recognition

TPM Excellence Award

First fluorine chemical company to receive the award from the Japanese Institute of Plant Management



ISO
9001:2015

**ISO 9002 (1994), upgraded to
ISO 9001:2015**

First fluorine chemical company in India, and fifth globally, to be certified



ISO
14001:2015

**ISO 14001:1996, Upgraded to
ISO 14001:2015**

First fluorine chemical company in India to receive the certification in fluorine chemical manufacturing



ISO
45001:2018

ISO 45001:2018

Among the fluorine chemicals companies in India to receive certification for occupational health and safety management

Our Values



Respect



Transparency



Integrity



Speed



Our Mission

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



Our Vision

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

THE TRANSFORMATION JOURNEY

The Transformation Journey

The Company's evolution has progressed through distinct phases of development. From building a strong foundation in hydrofluoric acid and sulphuric acid, it steadily expanded its fluorochemical capabilities over time while maintaining a disciplined operating and financial approach. The induction of Anupam Rasayan India Limited as a co-promoter in 2022 marked the beginning of a new growth phase, characterised by operational improvement, capacity expansion, forward integration and the development of higher-value fluorochemical products

Phase 1

Foundation and Early Growth

1972 to 2008

Incorporated in 1972; commenced commercial production of the main plant (hydrofluoric acid and aluminium fluoride) and sulphuric acid at SIPCOT, Cuddalore, in March 1985.

Implemented the HF liquifaction project and commenced speciality fluorides in the late 1980s.

Expanded sulphuric acid capacity and installed a captive power plant; diversified into inorganic fluorides and speciality organic chemicals.

Built a record of consistent growth and regular dividends, with a conservative balance sheet.

Phase 2

A New Ownership and a New Trajectory

2022 to 2023

Anupam Rasayan acquired joint control and became a co-promoter alongside TIDCO in March 2022.

Strengthened management capabilities, enhanced technical expertise, improved product synergies and reinforced operational execution. Upgraded the R&D facilities and added a pilot plant; stabilised and improved operations, surpassing the earlier peak in EBITDA.

In brief: renewed leadership and a platform prepared for expansion.

Phase 3

Scaling the Core

2024 to 2025

Commissioned a new hydrofluoric acid plant in October 2024, increasing the capacity from 14,850 TPA to 30,000 TPA at an investment of about ₹10,000 lakhs, the lowest per-tonne investment in the industry, as a vertical start-up within the planned timeline.

Recorded its highest revenue and profit for FY25, and remained debt-free after the capital expenditure.

Phase 4

Deepening the Platform

FY26 onwards

Commissioned both phases of solar-grade diluted hydrofluoric acid (20,000 TPA in total) in June and October 2025, as the first and only such producer in India.

Secured solar-grade DHF orders aggregating approximately ₹1,06,800 lakhs, providing revenue visibility till FY29.

Announced capital expenditure of approximately ₹49,500 lakhs for a 20,000 TPA refrigerant-gas (HFC-32) facility, other Value added fluorine chemicals and supporting utilities. The HFC-32 project is targeted for commissioning by end of Q3 FY27, and the Company has secured long-term refrigerant gas supply arrangements covering approximately 67.5% of the proposed annual capacity.

Achieved its highest-ever revenue of ₹71,107.40 lakhs in FY26, reflecting the benefits of recent capacity additions and improved market positioning.



BUSINESS MODEL AND THE FLUORINE VALUE CHAIN

Business Model
and the **Fluorine**
Value Chain

The Company controls its fluorine chemistry value chain from end to end. It processes raw materials into intermediates, produces hydrofluoric acid from those intermediates, and converts hydrofluoric acid into a value-added products. This integrated presence forms the core of the Company’s business model

The Company produces its two principal inputs—sulphuric acid and hydrofluoric acid—in-house. A portion of the hydrofluoric acid is currently converted into solar-grade DHF and other value-added products, while further downstream integration is expected following the commissioning of the HFC-32 facility. This integrated model enables the Company to capture value across multiple stages of the chain and reduce its dependence on merchant supply

How to read the chain: from
fluorspar to the finished product

The value chain runs left to right through five stages. Each row illustrates how a molecule progresses from its raw-material origin, through the Company’s manufacturing processes, to its end-use application.



Stage	Raw materials	Backward integration	The core molecule	Value-added downstream	Forward integration (new)
Goes in	Fluorspar, sulphur	Sulphur	Fluorspar + sulphuric acid	Hydrofluoric acid	Hydrofluoric acid + dichloromethane
What the Company produces (capacity; FY26 utilisation)	Raw materials sourced and prepared on site: fluorspar imported from various geographies like South Africa, Thailand, Vietnam and Kenya etc; sulphur sourced domestically	Sulphuric acid and oleum (1,00,000 TPA; 101%), with a captive power plant meeting a large share of the site’s energy through waste-heat recovery	Hydrofluoric acid, including anhydrous grade (30,000 TPA; 95%)	Solar-grade and diluted HF (20,000 TPA); speciality inorganic fluorides, being aluminium fluoride, potassium fluoride, boron trifluoride and sodium silicofluoride (5,000 TPA; 41%)	Refrigerant gas HFC-32 (20,000 TPA; under construction, targeted by end of Q3 FY27)
Where it is used	Feed the integrated plant	Captive feedstock for hydrofluoric acid; surplus sold to third parties	The single base for every downstream fluorine product	Solar cells, semiconductors, steel, glass, pharmaceuticals, agrochemicals, aluminium industry	Room air conditioners, commercial HVAC, refrigeration
	integrated / in-house				under construction

The scale at each stage

1,00,000
TPA sulphuric acid (101%)

30,000
TPA hydrofluoric acid (95%)

20,000
TPA solar-grade DHF

5,000
TPA speciality fluorides (41%)

20,000
TPA refrigerant gas (by end of Q3 FY27)

The Company’s presence
across the chain

Backward integrated: sulphuric acid and captive power secure the largest inputs and a large share of the site’s energy.

Leading in the core: among the leading domestic producers of hydrofluoric acid, the molecule from which every other product is built.

Forward integrated into value-added grades: the first and only producer of solar-grade DHF in India, a full speciality-fluorides range, and refrigerant gas under construction.

One molecule, many markets: eight end-markets are served from a single hydrofluoric acid stream, spreading demand and improving utilisation.

What makes the model work

Captive raw-material security. Sulphuric acid and hydrofluoric acid are produced in-house, and a captive power plant supplies a

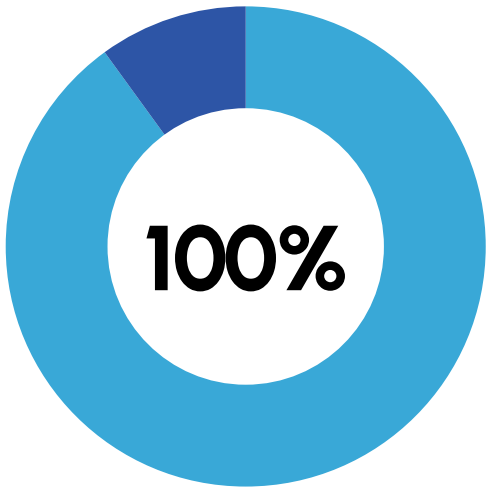
large share of the site’s energy through waste-heat recovery. This reduces dependence on merchant supply and supports reliable, competitively costed production.

Integration as an entry barrier. Assured in-house hydrofluoric acid provides the Company a structural cost advantage in downstream products such as refrigerant gas, where hydrofluoric acid is the single largest input. The expertise required to handle hydrofluoric acid safely raises the barrier to new entrants.

Contract visibility. Long-term agreements in solar-grade DHF and refrigerant gas provide demand visibility ahead of commissioning, and formula-based pricing passes raw-material movements through to customers over a defined cycle.

Research and development. A dedicated R&D centre and pilot plant support new products in electronic-grade chemicals, fluoropolymers, battery materials and other advanced fluorine chemistries.

Revenue mix (FY26)



95% Domestic sales
5% Exports

PRODUCT PORTFOLIO AND APPLICATIONS

A range of fluorine products for diverse industries

The Company’s products are built from a common hydrofluoric acid stream and address a wide set of end-markets. The portfolio spans commodity and value-added grades, with speciality fluorides and solar-grade DHF representing the higher-value segments and refrigerant gas the next addition.

Product	Key applications	Principal markets
Anhydrous Hydrofluoric Acid (AHF)	Feedstock for refrigerant gases and fluorocarbons, lithium-battery materials, alkylation, fluorinated organics; in-house feedstock for solar DHF, KF, aluminium fluoride and BF3	Refrigerants, batteries, pharma and agrochemicals, electronics
Diluted Hydrofluoric Acid (DHF)	Stainless-steel pickling, glass and display processing, tantalum capacitors, manufacture of inorganic fluorides	Steel surfacing, glass, electronics
Solar-Grade DHF	Etching and cleaning of silicon wafers for photovoltaic solar cells, at impurity levels below 10 parts per billion	Solar cells, semiconductors
Potassium Fluoride (KF)	Fluorinating agent in organic synthesis (HALEX), heavy-water plant use	Pharmaceuticals, agrochemicals
Potassium Bifluoride (KHF2)	Electrolyte in fluorine cells (NF3 and UF6), brazing flux	Industrial gases, metallurgy, electrochemistry
Boron Trifluoride (BF3) complexes	Lewis-acid catalyst in pharmaceutical, agrochemical and polymer synthesis	Pharmaceuticals, agrochemicals, polymers
Aluminium Fluoride (AlF3)	Flux in electrolytic aluminium smelting, reducing the melting point of alumina	Aluminium smelting, metallurgy
Sulphuric Acid and Oleum	Captive feedstock for HF; fertilisers, rayon-grade pulp, LAB sulphonation	Captive use, fertilisers, industrials
Sodium Silicofluoride (NaSiF6)	Used in ceramics, abrasives and glass industries	Ceramics, glass, abrasives
Refrigerant Gas (HFC-32)	Standalone refrigerant for residential split air conditioners and light commercial HVAC; among the lower-GWP single-component refrigerants (under construction, targeted Q3 FY27)	Room air conditioners, commercial HVAC, refrigeration

Market segments served



Solar cells



Steel surfacing



Refrigerants



Glass etching



Agrochemicals



Fluoropolymers



Lithium batteries



Pharmaceuticals

Few of our Top Clients

TATA POWER SOLAR

Reliance Industries Limited

Piramal Pharma Limited

JSL JINDAL STAINLESS

posco THAINOX

kredence

cohizon Life Sciences

Royale Group

Premier Energies



MANUFACTURING AND INFRASTRUCTURE

Manufacturing and Infrastructure

The Company operates a single integrated complex at Cuddalore, Tamil Nadu. The site spreads across 60 acres and carries a total installed capacity of about 1,35,000 TPA. Producing sulphuric acid, hydrofluoric acid and downstream fluorine products at one location supports backward integration, tight quality control and competitive costs.

Installed capacity

1,00,000 TPA

Sulphuric acid and oleum

↑ 101%

30,000 TPA

Hydrofluoric acid

↑ 95%

5,000 TPA

Speciality fluorides

↑ 41%

20,000 TPA

Solar-grade DHF

(within HF capacity) **Ramping up**

Announced expansions

Refrigerant gas (HFC-32)

New 20,000 TPA plant, targeted for commissioning By End of Q3 FY27.

↑ FY26 utilisation



Utilities and site infrastructure

- A captive power plant, supported by waste-heat recovery, meets a large share of the site's energy requirement.
- Dedicated infrastructure for hazardous materials, including acid storage tanks, an HF cylinder filling station and an effluent-treatment facility.
- Location near Chennai Port supports the import of fluorspar and sulphur and the export of finished products.

Safety and recognition

The handling of hydrofluoric acid, sulphuric acid and oleum requires rigorous safety systems. The site operates a dedicated emergency-response team and complies with the Manufacture, Storage and Import of Hazardous Chemicals (MSIHC) rules.

TPM Excellence Award

First fluorine chemical company to receive the award from the Japanese Institute of Plant Management

ISO 9002 (1994), upgraded to ISO 9001:2015

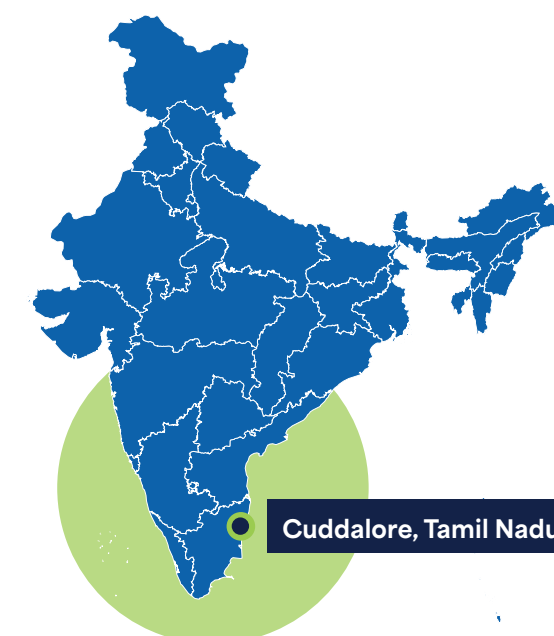
First fluorine chemical company in India, and fifth globally, to be certified

ISO 14001:1996, Upgraded to ISO 14001:2015

First fluorine chemical company in India to receive the certification in fluorine chemical manufacturing

ISO 45001:2018

Among the fluorine chemicals companies in India to receive certification for occupational health and safety management



Cuddalore, Tamil Nadu

Technology and manufacturing partners



Partner	Role
Anupam Rasayan India Limited	Co-promoter; technical expertise, speciality-chemistry capability and global customer access
Buss ChemTech (Davy Process), Switzerland	Process know-how and equipment
Chenco, Germany	Process know-how and equipment

Map not to scale, only for illustrative purposes

RESEARCH AND DEVELOPMENT

Research and Development

Research and development supports the Company's move towards higher-value products. The R&D centre at Cuddalore is equipped with a laboratory and a pilot plant, and supported by an experienced team of researchers, scientists and product specialists.

The R&D team

More than 10
professionals in R&D

3

doctorate holders in the team

One centre

laboratory and pilot plant
at Cuddalore

Capabilities

Fluorination techniques

Vapour-phase fluorination, diazotisation using anhydrous hydrofluoric acid, the Halex reaction using potassium fluoride, and side-chain fluorination.

Other organic reactions

Nitration, chloro-denitration, acetylation, bromination, methoxylation, hydrogenation and Grignard reactions.

Pilot and plant scale

A pilot plant for vapour-phase fluorination of refrigerants. The Company has scaled up several inorganic and organic products from the laboratory to commercial production.



Investment in R&D

About ₹700 lakhs to ₹800 lakhs over the last eighteen months

Capital expenditure
on R&D

About ₹400 Lakhs over the last eighteen months

Revenue-nature R&D
expenditure

Pipeline and future focus

A pipeline of five to eight products, weighted towards hydrofluoroolefins (HFOs), fluoropolymers and electronic chemicals.

Five to six inorganic fluorides under development, with hydrofluoric acid as the key raw material, for pharmaceutical and agrochemical applications.

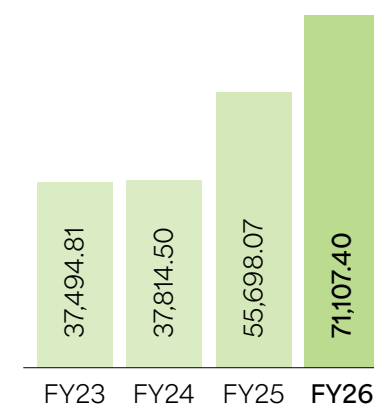
Longer-term work towards electronic-grade DHF for semiconductors and next-generation low-GWP refrigerants.

KEY PERFORMANCE INDICATORS

Key
Performance
Indicators

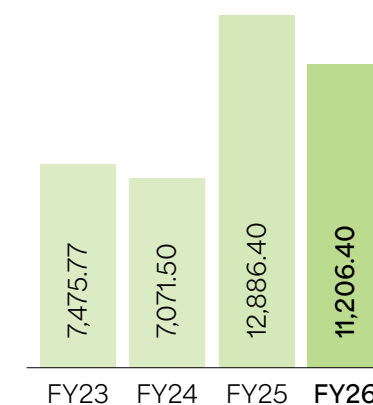
Revenue From Operations

(In ₹ Lakhs)



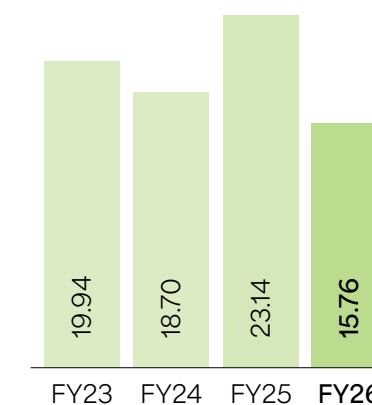
Operating EBITDA

(In ₹ Lakhs)



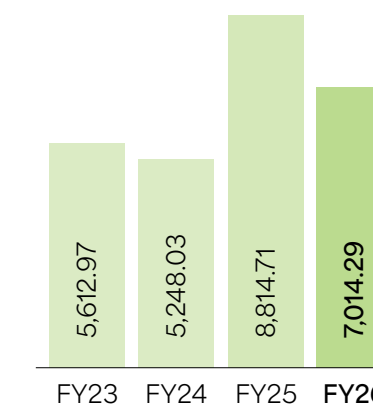
Operating EBITDA Margin

(In %)



Profit After Tax

(In ₹ Lakhs)



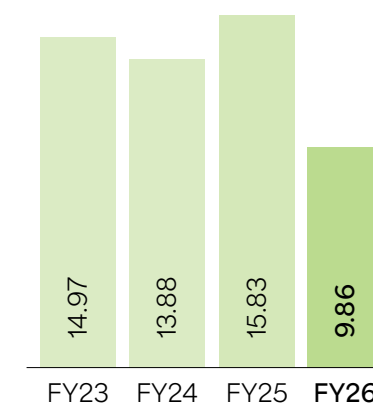
Gross Profit

(In ₹ Lakhs)



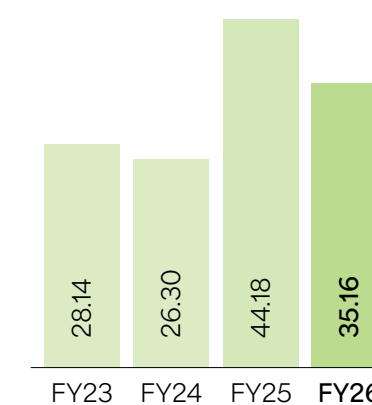
Profit After Tax Margin

(In %)



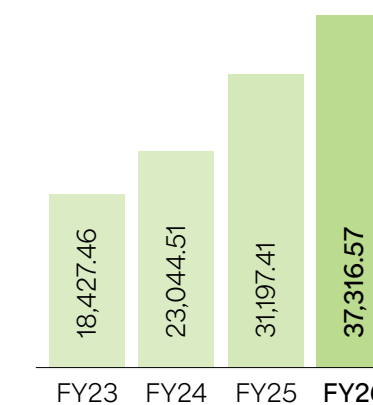
Earnings Per Share*

(In ₹)



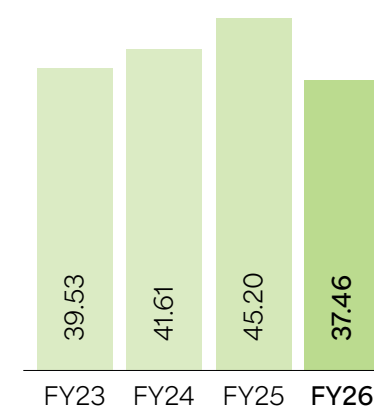
Shareholders' Funds

(In ₹ Lakhs)



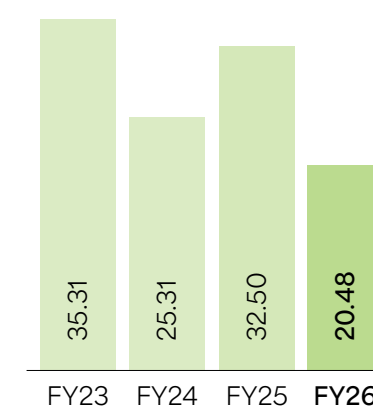
Gross Profit Margin

(In %)



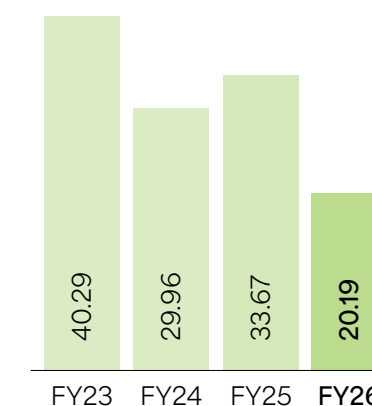
Return On Equity

(In %)



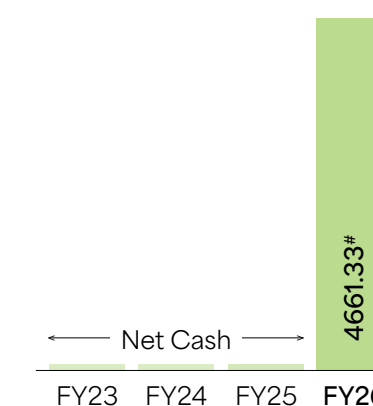
Return on capital employed

(In %)



Net debt

(In ₹ Lakhs)



*For comparability, the EPS figures for previous years have been restated to reflect the subdivision of equity shares undertaken during the year.

#Net debt at 31 March 2026. The Company became net debt-free again after the reporting period, following a successful ₹25,000 lakhs Qualified Institutional Placement completed in the first quarter of FY27.



MESSAGE FROM THE BOARD

Message from the Board of Directors

Dear Shareholders,

FY26 was a defining year in the transformation journey that began in 2022. Since Anupam Rasayan India Limited ("Anupam Rasayan") joined TIDCO as a co-promoter, the Company has steadily expanded its focus beyond conventional inorganic fluorine chemicals towards higher-value fluorine products.

During FY26, the Company recorded the highest revenue in the history and achieved significant milestones in its transformation journey. Both phases of the solar-grade DHF capacity were commissioned, the Company committed substantial investments towards refrigerant-gas manufacturing, and its balance sheet was further strengthened. This letter outlines the Company's performance during the year, the strategy underpinning these initiatives, and the approach adopted by your Board to fund and govern the Company's next phase of growth.

The year in context

Revenue from operations rose 27.7% to ₹71,107.40 lakhs, the highest in the Company's history. Operating EBITDA was ₹11,206.40 lakhs, at a margin of 15.76%, and profit after tax was ₹7,014.29 lakhs.

Margins moderated compared to FY25, when the Company earned an EBITDA margin of 23.14% particularly in the third quarter performance, benefited from higher realizations arising from a temporary demand-supply gap. During FY 26, Profitability was impacted by an increase in raw material costs and higher depreciation following the commission of the expanded hydrofluoric acid and solar grade DHF Capacities.

Your Board views FY26 as a year of deliberate investment. The Company added capacity, secured long-term contracts for both Solar Grade DHF and the upcoming HFC-32 refrigerant gas facility, and began laying the foundation for a larger and more diversified business. These investments were undertaken while continuing to generate a return on equity of 20.48% and return on capital employed of 20.19%.

Seen over a longer period, the scale of the company's transformation becomes more evident. Revenue has grown from about ₹14,789.55 lakhs in FY21 to ₹71,107.40 lakhs in FY26, close to a fivefold increase over five years. This has come from a disciplined widening of the product range within fluorine

chemistry, supported by the operational and technical strengths that the co-promoter structure has brought since 2022. The Board is satisfied that the Company is growing in a considered way, adding products it understands and can serve from its existing base.

The opportunity we are building into

The Company operates in a part of the chemical industry that benefits from strong and enduring demand drivers. India's fluorochemicals market is estimated to grow from approximately USD 1.9 billion in FY26 to about USD 2.8 billion by FY31, representing a compound annual growth rate of around 8%. Demand for hydrofluoric acid, the molecule at the centre of the Company's operations, is expected to grow at a similar pace, while several downstream applications served by the Company are expected to grow even faster.

The Board believes that the Company's recent investments are aligned with some of the most attractive growth opportunities within the fluorochemicals sector. Solar Grade Diluted Hydrofluoric Acid is directly linked to the expansion of renewable energy and domestic solar manufacturing, while HFC-32 refrigerant gas is supported by increasing demand for air-conditioning, refrigeration and cooling solutions. Both opportunities are further supported by national priorities relating to clean energy, energy efficiency, domestic manufacturing and import substitution.

As these industries continue to expand, the Board believes that the Company's integrated manufacturing base, fluorine chemistry expertise and growing portfolio of value-added products position it well to participate in the next phase of growth in the Indian fluorochemicals industry. These long-term industry trends give the Board confidence in the direction the Company has chosen and in its ability to create sustainable value for shareholders.

A consistent strategy

The Company's strategy is to move up the fluorine value chain, converting captive hydrofluoric acid into higher-value products, and to remain within the company's core chemistry expertise. During the year the Company brought both phases of solar-grade DHF into production, as the first and only producer of this grade in India, and committed ₹49,500 lakhs for a 20,000 TPA refrigerant-gas plant & other value added

fluorinated products and utilities. The operational detail of these initiatives is set out in the Managing Director's message and in the review that follows. The Board's responsibility is to see that this growth is funded prudently and executed safely, and that the returns from it accrue to shareholders over time.

A stronger capital structure

After the close of the financial year, the Company completed a Qualified Institutional Placement of ₹25,000 lakhs, which received participation from several institutional investors, and the Board approved a proposed preferential issue. Following these steps the Company is net debt-free.

The Board has also approved seeking the listing of the Company's equity shares on the National Stock Exchange, alongside the existing listing, which is expected to improve liquidity and broaden the investor base.

Together these steps give the Company the financial capacity to fund its committed growth from a position of strength, without straining the balance sheet, and they widen the base of investors who can participate in the Company's progress.

Governance and risk

The Board comprises nominee directors representing both promoters, together with independent directors bringing diverse experience across industry, science, finance and public administration. Through its various committees, the Board oversees strategy, capital allocation, financial reporting, compliance and enterprise risk management, while ensuring that the Company's growth initiatives remain aligned with long-term shareholder interests.

As the Company advances its next phase of growth through capacity expansion, forward integration and new product development, the Board remains focused on maintaining high standards of governance and operational discipline. Given the nature of the Company's operations, particular emphasis is placed on process safety, environmental stewardship, operational reliability and regulatory compliance. The Company continues to strengthen its safety and operational systems through advanced process controls, digital monitoring and technology-enabled risk management practices. The Board regularly reviews key business risks, project execution, internal controls and sustainability initiatives to ensure that growth is pursued responsibly and sustainably.

The Board believes that strong governance, robust safety practices and disciplined execution will remain critical enablers of the Company's long-term success.



The Company's progress rests on the skill and care of its people, a workforce of over 700 at Cuddalore. Given the nature of the materials handled, safety is treated as a condition of operation. The Company works within recognised environmental and quality standards, and its captive power and waste-heat recovery reduce the energy intensity of the site.

People and responsible operations

The Company's progress is driven by the commitment, expertise and dedication of its people. With a workforce of around 700 employees at its Cuddalore facility, the Company continues to invest in learning, capability development and employee training to strengthen technical expertise, operational excellence and future readiness. As the Company expands its operations and product portfolio, developing talent and building organisational capabilities remain important priorities.

Given the nature of the Company's operations, safety is embedded in everyday decision-making and operational practices. The Company continues to focus on process discipline, safe operating procedures and continuous training to maintain high standards of workplace safety and operational excellence. After the close of the year, the Company welcomed Mr. Yogesh Mittal as President, Technical and Operations, who brings over three decades of experience in project execution and operations, and who will support the delivery of the current project expansion.

Dividend

For FY26, your Board has recommended a final dividend of ₹4.50 per equity share of face value ₹5, subject to the approval of shareholders.

Acknowledgement

We place on record our sincere appreciation to our promoters, Anupam Rasayan and TIDCO, for their continued guidance and support. We also extend our gratitude to our employees for their dedication and commitment, and to our customers, suppliers, lenders, business partners and shareholders for the trust and confidence they continue to place in the Company.

MESSAGE FROM THE MANAGING DIRECTOR

Message from the Managing Director

Dear Shareholders,

FY26 was a significant year for TANFAC, marked by the highest revenue and hydrofluoric acid production in the Company's history, supported by the ramp-up of the expanded HF capacity commissioned in October 2024. During the year, we also commissioned both phases of the solar-grade DHF facility in June and October 2025, broadened our product portfolio, secured long-term customer contracts and commenced the implementation of our HFC-32 refrigerant-gas facility. Together, these achievements have laid a strong foundation for the Company's next phase of growth.

In this message, I would like to share our performance during the year, the factors that influenced our margins and the priorities that will guide our growth in the years ahead.



Operating performance

Revenue from operations reached ₹71,107.40 lakhs, an increase of 27.7% over FY25. Sulphuric acid operated at 101% utilisation and hydrofluoric acid at 95%, and the Company recorded its highest-ever production volumes during the year. We commissioned both phases of solar-grade DHF, in June and October 2025, and began to ramp up sales of this grade to solar-cell manufacturers. Speciality fluorides operated at 41% utilisation, which leaves room to grow volumes from installed capacity as demand develops. Our working-capital cycle improved by eight days to 91 days, which reflects tighter management of inventory and receivables through a period of growth. Taken together, these results show a business operating its core assets close to their limits while bringing new capacity on stream.

Margins, stated plainly

Operating EBITDA margin stood at 15.76% in FY26, against 23.14% in FY25. While the profit after tax margin was 9.86%, against 15.83% in the previous year.

“

FY26 was the Company's highest year for revenue and production, and a year in which we laid the foundations for a larger business. We put our doubled hydrofluoric acid capacity to work, extended our platform into new products, secured long-term contracts, and began building the refrigerant-gas plant that will change the scale of the Company.

Margins moderated compared to FY25, when the Company earned an EBITDA margin of 23.14% particularly in the third quarter performance, benefited from higher realizations arising from a temporary demand-supply gap. During FY 26, Profitability was impacted by an increase in raw material costs and higher depreciation following the commission of the expanded hydrofluoric acid and solar grade DHF Capacities.

A substantial portion of the Company's solar-grade DHF volumes is covered by long-term contracts, providing greater revenue visibility. We consider the margin pressure experienced during FY26 to be temporary and expect profitability to improve progressively as capacity utilization increases and the product mix shifts towards high margin products.

Three engines of growth

Solar-grade DHF. As the first and only producer in India, the Company holds orders of about ₹1,06,800 lakhs to be executed till FY29, covering close to 85% of annual capacity. Solar-grade DHF is used to etch and clean silicon wafers at very high purity, and demand is linked directly to the build-out of solar-cell manufacturing in India.

Refrigerant gas (HFC-32). The Company is building a 20,000 TPA plant with commissioning targeted by end of Q3 FY27. HFC-32 is among the lower global-warming-potential single-component refrigerants, and the majority of its demand by volume sits in Asia-Pacific. We have secured long-term supply agreements aggregating about ₹3,61,250 lakhs over five to seven years, together with a further agreement of about ₹6,100 lakhs per annum for an indefinite duration, covering 67.5% of the total planned annual capacity. At full utilisation, the Company sees revenue potential of ₹90,000 lakhs to ₹1,00,000 lakhs from this product, much of it intended for export markets including Japan, the Middle East, Africa and Europe.

Research and new products. Our R&D team, working from a laboratory and pilot plant at Cuddalore, is developing a pipeline in hydrofluoroolefins (HFO's), fluoropolymers, electronic-grade chemicals, battery chemicals and inorganic fluorides. Each of these draws on our captive hydrofluoric acid and on fluorination expertise built over four decades. Over time, electronic-grade DHF for semiconductors and next-generation refrigerants are areas we intend to serve.

Visibility from long-term contracts

The long term contracts secured by the company provides strong demand and revenue visibility. In both solar-grade DHF and refrigerant gas, customers have committed to long-term offtake, and pricing is set on a formula basis that passes raw-material

movements through to customers over a defined cycle. These arrangements reduce the commercial risk associated with our capital investments and provide a stronger foundation for the capacity expansions planned by the Company. They also support the Company's transition from greater dependence on spot-market sales towards a business model with a growing base of contracted and predictable revenue.

Integration as our foundation

Our ability to expand into higher-value products is underpinned by an integrated manufacturing platform. The in-house production of sulphuric acid and hydrofluoric acid, supported by captive power, strengthens raw-material security and provides a competitive cost advantage across downstream products. This integrated foundation supports each new product we develop, while our longstanding expertise in the safe handling and processing of hydrofluoric acid creates capabilities that are difficult to replicate.

Outlook

The Company is entering its next phase of growth, with the on-going refrigerant-gas project expected to become a significant growth driver upon commissioning and ramp-up. The resulting scale, operating leverage and richer product mix are expected to support a meaningful expansion in revenues and improvement in operating EBITDA margins over the medium term with more value added products in the pipeline. These expectations reflect the Company's current outlook and are subject to the forward-looking statement contained in this report.

In closing

The ₹25,000 lakhs raised through the Qualified Institutional Placement, together with the proposed preferential issue of approximately ₹10,000 lakhs—subject to receipt of the requisite shareholders' and regulatory approvals provides the Company with the financial capacity to pursue its growth plans from a position of strength. The proposed participation of Anupam Rasayan, the Company's co-promoter, further demonstrates its continued commitment to TANFAC's long-term growth.

I thank our teams at Cuddalore for their dedication throughout a demanding year, our promoters for their continued support, my colleagues on the Board for their guidance, and our shareholders, bankers, customers and business partners for their trust. We have built a strong platform; our task now is to deliver on its potential.

Mr. Afzal Malkani
Managing Director

BOARD AND LEADERSHIP

Board and Leadership

The Company is governed by a Board that combines promoter nominees from TIDCO and Anupam Rasayan India Limited with independent directors, supported by a management team with long experience in fluorine chemistry, operations and finance.

Board of Directors



Dr. D Karthikeyan, IAS*
Chairperson, Non-Executive
Non-Independent Director



Mr. R. Karthikeyan
Non-Executive Non-
Independent Director



Dr. R. K. Tyagi
Independent Director



Dr. Ajay Kumar Singh***
Independent Director



Dr. Ravichandran**
Whole-Time Director; Head of
R&D, New Product Development
and Technical Services



Dr. M. Anuradha Reddy
Independent Director



**Mr. Afzal Harunbhai
Malkani**
Managing Director



Mr. Amreek Singh Sandhu
Independent Director

Leadership Team



Mr. Hemango Gupta
Chief Executive
Officer



Mr. Sramanraj Jain
Head, Sales and
Marketing



Mr. N. R. Ravichandran
President and Chief
Financial Officer



Mr. S. Ilango
Head, Human Resources and
Administration



Mr. Yogesh Mittal
President, Technical and
Operations*

*Dr. D. Karthikeyan was appointed as Non-Executive Promoter Director with effect from July 06, 2026.

**Dr. Ravichandran was appointed as Whole-time Director with effect from May 06, 2026.

***Dr. Ajay Kumar Singh was appointed as Independent Director with effect from May 06, 2026.

*Mr. Yogesh Mittal was appointed as President, Technical and Operations with effect from July 06, 2026.



GROWTH DRIVERS AND COMPETITIVE STRENGTHS

Growth Drivers and Competitive Strengths

The Company’s growth rests on two foundations. The first is a set of internal strengths built over four decades, centred on an integrated hydrofluoric acid platform and the expertise to use it. The second is a set of external demand trends, in solar manufacturing, cooling, speciality chemicals and electronics, that the Company is positioned to serve. This spread sets out both, and shows how the strengths meet the opportunity.

Competitive strengths



An integrated, captive hydrofluoric acid platform. Hydrofluoric acid is corrosive and hazardous, and difficult to transport over long distances. The Company produces it in-house, at 30,000 TPA, from captive sulphuric acid of 1,00,000 TPA, with a captive power plant meeting a large share of the site’s energy through waste-heat recovery. Producing the molecule next to the plants that consume it gives security of supply and a cost position that a non-integrated producer cannot easily match, and it is the foundation for every value-added product.



A first mover in value-added grades. The Company is the first and only producer of solar-grade DHF in India, and is building integrated refrigerant-gas capacity, an uncommon position among domestic producers. A first mover gains customer qualification, product approvals and operating experience that later entrants have to build from the start.



Contracted demand visibility. Long-term agreements in refrigerant gas and solar-grade DHF give the Company visibility over a large part of its future volumes before the capacity is commissioned. Much of this volume is priced on a formula basis, which passes raw-material movements through to customers over a defined cycle and lowers the risk of the capital being deployed.



Deep fluorine-chemistry expertise and research. The Company has handled fluorine chemistry safely and at scale since 1985, and its quality and environmental systems have been recognised through the TPM Excellence Award and ISO 9001 and ISO 14001 certifications. An R&D centre and pilot plant, staffed by more than ten professionals including three doctorate holders, are developing a pipeline of five to eight new products.



An established, diversified customer base. The Company supplies more than 105 clients across more than ten countries, in solar, steel, pharmaceuticals, agrochemicals and speciality chemicals, a number of these relationships held over many years. This spread of end-markets reduces dependence on any single sector.



A self-funded financial model. The Company has operated for four decades with a record of regular dividends, and in FY26 it earned a return on equity of 20.48% and a return on capital employed of 20.19% on a net worth of ₹37,316.57 lakhs. The balance sheet was strengthened further after the reporting period*.



Strong promoters. TIDCO provides institutional stability through a long association with the Company, and Anupam Rasayan India Limited brings technical expertise in fluorine chemistry, speciality-chemistry capability and access to global customers.



A single integrated site. Producing across the value chain at one 60-acre complex at Cuddalore, with access to a nearby port, supports quality control through the process and efficient operations.

₹3,61,250 lakhs

refrigerant-gas supply agreements, over five to seven years

₹1,06,800 lakhs

solar-grade DHF orders, to be executed to FY29

~85%

of solar-grade DHF capacity covered by orders

A further refrigerant-gas agreement of about ₹6,100 lakhs per annum, for an indefinite duration, is in addition to the figures above.

How the strengths meet the opportunity

Strength	What it enables
Captive hydrofluoric acid	A cost position in solar-grade DHF, HFC-32 and speciality fluorides, where hydrofluoric acid is the key input
First-mover position and long-term contracts	Demand visibility and customer qualification ahead of commissioning
R&D centre and pilot plant	A pipeline in hydrofluoroolefins, fluoropolymers, electronic-grade chemicals and inorganic fluorides
Integrated single site	Quality control through the process and efficient, competitively costed operations

Demand drivers

Solar manufacturing.

India is expanding its solar-cell and module manufacturing, supported by national programmes for domestic content. This raises demand for solar-grade DHF, a grade that was previously imported.

Air conditioning and cooling.

Air-conditioning penetration in India is low by international comparison, and rising incomes, urbanisation and cold-chain growth point to sustained demand for refrigerants such as HFC-32.

The refrigerant transition.

The global phase-down of high global-warming-potential refrigerants under the Kigali Amendment supports the shift towards lower-impact alternatives, a category in which HFC-32 sits.

Pharmaceuticals and agrochemicals.

Fluorine is present in a growing share of active pharmaceutical ingredients and crop-protection molecules, which supports demand for potassium fluoride, boron trifluoride and other speciality fluorides.

Electronics, semiconductors and electric vehicles.

The growth of electronics manufacturing, the prospect of semiconductor fabrication in India, and the use of fluorine chemistry in lithium-battery materials support demand for high-purity and speciality grades.

Import substitution and supply diversification.

Several of the products the Company makes or is developing were previously imported, and customers are working to diversify their supply chains, both of which support domestic demand.

These trends sit within a growing market.

The global fluorochemicals market is estimated to grow from about USD 36 billion in CY25 to about USD 46.6 billion by CY30, and demand for hydrofluoric acid in India from about 110 kilotonnes in FY26 to about 175 kilotonnes by FY31, a compound annual growth rate of about 10%.

*The balance sheet was strengthened after the reporting period, the Company having become net debt-free following the ₹25,000 lakhs Qualified Institutional Placement completed in the first quarter of FY27.

THE SOLAR-GRADE DHF OPPORTUNITY

The Solar-Grade DHF Opportunity

Solar-grade diluted hydrofluoric acid is a high-purity grade used to etch and clean silicon wafers in the manufacture of photovoltaic solar cells. It is one of the Company’s principal moves into value-added products, and it is produced from the Company’s own high-purity anhydrous hydrofluoric acid.

The Company's position

The first and only producer of solar-grade DHF in India, with both phases of a 20,000 TPA facility commissioned in June and October 2025.

Orders of about ₹1,06,800 lakhs to be executed to FY29, covering close to 85% of annual capacity, a large part sold at fixed margins.

Purity managed to below 10 parts per billion, with higher-purity electronic-grade material a longer-term direction for the semiconductor industry.

Market size and growth

Market	Current	Projected	CAGR
India solar-grade DHF	19.2 KT (FY26E)	80 KT (FY31P)	33.0%
Global solar-grade DHF	150 KT (CY25)	300 KT (CY30P)	15.0%
India diluted HF (all grades)	86 KT (FY26E)	132 KT (FY31P)	9.0%
Global diluted HF (all grades)	0.82 MMT (CY25)	1.03 MMT (CY30P)	4.7%

What is driving the demand

- The scale-up of solar-cell and module manufacturing in India, supported by national programmes for domestic content.
- Import substitution, as this grade was previously sourced from outside India.
- An adjacency in semiconductor manufacturing, which uses even higher-purity grades.

Why the Company is well placed

- Captive high-purity anhydrous hydrofluoric acid as feedstock, which few potential entrants hold.
- A first-mover position, with customer qualification and long-term orders already in place.
- Control of quality through the full process, from hydrofluoric acid to the finished grade.



THE REFRIGERANT GAS OPPORTUNITY

The Refrigerant Gas Opportunity

HFC-32, also known as R-32, is a single-component refrigerant used mainly in residential air conditioners and light commercial cooling. It is among the lower global-warming-potential refrigerants in wide use. It is the Company’s largest growth project, and it is made from the Company’s own hydrofluoric acid together with dichloromethane.

The project

The Company is building a 20,000 TPA plant with commissioning targeted by end of Q3 FY27.

Revenue potential of ₹90,000 lakhs to ₹1,00,000 lakhs at full utilisation, much of it intended for export.

Contracted volumes

Customer	Volume	Value per annum	Term	From
Japanese customer	7,500 TPA	₹33,750 lakhs	7 years	Jan 2027
Large multinational (MoU)	5,000 TPA	₹25,000 lakhs	5 years	Jan 2027
Air-conditioning and refrigeration company	-	₹6,100 lakhs	Indefinite	Jan 2027
Total	12,500+ TPA	~₹64,850 lakhs		

The fixed-term agreements aggregate about ₹3,61,250 lakhs over five to seven years, in addition to the indefinite agreement of about ₹6,100 lakhs per annum.

Market size and growth

Market	Current	Projected	CAGR
India HFC-32	22 KT (FY25)	44 KT (FY30F)	↑ 15.0%
Global HFC-32	380 KT (CY25)	485 KT (CY30P)	↑ 5.0%

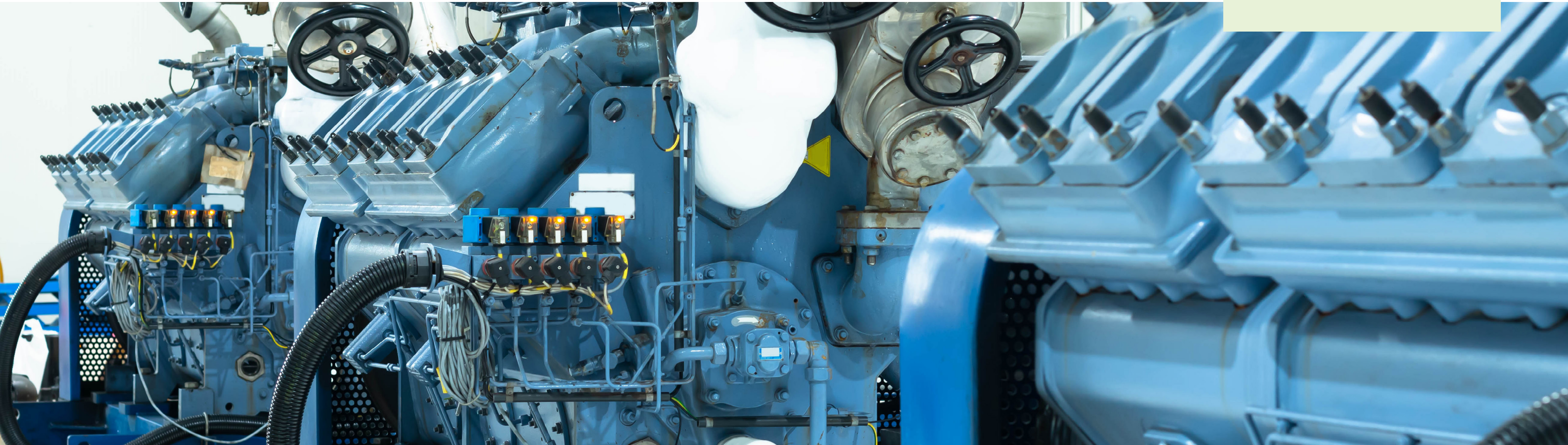
About 72% of global HFC-32 demand by volume is in Asia-Pacific. In India, residential split air conditioners account for about 75% of demand, light commercial HVAC for about 12%, cold chain for about 7% and other uses for about 6%.

What is driving the demand

- Rising penetration of air conditioning and refrigeration in India, and growth in the cold chain.
- The global phase-down of high global-warming-potential refrigerants under the Kigali Amendment, which supports the shift to lower-impact alternatives.
- Export demand across Japan, the Middle East, Africa and Europe.

Why the Company is well placed

- Captive hydrofluoric acid, the single largest input to HFC-32, which supports a competitive cost position.
- Long-term contracts covering more than half of the planned capacity before commissioning.
- An integrated, single-site model, uncommon among domestic entrants to this product.



SUSTAINABILITY

Operating responsibly in a hazardous-chemistry business

The Company handles hydrofluoric acid, sulphuric acid and oleum, and treats the safe and responsible management of these materials as a condition of operation. Its approach covers safety, environmental management and the people who run the site.

Safety and environment

- A dedicated emergency-response team and compliance with the Manufacture, Storage and Import of Hazardous Chemicals rules.
- Dedicated infrastructure for hazardous materials, including acid storage tanks, an HF cylinder filling station and an effluent-treatment facility.
- Quality and environmental management recognised through ISO 9001 and ISO 14001 certifications, and the TPM Excellence Award.
- A captive power plant supported by waste-heat recovery, which reduces the energy the site draws from external sources.

People

The Company employs around 700 people at Cuddalore, supported by an R&D team and specialist operators. Given the nature of the materials handled, training and safety are central to how the site is run.



CORPORATE SOCIAL RESPONSIBILITY

Contributing to the communities around the Company

At TANFAC, Corporate Social Responsibility is an integral part of our commitment to inclusive and sustainable development. The Company believes that long-term value creation extends beyond business performance and includes contributing meaningfully to the communities in which it operates.

During FY 2025-26, the Company spent ₹176.21 lakhs towards various CSR initiatives focused on healthcare, education, environmental sustainability, women empowerment and community infrastructure development. These initiatives were undertaken in line with the Company's CSR Policy and the activities specified under Schedule VII of the Companies Act, 2013.

The Company's CSR programmes continued to support access to healthcare and preventive medical services, educational and skill-development initiatives, environmental conservation activities and community infrastructure projects aimed at improving the quality of life in neighbouring communities. The Company remains committed to creating a positive and lasting social impact through responsible and sustainable community engagement.



GOVERNANCE FRAMEWORK

How the Company is directed and controlled

The Company is governed by its Board of Directors, supported by board committees and a management team. The Board combines promoter nominees from TIDCO and Anupam Rasayan India Limited with independent directors, and it oversees strategy, financial reporting, risk and compliance.



Board composition

Category	Members
Non-Executive	Dr. D. Karthikeyan - Chairperson Mr. R. Karthikeyan - Non-Executive Director
Executive	Mr. Afzal Malkani - Managing Director Dr. Ravichandran - Whole-Time Director
Independent	Dr. Ravindra Kumar Tyagi - Independent Director Mr. Amreek Singh Sandhu - Independent Director Dr. Ajay Kumar Singh - Independent Director Dr. M. Anuradha Reddy - Independent Director

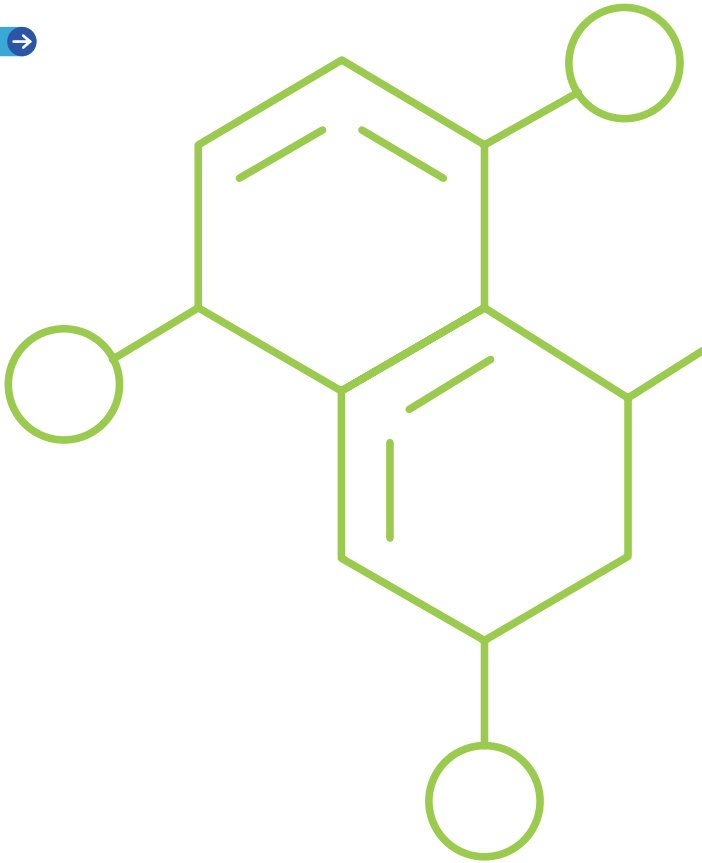
Board committees

The Board discharges parts of its role through committees, including the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders’ Relationship Committee, the Corporate Social Responsibility Committee and the Risk Management Committee.

Governance practices

- Financial statements prepared under Indian Accounting Standards and audited by the statutory auditors.
- An internal control framework and internal audit, reviewed by the Audit Committee.
- A risk-management approach that gives particular attention to process safety, raw-material prices and project execution.
- Compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Companies Act 2013.

Detailed corporate-governance disclosures, including committee reports, attendance, remuneration and related-party matters, are set out in the Statutory Reports section.



Management Discussion and Analysis

Global economic overview

The global economy expanded at a moderate pace during the period corresponding to FY26. The International Monetary Fund estimated global growth at about 3.2% for 2025, with advanced economies growing by about 1.6% and emerging market and developing economies by about 4.2%. Growth in the United States moderated to about 2.0%, the euro area grew by a little over 1%, and China expanded by about 4.8%, supported by domestic consumption and the front-loading of trade ahead of tariff changes. Global headline inflation continued to ease from the highs of earlier years, which allowed several central banks to begin lowering policy rates, although inflation remained above target in a number of economies.

Two features of the external environment mattered for a chemicals manufacturer such as the Company. First, trade policy and tariffs remained a source of uncertainty through the year, which weighed on investment and world trade volumes. Second, commodity prices, including the sulphur and fluorspar that are inputs to the Company's production, moved with global demand and supply, and energy prices rose towards the end of the period as geopolitical tension increased. The International Monetary Fund viewed risks to the outlook as tilted to the downside, citing trade fragmentation, geopolitical tension and the possibility of renewed financial-market volatility.

Source: International Monetary Fund, World Economic Outlook, October 2025 and January 2026 Update.

Indian economic overview

India remained the fastest-growing large economy during FY26. The Reserve Bank of India estimated real gross domestic product growth for FY2025-26 at about 7.4%, supported by strong investment, resilient private consumption and continued government capital expenditure, and helped by a good monsoon and reforms to the goods and services tax. Retail inflation eased to among its lowest levels in the current series, and the Reserve Bank of India reduced the policy repo rate by about 125 basis points over the course of the year as price pressures moderated. The current account deficit remained narrow.

Towards the end of the financial year, a conflict in West Asia lifted crude-oil prices and put pressure on the rupee, and the central bank shifted part of its focus towards managing currency and liquidity. For the Company, the domestic picture is supportive. Growth in manufacturing, a policy emphasis on domestic production through production-linked incentives, the build-out of solar-cell manufacturing, and the diversification of global supply chains towards India all support demand for the fluorine products the Company makes and is developing. At the same time, higher crude-oil prices and a weaker rupee raise the cost of certain inputs, while a weaker rupee supports the competitiveness of the Company's planned exports.

Source: Reserve Bank of India monetary policy statements, FY2025-26; Government of India, Press Information Bureau.

The global and Indian chemical industry

Chemicals are an input to almost every manufactured product, and the industry's fortunes track industrial activity and consumer demand. Within chemicals, fluorine chemistry occupies a specialised position. Fluorine imparts stability, reactivity and performance characteristics that are difficult to achieve by other means, which is why fluorinated products appear in refrigerants, pharmaceuticals, agrochemicals, electronics, batteries, solar cells and high-performance polymers.

India's speciality-chemicals sector has grown faster than the broader chemical industry, helped by cost-competitive manufacturing, a skilled workforce and the search by global buyers for supply outside

a single country. Fluorochemicals sit within this trend as a higher-value segment, and domestic capacity in several fluorine products remains limited, which leaves room for import substitution. The Company's strategy of building value-added grades from captive hydrofluoric acid is aligned with these developments, and its single integrated site allows it to serve several end-markets from one hydrofluoric acid stream.

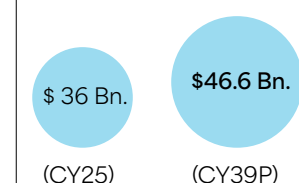
The fluorochemicals market

The global fluorochemicals market is estimated at about USD 36 billion in CY25 and is projected to reach about USD 46.6 billion by CY30, a compound annual growth rate of about 5.3%. India's fluorochemicals market is smaller but growing more quickly, estimated at about USD 1.9 billion in FY26 and projected to reach about USD 2.8 billion by FY31, a compound annual growth rate of about 8.1%. India's faster growth reflects rising domestic demand, the shift of speciality-chemical manufacturing towards India, and the substitution of imports with domestic production.

Flurochemicals Market

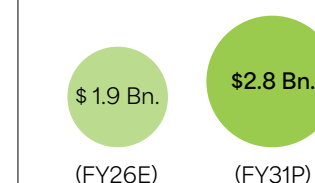
Global Opportunity

5.3% CAGR



India Opportunity

8.1% CAGR



Global and India fluorochemicals market.

Source: Frost & Sullivan Report

Within the Indian fluorochemicals market, demand is spread across fluorocarbon refrigerant gases, inorganic fluorides, speciality fluorine intermediates and fluoropolymers, and end-use is led by heating, ventilation, air conditioning and refrigeration, followed by chemical processing, pharmaceuticals and agrochemicals, and electronics, electric vehicles and energy. This breadth of demand is relevant to the Company, whose products serve several of these segments. It also means that the Company's prospects are not tied to any single end-market.

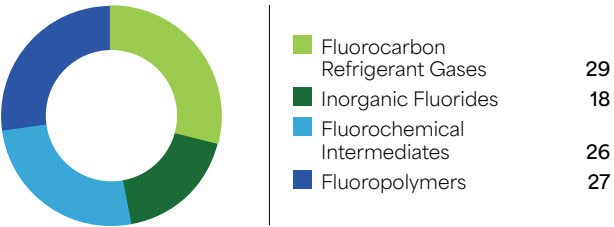


MANAGEMENT DISCUSSION AND ANALYSIS

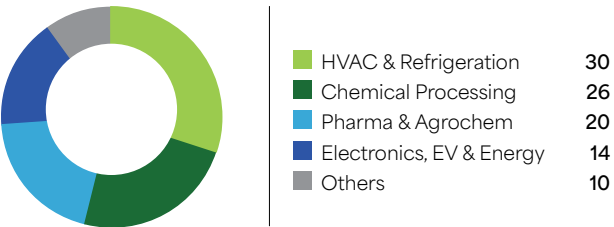
India Market Segmentation (FY 26E)

(In %)

Segmentation 1



Segmentation 2



India fluorochemicals market, by product and by end-use.
Source: Frost & Sullivan Report

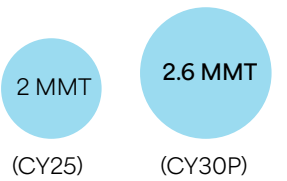
The hydrofluoric acid market

Hydrofluoric acid is the starting point for most fluorine chemistry, and it is the molecule at the centre of the Company’s operations. Global demand for anhydrous hydrofluoric acid is estimated at about 2.0 million metric tonnes in CY25, projected to reach about 2.6 million metric tonnes by CY30, a compound annual growth rate of about 5.3%. In India, demand is estimated at about 110 kilotonnes in FY26 and projected to reach about 175 kilotonnes by FY31, a compound annual growth rate of about 9.7%, faster than the global market. Because hydrofluoric acid is the input to every value-added product the Company makes, this growth underpins demand both for the acid itself and for the grades produced from it.

Hydrofluoric Acid Market

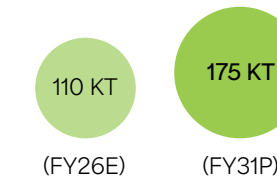
Global AHF Opportunity

5.3% CAGR



India AHF Opportunity

9.7% CAGR



Global and India fluorochemicals market.
Source: Frost & Sullivan Report

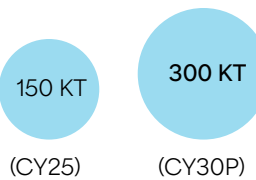
Solar-grade diluted hydrofluoric acid

Solar-grade diluted hydrofluoric acid is a high-purity grade used to etch and clean silicon wafers in the manufacture of photovoltaic solar cells. Demand is linked to the build-out of solar-cell and module manufacturing, which in India is supported by national programmes for domestic content and by the substitution of a grade that was previously imported. The Indian solar-grade DHF market is estimated at about 19.2 kilotonnes in FY26 and projected to reach about 80 kilotonnes by FY31, a compound annual growth rate of about 33.0%, among the fastest-growing segments the Company serves. The global market is estimated at about 150 kilotonnes in CY25, projected to reach about 300 kilotonnes by CY30, a compound annual growth rate of about 15.0%. The Company is the first and only producer of this grade in India, which positions it to capture a share of this growth.

Solar DHF Market

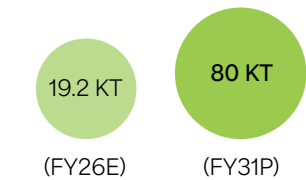
Global Opportunity

15.0% CAGR



India Opportunity

33.0% CAGR



Global and India solar-grade DHF market.
Source: Frost & Sullivan Report

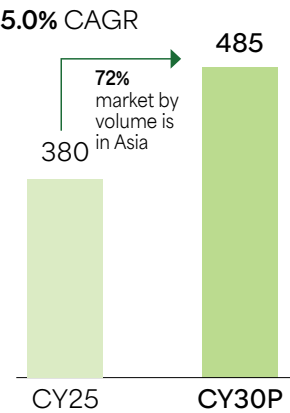
Refrigerant gas and HFC-32

HFC-32, also known as R-32, is a single-component refrigerant used mainly in residential air conditioners and light commercial cooling, and it is among the lower global-warming-potential refrigerants in wide use. The Indian HFC-32 market is estimated at about 22 kilotonnes in FY25 and projected to reach about 44 kilotonnes by FY30, a compound annual growth rate of about 15.0%. The global market is estimated at about 380 kilotonnes in CY25, projected to reach about 485 kilotonnes by CY30, a compound annual growth rate of about 5.0%, with about 72% of demand by volume in Asia. In India, residential split air conditioners account for the majority of demand, followed by light commercial heating, ventilation and air conditioning and the cold chain. Demand is supported by rising air-conditioning penetration, which remains low by international comparison, and by the global phase-down of higher global-warming-potential refrigerants under the Kigali Amendment.

HFC - 32 Opportunity

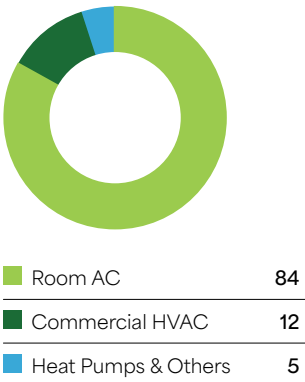
Global Opportunity (KT)

(%)



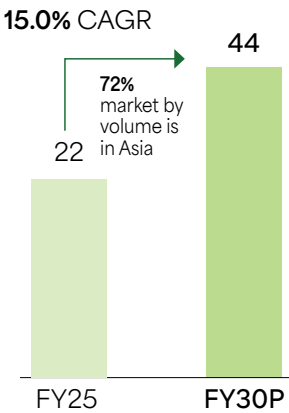
Segmentation (CY 25)

(%)



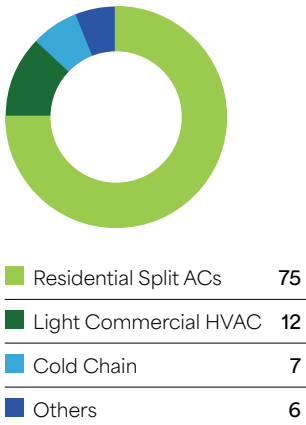
India Market (KT)

(%)



Segmentation (FY 25)

(%)



Global and India HFC-32 market and demand segmentation. Source: Frost & Sullivan Report, as presented in the Company’s Q4 and FY26 Investor Presentation.

Company overview

The Company is a fluorochemicals manufacturer operating a single integrated complex at Cuddalore, Tamil Nadu, with a total installed capacity of about 1,35,000 TPA across sulphuric acid, hydrofluoric acid, speciality fluorides and solar-grade DHF. It produces hydrofluoric acid in-house from fluorspar and captive sulphuric acid, and converts it into anhydrous and diluted grades, solar-grade DHF and speciality inorganic fluorides, with refrigerant gas under Implementation. Domestic sales accounted for about 95% of revenue, with exports of about 5%, a mix that is expected to shift towards exports as refrigerant-gas volumes begin.

The Company’s scale has grown substantially over the past five years, with revenue rising from about ₹14,789.55 lakhs in FY21 to ₹71,107.40 lakhs in FY26. This growth has come from a disciplined widening of the product range within fluorine chemistry, supported by the operational and technical strengths added since Anupam Rasayan India Limited became a co-promoter alongside TIDCO in 2022. FY26 marked a shift from expanding the core hydrofluoric acid capacity towards building value-added products on top of it.

Financial performance for FY26

Revenue from operations rose 27.7% to ₹71,107.40 lakhs, from ₹55,698.07 lakhs in FY25, the highest in the Company’s history, supported by higher

volumes and the ramp-up of solar-grade DHF. Gross profit was ₹26,634.11lakhs, a gross margin of 37.46%, against ₹25,175.65 lakhs and 45.20% in FY25. Operating EBITDA was ₹11,206.40lakhs, an EBITDA margin of 15.76%, against ₹12,886.40lakhs and 23.14% in FY25. Profit after tax was ₹7,014.29 lakhs, a margin of 9.86%, against ₹8,814.71 lakhs and 15.83% in FY25. Earnings per share were ₹35.16, against ₹44.18 in FY25.

Margins. Margins moderated compared to FY25, when the Company earned an EBITDA margin of 23.14% particularly in the third quarter performance, benefited from higher realizations arising from a temporary demand-supply gap. During FY 26, Margins was impacted by an increase in raw material costs.

Costs. The cost of materials consumed rose with higher volumes and higher sulphur prices, and was the main driver of the change in gross margin. Power and fuel costs reflected higher production, moderated by captive power and waste-heat recovery. Employee costs and other expenses rose in line with the growth of the business and the commissioning of new capacity. Depreciation rose to ₹1,747.06 lakhs, from ₹1046.27 lakhs in FY25, and finance costs to ₹429.81 lakhs, from ₹259.76 lakhs, as the new assets were capitalised and the associated borrowing was drawn.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit and tax. Profit before tax was ₹9,263.82 lakhs, against ₹11,876.07 lakhs in FY25, and after the tax charge, profit after tax was ₹7,014.29 lakhs. The decline in profit reflects the margin normalisation and the higher depreciation and finance costs described above, set against a higher revenue base. A large part of the Company’s solar-grade DHF is sold under contracts at fixed margins, which lends stability to that revenue, and management expects margins to recover as new capacity is utilised and the mix shifts towards value-added grades.

Other income and taxation. Other income, which includes returns on the Company’s cash and investments, is excluded from the operating EBITDA figure discussed above so that operating performance can be read on a like-for-like basis. The tax charge for the year reflects the applicable corporate tax rate, and the prior-year figures for these items are set out in the audited financial statements.

Four-year financial summary

	(₹ lakhs)			
Particulars	FY23	FY24	FY25	FY26
Revenue from operations	37,494.81	37,814.50	55,698.07	71,107.40
Gross profit	14,819.93	15,733.39	25,175.65	26,634.11
Operating EBITDA	7,475.77	7,071.50	12,886.40	11,206.40
Profit before tax	7,546.24	7,005.98	11,876.07	9,263.82
Profit after tax	5,612.97	5,248.03	8,814.71	7,014.29
Earnings per share (₹)*	28.14	26.30	44.18	35.16

* For comparability, the EPS figures for previous years have been restated to reflect the subdivision of equity shares undertaken during the year.

Over the four years shown, revenue from operations has nearly doubled, from ₹37,494.81 lakhs in FY23 to ₹71,107.40 lakhs in FY26, with the sharpest increases in FY25 and FY26 as new capacity was commissioned. Gross profit has risen over the same period, although the gross margin has moved with sulphur costs and product mix, reaching a high in FY25 supported by exceptional realisations in the third quarter arising from a temporary demand-supply gap before normalising in FY26. Operating EBITDA and profit after tax rose to a peak in FY25 and moderated in FY26 as the Company absorbed higher input costs and the depreciation of new assets. Earnings per share have followed profit, on an unchanged share count.

Key financial ratios

Return on equity was 20.48% and return on capital employed was 20.19% in FY26, as reported by the Company. The gross margin was 37.46%, the operating EBITDA margin 15.76% and the profit-after-tax margin 9.86%. The working-capital cycle improved by eight days to 91 days, reflecting tighter management of inventory and receivables. Net debt was ₹4,661.33 lakhs at 31 March 2026. The Company became net debt-free after the reporting period, following a ₹25,000 lakhs Qualified Institutional Placement completed in the first quarter of FY27.

The table below sets out the key financial ratios in the format used in the Company’s previous annual report. FY25 figures are as reported in that report.



Ratio	FY26	FY25
Current ratio	1.77	2.29
Debt-equity ratio	0.25	0.13
Debt service coverage ratio	31.17	53.26
Return on equity ratio	0.20	0.33
Inventory turnover ratio	4.86	4.10
Trade receivables turnover ratio	6.78	6.95
Trade payables turnover ratio	15.55	9.02
Net capital turnover ratio	6.31	4.01
Net profit ratio	0.10	0.16
Return on capital employed	0.20	0.34
Return on investment	0.12	0.06

Balance-sheet review

The Company’s balance sheet grew during the year as it invested in new capacity. Total assets increased to ₹52,773.57 lakhs at 31 March 2026, from ₹42,641.14 lakhs a year earlier. Shareholders’ funds rose to ₹37,316.57 lakhs, from ₹31,197.41 lakhs, retained through the profit for the year. Property, plant and equipment and capital work-in-progress increased as the hydrofluoric acid, solar-grade DHF and refrigerant-gas projects progressed.

On the liabilities side, borrowings rose to fund the capital programme, with current borrowings of ₹9,281.49 lakhs at the year-end, against ₹4,142.63 lakhs a year earlier, and no non-current borrowings. Trade payables were ₹2,511.66 lakhs. On the assets side, inventories were ₹9,284.22 lakhs and trade receivables about ₹11046.4405 lakhs, reflecting the larger scale of operations, while cash and cash equivalents were ₹2,107.39 lakhs and current investments ₹1,699.11 lakhs. Net debt was ₹4,661.33 lakhs at the year-end. As noted, the Company became net debt-free after the reporting period, following the ₹25,000 lakhs Qualified Institutional Placement completed in the first quarter of FY27, which also lifted shareholders’ funds.

Cash-flow review

Net cash generated from operating activities was ₹4,340.08 lakhs in FY26, up from ₹3,284.18 lakhs in FY25. Operating profit before working-capital changes was ₹11,724.43 lakhs, and after an increase in working capital and taxes paid of ₹2,100 lakhs, cash generated from operations was ₹4,340.08 Lakhs. Net cash used in investing activities rose sharply to ₹9,055.79 lakhs, from ₹4,169.28 lakhs in FY25, reflecting the step-up in capital expenditure on the solar-grade DHF and refrigerant-gas projects.

Net cash from financing activities was ₹3,811.30 lakhs, as the Company drew borrowing to part-fund the capital programme. Cash and cash equivalents ended the year at ₹2,107.39 lakhs, against ₹3,011.80 lakhs a year earlier.

The pattern of the cash flows reflects the nature of the year. The Company generated operating cash flow of ₹4,340.08 lakhs and deployed it, together with borrowing, into building capacity. The strengthening of the balance sheet after the year-end places the Company in a position to complete the current programme from a stronger base.

Dividend and shareholder returns

The Company has a record of regular dividends. For FY26, the Board has recommended a final dividend of ₹4.50 per equity share of face value ₹5, subject to the approval of shareholders. The Company earned a return on equity of 20.48% and a return on capital employed of 20.19% in the year. The Board balances the return of capital to shareholders with the reinvestment required to fund the Company’s growth programme.

Operational review

Sulphuric acid operated at 101% utilisation and hydrofluoric acid at 95% during the year, and the Company recorded its highest-ever production. Both phases of the 20,000 TPA solar-grade DHF facility were commissioned, in June and October 2025, and sales of this grade were ramped up for solar-cell customers. Speciality fluorides operated at 41% utilisation, which leaves room to grow volumes from installed capacity. The refrigerant-gas plant progressed through the year, and commissioning targeted by end of Q3 FY27.

Raw-material availability was managed through a diversified set of suppliers, with fluorspar sourced from South Africa, Thailand, Vietnam & Kenya etc. and sulphur sourced domestically, while captive sulphuric acid and captive power supported reliable and competitively costed production. The Company continued to serve customers across solar, steel, pharmaceuticals, agrochemicals and speciality chemicals, and its order book in solar-grade DHF and refrigerant gas provides visibility over a large part of future volumes.

Opportunities

- Growth in solar-grade DHF, supported by the build-out of solar manufacturing in India and

by contracted orders of about ₹1,06,800 lakhs till FY29.

- Entry into refrigerant gas with contracted volumes and a large addressable market, both domestic and export, and revenue potential of ₹90,000 lakhs to ₹1,00,000 lakhs at full utilisation.
- A pipeline of value-added products in speciality fluorides, hydrofluoroolefins, fluoropolymers and electronic-grade chemicals, developed from captive hydrofluoric acid.
- Import substitution and the diversification of global supply chains towards India, which support demand for domestically produced fluorine products.

Threats and risks

Raw-material prices. The prices of sulphur and fluorspar affect the cost of production, as the year demonstrated. The Company mitigates this through captive sulphuric acid, supplier diversification and, in several products, formula-based pricing that passes movements through to customers over a defined cycle.

Project execution. The Company is executing a large capital programme, and delays or cost overruns would affect returns. The Company mitigates this through phased execution, established technology partners and experienced project management.

Customer and product concentration. A part of future revenue is linked to specific contracts

and products. Long-term agreements provide visibility, and a widening product range reduces this exposure over time.

Regulatory and environmental. The handling of hazardous chemicals is subject to strict regulation. The Company operates within recognised safety and environmental standards, supported by dedicated infrastructure and an emergency-response team.

Currency and trade. A growing share of revenue is expected from exports as refrigerant gas comes on stream, which introduces exposure to currency movements and trade conditions. A weaker rupee supports export competitiveness, while it raises the cost of certain imported inputs.

Risk-management approach

The Company's approach to risk begins with the safe handling of hazardous chemistry, which is treated as a condition of operation. Beyond process safety, the Board and management give particular attention to raw-material prices, project execution and regulatory compliance. The Company uses captive production, supplier diversification, formula-based pricing and long-term contracts to reduce the effect of its most material risks, and it reviews these risks periodically as the business grows and enters new products.

Internal control systems and their adequacy

The Company maintains an internal control framework designed to safeguard assets, ensure the reliability of financial reporting and support compliance with applicable laws. Internal audit reviews the adequacy and effectiveness of controls, and its findings are considered by the Audit Committee, which monitors the implementation of any recommendations. The Board is of the view that the internal financial controls are adequate for the size and nature of the Company's operations.

Human resources

The Company employs around 700 people at Cuddalore, supported by an R&D team of more than ten professionals including three doctorate holders. Given the nature of the materials handled, training and safety are central to how the site is run. After the reporting period, the Company strengthened its senior management with the appointment of a President, Technical and Operations, who brings over

three decades of experience in project execution and operations. Relations with employees remained cordial through the year.

Outlook

The Company enters FY27 with new capacity, a substantial contracted order book and a strengthened balance sheet. Revenue growth is expected to accelerate following the commissioning and progressive ramp-up of the refrigerant-gas facility, while the operating EBITDA margin is expected to improve as the plant achieves higher utilisation. At full capacity, the refrigerant-gas business is expected to offer annual revenue potential of approximately ₹90,000 lakhs to ₹1,00,000 lakhs.

The Company's key priorities are to commission and ramp up the refrigerant-gas facility on schedule, advance its research and development pipeline, and maintain the high standards of safety and quality required for its products. These targets and expectations reflect the Company's current assessment and are subject to the cautionary statement set out below.

Cautionary statement

Statements in this Management Discussion and Analysis that describe the Company's objectives, projections, estimates and expectations may be forward-looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference include economic conditions, changes in raw-material prices and availability, demand and pricing in the Company's markets, regulatory developments, project-execution timelines and other incidental factors. The Company undertakes no obligation to publicly revise any forward-looking statement to reflect future events or circumstances.



Corporate Information:

BOARD OF DIRECTORS

Dr. D. Karthikeyan

(DIN: 02259481)

Chairperson &
Non-Executive Non-Independent

Mr. Afzal Malkani

(DIN: 07194226)

Managing Director

Mr. R. Karthikeyan

(DIN: 00824621)

Non-Executive Non-Independent

Dr. Ravichandran

(DIN: 02643264)

Whole-Time Director

Dr. Ravindra Kumar Tyagi

(DIN: 01509031)

Independent Director

Mr. Amreek Singh Sandhu

(DIN: 08064880)

Independent Director

Dr. Ajay Kumar Singh

(DIN: 08532830)

Independent Director

Dr. Anuradha Reddy Mallidi

(DIN: 11123956)

Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Hemango Gupta

PRESIDENT & CHIEF FINANCIAL OFFICER

Mr. N. R. Ravichandran

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vinod Kumar S

REGISTERED OFFICE & MANUFACTURING PLANT

Plot No.14, SIPCOT Industrial Complex,

Kudikadu, Cuddalore – 607 005,

Tamil Nadu, India

Phone No.: +91-4142-23900, 239005

Fax No.: +91-4142-239008

Email Id: tanfac.invreln@anupamrasayan.com

Website: <https://tanfac.com/>

BRANCH OFFICE

Oxford Centre, First Floor No.66,

Sir C.P. Ramaswamy Road, Alwarpet,

Chennai – 600 018, Tamil Nadu, India.

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

Fax No.: +91-44-24993583

STATUTORY AUDITOR

M/s. Singhi & Co.,

Chartered Accountants,

(FRN: 302049E)

Chennai

SECRETARIAL AUDITORS

Ms. Kalyani Srinivasan

Practicing Company Secretary

(FCS: 5854)

Chennai

COST AUDITOR

Mr. N. Krishna Kumar

Cost Accountant

(M. No. 27885)

Cuddalore

BANKERS CONSORTIUM

State Bank of India

HDFC Bank Limited

IDBI Bank

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited

2nd Floor, “Kences Towers” No.1

Ramakrishna Street, North Usman Road,

T Nagar, Chennai – 600 017.

Phone: 044 2814 0801 – 803

Fax: 044 2814 2479

E-mail: EInward@IntegratedIndia.in

SHARES LISTED WITH

BSE Limited

(Scrip Code: 506854)

Notice of the 52nd Annual General Meeting

NOTICE is hereby given that the Fifty Second (52nd) **Annual General Meeting** ("AGM") of the members of TANFAC Industries Limited ("the Company") will be held on **Wednesday, September 23, 2026, at 12:30 P.M. (IST)** through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business(s):

ORDINARY BUSINESS:

Item No.1: To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2026, together with the Board Report and Auditor's Report thereon.

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

"RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended March 31, 2026, together with the Board Report and Auditor's Report as circulated to the members, be and are hereby approved and adopted."

Item No.2: To declare final dividend of ₹4.5/- per equity share of the face value of ₹ 5/- each, for the financial year ended March 31, 2026.

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

"RESOLVED THAT a final dividend of ₹4.5/- per Equity Share, representing 90% of face value of equity share of ₹ 5/- each, as recommended by the Board of Directors be and is hereby declared for the financial year ended March 31, 2026 and that the same be paid out of the profits of the Company to those shareholders whose names appear in the register of members as on September 16, 2026 being the record date fixed for this purpose."

Item No.3: To appoint Mr. R Karthikeyan (DIN: 00824621) as a Director, who retires by rotation and being eligible, has offered himself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) in accordance with the Articles of Association of the Company and upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. R. Karthikeyan (DIN: 00824621), Director who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Item No.4: To appoint M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants as Statutory Auditor for a period of five consecutive years and fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendations of the Audit Committee and the Board of Directors, M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (ICAI Firm Registration No. 010396S/S200084) be and is hereby Appointed as statutory auditor of Company, in place of retiring auditors M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), to hold office for the period of five(5) consecutive years commencing from the conclusion of this 52nd Annual General Meeting until the conclusion of the 57th Annual General Meeting, at such remuneration and reimbursement of out of pocket expenses based on the recommendation of the Audit Committee as may be determined by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company, be and is hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

SPECIAL BUSINESS:

Item No.5: To ratify the remuneration of the Cost Auditor for the financial year 2026-27:

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to Mr. N. Krishna Kumar, Cost Accountant (Membership No. 27885), appointed by the Board of Directors, on



the recommendation of the Audit Committee, as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027, amounting to ₹80,000/- (Rupees Eighty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, in connection with the aforesaid audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, expedient or incidental for the purpose of giving effect to this resolution."

Item No.6: To appoint M/s. M D Baid & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for a term of Five (5) consecutive years commencing from FY 2026-27.

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

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Audit Committee and approval of the Board of Directors, M/s. M D Baid & Associates, Practicing Company Secretaries, Peer Reviewed Firm (Peer Review Certificate No. 7396/2025 and Firm Registration No. P2004GJ015700) be and is hereby Appointed as the Secretarial Auditor of the Company for a period of five (5) consecutive financial years commencing from the financial year 2026-27 to 2030-31 to conduct the Secretarial Audit of the Company for each of the said financial years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to fix the annual remuneration, plus applicable taxes and out-of-pocket expenses payable to M/s. M D Baid & Associates, Practicing Company Secretaries, for each year during their tenure as Secretarial Auditors of the Company, based on the recommendation of the Audit Committee.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection herewith and incidental hereto."

Item No.7: To consider and approve the revision in remuneration payable to Mr. Afzal Malkani (DIN: 07194226), Managing Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 ("Act") read with Schedule V thereto, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the Members be and is hereby accorded for revision in the remuneration payable to Mr. Afzal Malkani (DIN: 07194226), Managing Director of the Company, during the currency of his existing term of office up to January 08, 2031, upon such terms and conditions as are set out in the Explanatory Statement annexed to the Notice convening this General Meeting.

RESOLVED FURTHER THAT in any financial year during the aforesaid tenure in which the Company has adequate profits computed in accordance with Section 198 of the Act, the Board of Directors (which term shall include the Nomination and Remuneration Committee) be and is hereby authorised, on the recommendation of the Nomination and Remuneration Committee, to determine, revise, enhance, restructure or vary the remuneration payable to the Managing Director from time to time, including the salary, allowances, perquisites, commission, performance-linked incentives and other components of remuneration, provided that:

- a. the remuneration payable to the Managing Director shall at all times remain within the limits prescribed under Section 197 and other applicable provisions of the Act;
- b. the remuneration shall comply with Regulation 17(6) and other applicable provisions of the SEBI LODR Regulations, as amended from time to time;
- c. the aggregate managerial remuneration payable by the Company shall remain within the limits prescribed under the Act unless otherwise approved by the Members in accordance with applicable law; and
- d. no further approval of the Members shall be required for any revision or enhancement made by the Board within the limits specified under the Act and the SEBI LODR Regulations.

RESOLVED FURTHER THAT in any financial year during the tenure of the Managing Director in

which the Company has no profits or its profits are inadequate, the remuneration payable to the Managing Director shall be the remuneration specified in the Explanatory Statement annexed to the Notice convening this General Meeting and shall be payable in accordance with the provisions of Section 197 read with Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors (which term shall include the Nomination and Remuneration Committee) be and is hereby authorised to do all such acts, deeds, matters and things, to execute all such documents and writings and to make such filings with the Registrar

of Companies, the Stock Exchange(s), SEBI and other statutory authorities, as may be necessary or expedient for giving effect to this Resolution, including settling any question, difficulty or doubt that may arise in relation thereto.

By Order of the Board of Directors
For **TANFAC Industries Limited**

Vinod Kumar S
Company Secretary & Compliance Officer

Date: July 24, 2026

Place: Cuddalore

Registered Office:

Plot No.14, SIPCOT Industrial Complex, Kudikadu,
Cuddalore – 607 005, Tamil Nadu.

CIN: L24117TN1972PLC006271

Tel.: +91 4142-239001

Email id: tanfac.cosecy@anupamrasayan.com

Website: <https://tanfac.com/>

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") and the Rules made thereunder, Secretarial Standard on General Meetings ("SS-2") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") wherever applicable, in respect of the special business set out in the Notice, is annexed hereto. The Board of Directors of the Company at their meeting held on July 24, 2026, has considered and recommended to item nos. 4, 5, 6 and 7 of the special business set out in this Notice for seeking approval of the members at the 52nd Annual General Meeting ("AGM") of the Company.
2. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 14/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022, 09/2023 09/2024 and the latest being 03/2025 dated 8th April 2020, 5th May 2020, 13th January 2021, 8th December 2021, 14th December 2021, 5th May 2022, 28th December 2022, 25th September 2023, 19th September 2024 and September 22, 2025, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, to conduct AGM through VC/OAVM facility. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October 2024 has provided certain relaxations from compliance with certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In compliance with aforesaid MCA Circulars, aforesaid SEBI Circular, provisions of the Act and the Listing Regulations, the 52nd AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company i.e. Plot No.14, SIPCOT Industrial Complex, Kudikadu, Cuddalore – 607 005, Tamil Nadu.
3. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
5. Pursuant to Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and the aforesaid Circulars, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting and attending the 52nd AGM through VC/OAVM are given to this Notice.
6. In terms of the provisions of Section 152 of the Companies Act, 2013 ("the Act"), Mr. R Karthikeyan, Director of the Company, retires by rotation at this Annual General Meeting ("AGM") and, being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment. Brief profile and other additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking re-appointment, are provided in the Annexure forming part of this Notice.
7. The statutory registers including Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the 52nd AGM. All documents referred to in the Notice and Explanatory Statement will be available for inspection in electronic mode from the date of circulation of this Notice up to the date of the 52nd AGM. Members who wish to inspect the register are requested to write to the Company by sending e-mail to tanfac.cosecy@anupamrasayan.com.
8. In accordance with the aforesaid Circulars, the Notice of the 52nd AGM along with the Annual Report for the financial year 2025-26, has been sent only through electronic mode to the members who have registered their e-mail addresses with the Company/ Depository Participants/Company's Registrar and Transfer Agent ("RTA"). The Notice of 52nd AGM and Annual Report are also available on the Company's website at <https://tanfac.com/>, on the website of the Stock Exchanges, i.e. BSE Limited ("BSE") at www.bseindia.com and on the website of Central Depository Services Limited ("CDSL") at <https://www.evotingindia.com/>. Physical copy of the Notice of the 52nd AGM and the Annual Report for the year ended March 31, 2026 has not been sent to the members.

9. To support the 'Green Initiative', members who have not yet registered their e-mail address are requested to register the same with their Depository Participants ('DP') in case the shares are held in dematerialized form and with the Company/RTA in case the shares are held in physical form.

DIVIDEND RELATED INFORMATION:

10. The Register of Members and share transfer books of the Company will remain closed from Thursday, September 17, 2026 to Wednesday, September 23, 2026 (both days inclusive) as per Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013.
11. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Wednesday, September 16, 2026.
12. Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time and to promote green initiative, members who have not registered their email addresses are requested to register the same with their Depository Participants, in case the shares are held by them in electronic form and with Integrated, Registrar and Share Transfer Agent (RTA), in case the shares are held by them in physical form.

Shareholders are requested to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website of the RTA i.e. <https://ipostatus.integratedregistry.in/Kycregister.aspx>

13. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice convening the AGM and Annual Report are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.
14. During the AGM, Members may access the electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under section 189 of the Act.

15. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary at tanfac.cosecy@anupamrasayan.com and RTA at einward@integratedindia.in.

16. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unpaid dividend can be viewed on the Company's website <https://tanfac.com/investors/results-reports/unpaid-unclaimed-dividend>. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority. Details of Shareholders whose shares are liable to be transferred to IEPF are available on the Company's website: <https://tanfac.com/investors/results-reports/unpaid-unclaimed-dividend>. The Shareholders whose unclaimed dividend/share has been transferred to the Investor Education and Protection Fund, may claim the same from the IEPF authority by filing Form IEPF-5 along with the requisite documents.

17. Members may note that pursuant to SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/1/3750/2026 dated January 30, 2026, a special window has been made available from February 05, 2026 to February 04, 2027 for transfer and dematerialisation of physical securities which were sold or purchased prior to April 01, 2019.

The aforesaid facility shall also be available for transfer requests which were submitted earlier and were rejected, returned or not attended to due to deficiencies in documents, process or otherwise. Shareholders holding such securities are advised to avail the said facility within the prescribed timeline.

Investors are encouraged to take advantage of this opportunity by furnishing the necessary documents to the Company's Registrar and Share Transfer Agent i.e. Integrated Registry Management Services Private Limited at 2nd Floor, "Kences Towers", No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai-600 017.

18. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the



Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their Residential Status, Category as per Income Tax Act ("IT Act"), Permanent Account Number ("PAN") with the Company/RTA (in case of shares being held in physical mode) and depositories (in case of shares being held in demat mode) immediately. A resident individual Shareholder having PAN and entitled to receive dividend amount exceeding ₹ 10,000/- and who is not liable to pay Income Tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Separate intimation in this regard will be given to the Shareholders.

VOTING RESULTS:

19. THE VOTING PERIOD BEGINS ON SUNDAY, SEPTEMBER 20, 2026 AT 9.00 AM AND ENDS ON TUESDAY, SEPTEMBER 22, 2026 AT 5.00 PM. DURING THIS PERIOD SHAREHOLDERS OF THE COMPANY, HOLDING SHARES EITHER IN PHYSICAL FORM OR IN DEMATERIALIZED FORM, AS ON THE CUT-OFF DATE WEDNESDAY, SEPTEMBER 16, 2026 MAY CAST THEIR VOTE ELECTRONICALLY. THE E-VOTING MODULE SHALL BE DISABLED BY CDSL FOR VOTING THEREAFTER.
20. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
21. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.tanfac.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
22. The Board of Directors has appointed M/s. M D Baid & Associates, Practicing Company Secretary as the 'Scrutinizer' to scrutinize the remote e-voting process and voting during the AGM in a fair and transparent manner.

23. The Scrutinizer shall submit his report to the Chairman of the Company or to any other person authorized by him after completion of scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting). The results declared along with the Scrutinizer's report shall be communicated to the stock exchanges, RTA, and will also be displayed on the Company's website, <https://tanfac.com/investors/meetings/general-meetings>.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step-1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step-2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. **The voting period begins on Sunday, September 20, 2026 at 9.00 AM and ends on Tuesday, September 22, 2026 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 16, 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the Annual General Meeting.
- iii. Pursuant to MCA and SEBI Circulars and under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

DETAILS ON STEP 1 ARE MENTIONED BELOW:

- iv. In terms of MCA and SEBI on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	- Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. - After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS "Portal or click at: https://eservices.nsdl.com/SecureWeb/IdEasDirectReg.jsp. - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/IdEasDirectReg.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



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

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

DETAILS ON STEP 2 ARE MENTIONED BELOW:

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

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for TANFAC INDUSTRIES LIMITED on which you choose to vote.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. Additional Facility for Non-Individual Shareholders and Custodians-For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer e-mail address at mdbaid@gmail.com and to the Company at the email address viz; tanfac. cosecy@anupamrasayan.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of TANFAC Industries Limited will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.



5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. M/s. M D Baid & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer by the Board for providing a facility to the Members of the Company to scrutinize the remote e-voting process before the AGM as well as remote e-voting during the AGM fairly and transparently.
8. The Scrutinizer will submit his report to the Chairperson or any other person authorized by the Chairperson after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's Report shall be communicated to the stock exchange on which the Company's shares is listed, CDSL, and RTA, and will also be displayed on the Company's website at <https://tanfac.com/investors/meetings/general-meetings>.
9. Members are encouraged to submit their questions in advance concerning the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number, and mobile number, to reach the Company's e-mail address at tanfac.cosecy@anupamrasayan.com before 5.00 p.m. (IST) on Monday, September 21, 2026. Queries that remain unanswered at the AGM will be appropriately responded to by the Company at the earliest, post the conclusion of the AGM.
10. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
11. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
12. Members who would like to express their views/ask questions as a speaker at the Meeting may pre register themselves by sending a request from their registered e-mail address mentioning their name, DP ID and Client ID/folio number, PAN, and mobile number at tanfac.cosecy@anupamrasayan.com between Sunday, September 20, 2026 at 9.00 am to Tuesday, September 22, 2026 at 5.00 pm. Only those Members who have pre-registered themselves as a speaker on the dedicated e-mail address tanfac.cosecy@anupamrasayan.com will be allowed to express their views/ask questions during the AGM. When a pre-registered speaker is invited to speak at the meeting but he/she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera along with good internet speed. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

Explanatory Statement to the Notice of 52nd AGM

Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") read with the rules made thereunder, as applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Secretarial Standards on General Meetings ("SS-2")

Item No.4: To appoint M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants as Statutory Auditor for a period of five consecutive years and fix their remuneration:

Details pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Your Company's Auditor, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), have been the statutory auditor of the Company since 2021-22. As per the approval accorded by the shareholders of the Company at the 47th Annual General Meeting, M/s. Singhi & Co complete their tenure as Statutory Auditor conclusion of the ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the new Statutory Auditor are required to be appointed for a term of five consecutive years. Accordingly, under the supervision of the Audit Committee, the Company undertook a structured process for selection of the Statutory Auditor. After evaluating various factors including the firm's experience, industry expertise, audit approach, independence, quality control standards and peer review status, and based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on July 24, 2026, approved and recommended the appointment of M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (ICAI Firm Registration No. 010396S/S200084) as the Statutory Auditor of the Company, in place of the retiring auditor, for a term of five consecutive years from the conclusion of the 52nd Annual General Meeting until the conclusion of the 57th Annual General Meeting.

Your Company has obtained consent of M/s. Ramasamy Koteswara Rao and Co LLP and a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditor of the Company. The proposed remuneration payable to M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants, for the statutory audit (including limited reviews) for the financial year 2026-27 shall be ₹27.50 lakhs (Rupees Twenty-Seven Lakhs and Fifty Thousand only), plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the audit. For the subsequent financial years during their tenure, such remuneration as may be determined by the Board of Directors of the Company pursuant

to the recommendation of the Audit Committee. In addition to the statutory audit services, the Company may also engage M/s. Ramasamy Koteswara Rao and Co LLP for certifications under statutory regulations, certifications required by banks, statutory authorities and other permissible non-audit services, if any, for which they shall be remunerated separately on mutually agreed terms.

M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants has (i) consented to accept the appointment upon approval; (ii) confirmed that they satisfy the criteria of independence provided under the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder; and (iii) provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid certificate issued by the 'Peer Review Board of ICAI'.

Brief Profile:

M/s. Ramasamy Koteswara Rao & Co LLP, Chartered Accountants, co-founded by Mr. Ramasamy Radhakrishnan and Mr. C.V. Koteswara Rao, brings over 40 years of combined professional experience. Established in 2003, the firm is an MEF Category-I firm with a valid Peer Review Certificate (through 31 January 2028) and AQMM Compliant, backed by robust SQC 1/SQMI and EQCR frameworks. Led by 11 Partners and 80 staff members, RKC operates from its Hyderabad head office in Jubilee Hills, with branches in Guntur, Visakhapatnam, Srikakulam, and Sangareddy.

RKC's services span Audit & Assurance, Direct and Indirect Taxation, Corporate Advisory, Transaction Advisory, M&A, and Virtual CFO Services, with deep sector experience across listed and unlisted Ind AS entities, Manufacturing, Real Estate, Pharma, Infrastructure, Bank Audits, and Mining. The firm invests in continuous capability-building through ICAI, BCAS, and other professional training, supported by modern audit tools. Guided by its vision of trusted partnership, RKC is committed to integrity-driven, high-quality service across a diverse client base.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out in item no. 4 of the Notice of the 52nd AGM.

The Board recommends the Ordinary Resolution, as set out at Item No.4 of this notice, for approval of the members.



Item No.5: To ratify the remuneration of the Cost Auditor for the financial year 2026-27:

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board, on the recommendation of the Audit Committee, at its meeting held on May 06, 2026, approved the appointment and remuneration payable to the cost auditor, Mr. N. Krishna Kumar, Cost Accountant (Membership No. 27885), Cuddalore, to conduct the audit of the cost records of the Company for the financial year 2026-27, at a remuneration of ₹ 80,000/- plus applicable taxes and out of pocket expenses, at actuals in connection with the aforesaid audit.

Mr. N. Krishna Kumar, Cost Accountant (Membership No. 27885), Cuddalore, have furnished a certificate regarding their eligibility for appointment as Cost Auditor of the Company. They have vast experience in the field of cost audit.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors needs to be ratified by the members of the Company. Accordingly, consent of the members is being sought for ratification of the remuneration payable to the Cost Auditor for the financial year 2026-27.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

The Board recommends the Ordinary Resolution set out at Item no. 5 of the notice for approval by the members.

Item No.6: To appoint M/s. M D Baid & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for a term of Five (5) consecutive years commencing from FY 2026-27.

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, relevant rules made thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), every listed Company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's report, prepared under Section 134(3) of the Act.

In terms of Regulation 24A of LODR Regulations read with SEBI notification dated December 12, 2024, and other applicable provisions, shareholders' approval

is required for appointment of Secretarial Auditors. Further, such Secretarial Auditor must be a peer reviewed Company Secretary from Institute of Company Secretaries of India (ICSI) and should not have incurred any of the disqualifications as specified by SEBI. The maximum tenure of the Secretarial Auditor in case it is a firm shall not be for not more than two (2) terms of five (5) consecutive years.

Subsequent to the resignation of Ms. Kalyani Srinivasan, Practising Company Secretary, who was appointed as the Secretarial Auditor of the Company for FY 2025-26, the Company was required to appoint a Secretarial Auditor to conduct the secretarial audit in accordance with the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the Listing Regulations.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 06, 2026 approved and recommended the appointment of M/s. M D Baid & Associates, Practising Company Secretaries, Peer Reviewed Firm (Peer Review Certificate No. 7396/2025 and Firm Registration No. P2004GJ015700) as the Secretarial Auditor of the Company for a period of five consecutive years commencing from FY 2026-27 to FY 2030-31.

Brief Profile:

M/s. M D Baid & Associates, Practising Company Secretaries, is a Peer Reviewed Firm (Peer Review Certificate No. 7396/2025 and Firm Registration No. P2004GJ015700) engaged in providing professional services in the areas of corporate laws, secretarial audits, corporate governance, SEBI compliances, due diligence, corporate restructuring, regulatory advisory and allied corporate secretarial services. The Firm possesses extensive experience in advising and assisting listed and unlisted companies across diverse sectors and has the requisite expertise, infrastructure and resources to undertake secretarial audit assignments.

M/s. M D Baid & Associates, has given its consent to act as Secretarial Auditors of the Company and has confirmed that it is eligible for appointment and is not disqualified from being appointed as Secretarial Auditors under the applicable provisions of law.

The proposed remuneration payable to M/s. M D Baid & Associates for secretarial audit services, together with applicable taxes and reimbursement of out-of-pocket expenses, shall be determined by the Board of Directors of the Company based on the recommendation of the Audit Committee from time to time. Besides the secretarial audit services, the Company may also obtain certifications under various statutory regulations, certifications required by banks, statutory authorities and other permissible professional services, as may be required from time to time, for which M/s. M D Baid & Associates shall be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee. The remuneration for

the subsequent financial years during their tenure, such remuneration as may be determined by the Board of Directors of the Company pursuant to the recommendation of the Audit Committee.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with M/s. M D Baid & Associates.

Based on the recommendation of the Audit Committee, the Board of Directors has approved and recommended the aforesaid proposal for approval of the Members, taking into account the eligibility, qualifications, experience, independence, expertise of the partners, competency of the staff and the Firm's capability in providing secretarial audit and related professional services.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the Members.

Item No.7: To consider and approve the revision in remuneration payable to Mr. Afzal Malkani (DIN: 07194226), Managing Director of the Company.

Mr. Afzal Harunbhai Malkani (DIN: 07194226) was appointed as a Non-Executive, Non-Independent Director of the Company with effect from March 11, 2022. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed him as Managing Director of the Company for a term of 5 (five) consecutive years commencing from January 09, 2026 to January 08, 2031, at a remuneration duly approved by the Members at the Extra-Ordinary General Meeting held on February 23, 2026.

Mr. Malkani is a Chartered Accountant with more than 25 years of experience in finance, accounts, corporate finance, capital markets, fund raising, mergers and acquisitions, and regulatory compliances. He was associated with Anupam Rasayan India Limited for about 17 years, serving as its Chief Financial Officer since 2014, during which he led its Initial Public Offering in 2021 and was responsible for finance, treasury, budgeting, banking, taxation, audit, statutory compliances, investor relations and acquisition-related activities; the revenues and market capitalisation of Anupam Rasayan India Limited increased significantly during his association. For the four years preceding his

appointment as Managing Director, Mr. Malkani was associated with Zen Technologies Limited as Chief Financial Officer, where he led a Qualified Institutional Placement of approximately ₹1,000 crore and managed investor relations, banking and regulatory compliances; the market capitalization of Zen Technologies Limited increased from approximately ₹1,500 crores to ₹15,000 crores during this period.

Since his appointment as Managing Director of TANFAC Industries Limited, Mr. Malkani has been instrumental in driving the growth and development of the Company's business. During his tenure, the Company successfully completed its Qualified Institutions Placement, raising ₹250 crore — its first equity capital raise in over three decades — with participation from marquee institutional investors. His proactive engagement with institutional investors, analysts, and stakeholders has significantly strengthened the Company's investor relations framework and enhanced the Company's visibility and credibility in the capital markets. The Company also successfully commissioned the Solar Grade Diluted Hydrofluoric Acid Plant, achieved profitable growth with an expanded product portfolio, and improved operational efficiency. He has also led the progress of the Company's proposed HFC-32 (R-32) manufacturing facility, a project of strategic significance for the Company. The Company's market capitalisation has grown from approximately ₹500 crore to approximately ₹6,900 crore during his tenure as a Director, reflecting the increased scale of operations and scope of responsibilities.

The Nomination and Remuneration Committee ("NRC"), at its meeting held on July 24, 2026, reviewed the remuneration of Mr. Malkani taking into account his qualifications, professional experience, leadership capabilities, industry knowledge, and overall contribution to the growth and performance of the Company. The NRC also noted the substantial increase in the Company's market capitalisation and the increased scale of operations and responsibilities entrusted to him. Considering these factors, the NRC recommended a revision in the remuneration payable to Mr. Malkani.

Based on the recommendation of the NRC, and after due deliberation, the Board, at its meeting held on July 24, 2026 approved the revision in the remuneration payable to Mr. Malkani, Managing Director, for the FY 2026-27, subject to the approval of the Members, on the terms set out in the resolution at Item No.7 above.

Mr. Afzal Malkani continues in office as Managing Director pursuant to his appointment with effect from January 09, 2026, and this Item does not involve his appointment or re-appointment but only a revision in the remuneration payable to him for the remaining period of his present term. His present remuneration, prior to the proposed revision, is ₹1,80,00,000 (Indian Rupees One Crore Eighty Lakhs Only) per annum, payable since his appointment as Managing Director with effect from January 09, 2026. The particulars of the existing remuneration and the proposed revised remuneration payable to Mr. Afzal Malkani, which form part of the terms and conditions of the proposed revision in remuneration, are furnished below pursuant to Schedule V to the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"):

Compensation Details	Current Compensation (INR p.a.)	Revised Compensation (INR p.a.)
A. Basic Salary	73,00,000	80,27,245
Total (A)	73,00,000	80,27,245
B. Allowance & Reimbursements	54,22,870	16,85,436
Total (B)	54,22,870	16,85,436
C. Conveyance	11,30,000	29,08,363
Total (C)	11,30,000	29,08,363
D. PF	8,76,000	9,63,269
Gratuity	3,51,130	4,66,718
Superannuation/NPS	10,95,000	-
Total (D)	23,22,130	14,29,987
E. HRA	18,25,000	58,21,848
Total (E)	18,25,000	58,21,848
Basic Salary (A)	73,00,000	80,27,245
Guaranteed Cash Compensation (G) = (A+B)	1,27,22,870	97,12,681
Fixed Compensation w/o Housing (H) = (G+C+D)	1,61,75,000	1,40,51,031
CTC (I) = (H+E)	1,80,00,000	1,98,72,880

The above revised remuneration shall be effective from FY 2026-27 and shall continue to be payable during the remainder of the tenure of Mr. Afzal Malkani as Managing Director, i.e., up to January 08, 2031, on the terms set out in the resolution at Item No. 7 above. Accordingly, the total remuneration payable to Mr. Afzal Malkani for FY 2026-27 shall be ₹1,98,72,880 (Indian Rupees One Crore Ninety-Eight Lakhs Seventy-Two Thousand Eight Hundred and Eighty Only) per annum.

With respect to Regulation 17(6)(e) of the SEBI LODR Regulations, which requires approval by way of special resolution where remuneration is payable to a promoter or member of the promoter group:

- It is hereby confirmed that, based on the records available with the Company and declarations received, Mr. Malkani is not a promoter nor a member of the promoter group of the Company.

- His relationship to other directors or KMPs: He is not related to any other Director or Key Managerial Personnel of the Company.

Regulation 17(1B) relating to prior rejection of an appointment by shareholders, is not applicable, as, to the knowledge of the Board, the appointment of Mr. Malkani as Managing Director has not previously been rejected by the shareholders at any general meeting of the Company.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

Except Mr. Malkani, none of the Directors, Key Managerial Personnel or his relatives are concerned or interested in the Resolution at Item No. 7 of this Notice. Mr. Malkani is not related to any other Director or Key Managerial Personnel of the Company.

By Order of the Board of Directors
For **TANFAC Industries Limited**

Vinod Kumar S
Company Secretary & Compliance Officer

Date: July 24, 2026

Place: Cuddalore

Registered Office:

Plot No.14, SIPCOT Industrial Complex, Kudikadu,
Cuddalore – 607 005, Tamil Nadu.

CIN: L24117TN1972PLC006271

Tel.: +91 4142-239001

Email id: tanfac.cosecy@anupamrasayan.com

Website: <https://tanfac.com/>

Annexure

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting.

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2)

Name of the Director	Mr. R. Karthikeyan
Director Identification Number (DIN)	DIN: 00824621
Age	48 years
Qualification	Mr. Karthikeyan is an Engineering and a Management graduate
Date of first appointment on the Board	28 th March, 2024
Relationship between Directors, Manager and other Key Managerial Personnel inter se	Nil
Brief Profile and Expertise in specific functional area	Mr. R. Karthikeyan, an Engineering and Management graduate, is presently serving as Senior General Manager (Projects) at Tamil Nadu Industrial Development Corporation Limited (TIDCO). He has extensive experience in the conceptualisation, evaluation, promotion and implementation of industrial and infrastructure projects. He plays an instrumental role in facilitating investments, obtaining statutory and regulatory approvals, and supporting the smooth functioning of various joint venture companies promoted by TIDCO. He has also been associated with several large-scale industrial and infrastructure initiatives and possesses considerable expertise in project appraisal, monitoring and corporate governance matters.
Terms and Conditions along with details of remuneration sought to be paid	As per the resolution passed by the shareholders at their meeting held on May 30, 2024.
Last Remuneration drawn (₹ In lakhs)	Nil
Directorships held in other Companies	Tamil Nadu Telecommunication Limited – Director Sree Maruthi Marine Industries Limited – Nominee Director Suvarna Florex Limited – Nominee Director Tanflora Infrastructure Park Limited – Nominee Director Ascendas It Park (Chennai) Limited – Nominee Director Tamilnadu Trade Promotion Organisation – Nominee Director Tiruchirapalli Engineering and Technology Cluster – Nominee Director Systems Testing And Research For Advanced Materials Foundation – Managing Director Mahindra World City Developers Limited – Director Tamilnadu Engineering Innovation Centre Limited – Director
Committee position held in other companies	Tamil Nadu Telecommunication Limited Audit Committee – Member Nomination and Remuneration Committee – Member Stakeholders Relationship Committee – Member
Listed entities from which the Director has resigned from Directorship in last 3 (three) years	Nil
No. of shares (as on March 31, 2026) of ₹ 5/- each held by	Nil
(i) The Director	
(ii) His relatives	
Total	
Number of Board meetings attended during FY2025-26	7 Board Meetings

Board's Report

Dear Members,

The Board of Directors of your Company has pleasure in presenting the Fifty-Second (52nd) Annual Report on the operational and business performance of the Company together with the Audited Financial Statements for the financial year ended March 31, 2026.

FINANCIAL RESULTS:

₹ In Lakhs

Particulars	Financial Year 2025-26	Financial Year 2024-25
Sales	71,107.40	55,698.07
Other Income	234.29	295.70
Operating Expenditure	59,901.00	42,811.67
Profit before Depreciation, Finance Cost and Taxation (PBDIT)	11,440.69	13,182.10
Finance Cost	429.81	259.76
Depreciation/Impairment/Amortization	1,747.06	1,046.27
Profit before Tax (PBT)	9,263.82	11,876.07
Current Tax/Deferred Tax (Net of MAT Credit Entitlement)	2,249.55	3,061.36
Profit After Tax (PAT)	7,014.29	8,814.71
Other Comprehensive Income	2.61	36.46
Total Comprehensive Income	7,016.91	8,851.17

FINANCIAL HIGHLIGHTS OF PERFORMANCE:

During the financial year under review, the Company delivered a strong operational and financial performance, achieving its highest-ever revenue. Revenue from Operations increased to **₹ 71,107.40 Lakhs** as against **₹ 55,698.07 Lakhs** in the previous year, registering a growth of 27.67%. The growth in revenue was driven by higher sales volumes and increased demand across key product segments.

During the year, the Company successfully commissioned both phases of the Solar Grade Dilute Hydrofluoric Acid (DHF) Project, taking the total installed capacity to 20,000 TPA. The Company also secured long-term orders aggregating approximately ₹ 1,06,800 Lakhs for Solar Grade DHF, providing strong business visibility for the coming years.

Further, the Company initiated the implementation of downstream fluorochemical projects with an estimated capital outlay of approximately ₹ 49,500 Lakhs to expand its portfolio of value-added products and strengthen its presence in high-growth sectors. Supported by strong customer relationships, operational efficiencies and strategic growth initiatives, the Company remains well-positioned to capitalize on emerging opportunities in the fluorochemicals industry and create sustainable value for its stakeholders.

DIVIDEND:

Considering the Company's overall performance, future growth prospects and in accordance with the Dividend Distribution Policy, the Board of Directors at its meeting held on May 06, 2026, recommended a dividend of ₹ 4.50 per equity share (90%) on equity shares of face value ₹ 5/- each for the financial year ended March 31, 2026.

The payment of dividend is subject to the approval of the Members at the ensuing Annual General Meeting ("AGM"). Upon approval by the Members, the dividend will be paid to those Members whose names appear in the Register of Members of the Company or in the records of the Depositories as beneficial owners as on September 16, 2026, being the Record Date fixed for the purpose.

In terms of the provisions of the Income-tax Act, 1961, dividend income is taxable in the hands of the Members and the Company shall accordingly deduct tax at source, as applicable.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Dividend Distribution Policy, is available on the Company's website at: <https://tanfacms.tinglabs.in/uploads/TANFAC-Dividend-Distribution-Policy.pdf>



TRANSFER TO RESERVES:

The Company has not transferred any amount to the general reserve for the year ended March 31, 2026.

SHARE CAPITAL:

During the year under review, pursuant to the approval of shareholders at the Extra-Ordinary General Meeting held on February 23, 2026, the Company had sub-divided its equity shares of face value of ₹10 each into equity shares of face value of ₹5 each. Consequently, the Authorised Share Capital of the Company comprising 2,50,00,000 equity shares of face value of ₹10 each aggregating to ₹25,00,00,000 was sub-divided into 5,00,00,000 Equity Shares of face value of ₹5 each. The preference share capital comprising 10,00,000 Redeemable Cumulative Preference Shares of face value of ₹100 each aggregating to ₹10,00,00,000 remained unchanged. Accordingly, the issued, subscribed, and paid-up equity share capital of the Company was sub-divided from 99,75,000 equity shares of face value of ₹10 each to 1,99,50,000 Equity Shares of face value of ₹5 each.

Subsequent to the close of the financial year, pursuant to the approval of the shareholders accorded through Postal Ballot on February 23, 2026 and receipt of the requisite statutory and regulatory approvals, the Company allotted 12,58,918 equity shares of face value of ₹5 each to Qualified Institutional Buyers ("QIBs") on June 25, 2026 at an issue price of ₹1,985.83 per equity share, aggregating to ₹24,999.97 Lakhs through a Qualified Institutions Placement ("QIP").

Consequent to the aforesaid allotment, the paid-up equity share capital of the Company increased by ₹62.95 Lakhs from ₹997.50 Lakhs comprising 1,99,50,000 equity shares of face value of ₹5 each as on March 31, 2026 to ₹1,060.45 Lakhs comprising 2,12,08,918 equity shares of face value of ₹5 each.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report, except for the Qualified Institutions Placement ("QIP") undertaken by the Company. Pursuant to the approval of the shareholders obtained through EGM on February 23, 2026 and receipt of applicable statutory and regulatory approvals, the Company allotted 12,58,918 equity shares of face value of ₹5 each to Qualified Institutional Buyers ("QIBs") on June 25, 2026 at an issue price of ₹1,985.83 per equity share, aggregating to ₹24,999.97 Lakhs.

Consequent to the aforesaid allotment, the paid-up equity share capital of the Company increased

from ₹997.50 Lakhs comprising 1,99,50,000 equity shares of face value of ₹5 each to ₹1,060.45 Lakhs comprising 2,12,08,918 equity shares of face value of ₹5 each.

Further, the Board of Directors and the Preferential Issue Committee, at their meetings held on July 6, 2026 and July 8, 2026, respectively, approved the issuance of up to 4,24,647 equity shares on a preferential basis, subject to the approval of the shareholders and receipt of applicable statutory and regulatory approvals.

DEPOSITS FROM PUBLIC:

The Company did not accept any deposits from the public within the meaning of Chapter V of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED:

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

CAPITAL EXPENDITURE:

The Company continues to make significant progress on its strategic capital expenditure programmes aimed at strengthening its position in the fluorochemicals value chain. During the year, the Company successfully commissioned both phases of the Solar Grade Dilute Hydrofluoric Acid (DHF) Project, taking the total installed capacity to 20,000 TPA. The Company has also secured long-term customer orders aggregating approximately ₹1,06,800 Lakhs for Solar Grade DHF, providing strong revenue visibility for the coming years.

The Company is also implementing a 20,000 MTPA HFC-32 (R-32) Refrigerant Gas Project, which represents a key milestone in its forward integration strategy. The project is being funded through a combination of internal accruals and capital raised through the Qualified Institutions Placement (QIP) and other fund-raising initiatives. The Company has already secured long-term refrigerant gas supply arrangements aggregating approximately ₹3,61,250 lakhs over a period of five to seven years, together with an additional arrangement of approximately ₹6,100 lakhs per annum for an indefinite duration, covering close to 67.5% of the planned annual capacity and providing strong revenue visibility upon commissioning.

Further, the Company has initiated downstream fluorochemical expansion projects to diversify its portfolio of value-added products and strengthen its presence in high-growth sectors. These strategic investments are expected to enhance the Company's competitive position, deepen customer relationships and support sustainable long-term growth.

CHANGES IN THE NATURE OF BUSINESS:

During the year under review, there was no change in the nature of business of the Company.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The Business Responsibility and Sustainability Report (BRSR) for the financial year 2025-26, as required under Regulation 34(2) of the SEBI Listing Regulations, is presented in a separate section and forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

As required under Section 134(3)(i) of the Companies Act, 2013, the State of Affairs of the Company along with operational performance/review has been discussed in Management Discussions and Analysis Report which is appended in this annual report pursuant to Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report, pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report and is annexed as **Annexure – D** to this Board's Report.

CREDIT RATINGS:

During the financial year, ICRA Limited reaffirmed the Company's strong credit ratings for its bank facilities, reflecting its consistent financial performance and stable credit profile.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Appointments:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board has considered and approved the following:

- 1) The Board of Directors, through a Circular Resolution passed on March 29, 2025, approved the appointment of Dr. Ravindra Kumar Tyagi (DIN: 01509031) as an Additional Director in the category of Independent Director of the Company for a term of five consecutive years commencing from April 01, 2025 up to March 31, 2030, not liable to retire by rotation. The appointment was subsequently approved by the shareholders on June 10, 2025.
- 2) The Board of Directors, through a Circular Resolution passed on March 29, 2025, approved the appointment of Mr. Amreek Singh Sandhu (DIN: 08064880) as an Additional Director in the category of Independent Director of the Company for a term of five consecutive years

commencing from April 01, 2025 up to March 31, 2030, not liable to retire by rotation. The appointment was subsequently approved by the shareholders on June 10, 2025.

- 3) The Board of Directors, through a Circular Resolution passed on May 28, 2025, approved the appointment of Dr. M. Anuradha Reddy (DIN: 11123956) as an Additional Director in the category of Independent Director of the Company for a term of five consecutive years commencing from May 28, 2025 up to May 27, 2030, not liable to retire by rotation. The appointment was subsequently approved by the shareholders on August 19, 2025.
- 4) The Board of Directors at their meeting held on May 06, 2026, approved the appointment of Dr. Ajay Kumar Singh (DIN: 08532830) as an Additional Director in the category of Independent Director of the Company for a term of five consecutive years commencing from May 06, 2026 up to May 05, 2031, not liable to retire by rotation. The appointment was subsequently approved by the shareholders on June 11, 2026.
- 5) The Board of Directors at their meeting held on January 09, 2026, approved the appointment of Mr. Afzal Malkani (DIN: 07194226) as Managing Director of the Company for a term of 5 (five) consecutive years commencing from January 09, 2026 up to January 08, 2031, liable to retire by rotation. The appointment was subsequently approved by the shareholders on February 23, 2026.
- 6) The Board of Directors at their meeting held on January 09, 2026, based on the nomination of Tamil Nadu Industrial Development Corporation Limited (TIDCO), approved the appointment of Mrs. Sandhya Venugopal Sharma (DIN: 08445015) as Chairperson and Additional Director in the category of Non-Executive Nominee Director of the Company with effect from January 09, 2026, liable to retire by rotation. The appointment was subsequently approved by the shareholders on February 23, 2026.
- 7) The Board of Directors at their meeting held on May 06, 2026, approved the appointment of Dr. Ravichandran (DIN: 02643264) as Whole-Time Director of the Company for a term of 2 (two) consecutive years commencing from May 06, 2026 up to May 05, 2028, liable to retire by rotation. The appointment was subsequently approved by the shareholders on June 11, 2026.
- 8) The Board of Directors at their meeting held on July 06, 2026, based on the nomination of Tamil Nadu Industrial Development Corporation Limited (TIDCO), approved the appointment of Dr. D. Karthikeyan (DIN: 02259481) as Chairperson and Additional Director in the category of Non-Executive Nominee Director



of the Company with effect from July 06, 2026, liable to retire by rotation. The appointment is subject to the approval of the shareholders at the Extra-Ordinary General Meeting scheduled to be held on July 30, 2026.

Cessation:

- 1) Mr. K. Sendhil Naathan, Managing Director was re-appointed as the Managing Director of the Company for a term of six months from February 27, 2025 to August 26, 2025. He, ceased to become the Managing Director of the Company from April 18, 2025 due to his demise. The Board places on record its heartfelt gratitude for his notable contributions to the Company.
- 2) Ms. Mariam Pallavi Baldev (DIN: 09281201) resigned from the position of Chairperson and Non-Executive Director of the Company with effect from January 09, 2026, consequent to the withdrawal of her nomination by Tamil Nadu Industrial Development Corporation Limited.
- 3) Ms. Sandhya Venugopal Sharma (DIN: 08445015) resigned from the position of Chairperson and Nominee Director of the Company with effect from July 06, 2026, consequent to the withdrawal of her nomination by Tamil Nadu Industrial Development Corporation Limited.

Retirement by rotation:

Mr. R Karthikeyan (DIN: 00824621), Non-Executive Non-Independent Director, is liable to retire by rotation at the forthcoming 52nd AGM and being eligible, seeks re-appointment. For reference of members, a brief profile of Mr. R Karthikeyan is given in the Notice convening the 52nd AGM.

Changes in Key Managerial Personnel:

During the year under review, the following directors/executives served as Key Managerial Personnel of the Company:

1. Mr. Afzal Malkani, Managing Director
2. Mr. Ravichandran, Whole-Time Director
3. Mr. Hemango Gupta, Chief Executive Officer
4. Mr. N R Ravichandran, Chief Financial Officer
5. Mr. Vinod Kumar S, Company Secretary and Compliance Officer

INDEPENDENT DIRECTORS AND THEIR DECLARATION:

In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed that he or she meets the criteria of independence laid down in Section 149(6) of the Act and is in compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors)

Rules, 2014 as well as Regulation 16(1)(b) of the SEBI Listing Regulations. Furthermore, each Independent Director has affirmed adherence to the Code of Conduct for Independent Directors prescribed in Schedule IV of the Act, and the Board has duly taken these declarations on record after assessing their veracity.

EVALUATION OF THE BOARD'S PERFORMANCE, ITS COMMITTEES AND DIRECTORS:

The Board has carried out an annual evaluation of its own performance, as well as that of its Committees and individual Directors, for the financial year, in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The evaluation criteria for the Board included, inter alia, its composition and structure, effectiveness of Board processes, and its role in long-term strategic planning. The performance of the Committees was similarly evaluated by the Board based on inputs received from the respective Committee members. In a separate meeting, the Independent Directors evaluated the performance of the Non-Independent Directors and the Board as a whole, including that of the Chairman, taking into account the views of the Executive and Non-Executive Directors. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and individual Directors. The outcomes of these evaluations were discussed at the Board Meeting, along with feedback received from the Directors on the functioning of the Board and its Committees.

FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Independent Directors of the Company are eminent professionals with extensive experience across diverse fields such as strategy, general management, finance, engineering, governance and other allied disciplines and are well acquainted with the Company's business and operations. The Company has in place an ongoing familiarisation programme for Independent Directors to apprise them of their roles, rights, duties and responsibilities, as well as the nature of the industry in which the Company operates and its business model. At the time of their appointment, Independent Directors are familiarised with the Company's operations and businesses. The Company facilitates interactions with the senior leadership team, including Business Heads and key executives. Detailed presentations on the operations of various business divisions are made periodically to the Directors. Additionally, meetings with the Managing Director, Whole-time Director and senior management personnel are arranged to enable new appointees to gain deeper insights into the Company's business, policies and practices. Further, periodic updates are shared with the Directors on regulatory developments,

corporate governance matters, industry trends and emerging risks that may have an impact on the Company's business and operations. Details of the familiarisation programme are available on the Company's website at: <https://tanfaccms.tinglabs.in/uploads/familiarisation-programe.pdf>

REMUNERATION POLICY:

Based on the recommendation of the Nomination and Remuneration Committee, the Board has formulated a Policy for the selection and appointment of Directors and Senior Management personnel, as well as for determining their remuneration. The salient features of the Remuneration Policy are disclosed in the Corporate Governance Report. The Remuneration Policy is available on the Company's website at: <https://tanfaccms.tinglabs.in/uploads/TANFAC-Remuneration-Policy.pdf>

BOARD MEETINGS:

During the year under review, 7 (seven) board meetings were held. The details of the Board Meetings and attendance of Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

AUDIT COMMITTEE AND OTHER BOARD COMMITTEES:

As on March 31, 2026, the Board has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

All the recommendations made by the Board committees, including the Audit Committee, were accepted by the Board. The details of the above Committees are given in the Chapter on Corporate Governance forming part of this Integrated Report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

In terms of the requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held during the year to review the performance of the Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and assess the quality, quantity and timeliness of the flow of information between the Company Management and the Board, without the presence of the Non-Independent Directors and members of the Management. The Independent

Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:

In terms of Section 118(10) of the Companies Act, 2013, the Company complies with Secretarial Standards 1 and 2, relating to the 'Meetings of the Board of Directors' and 'General Meetings', respectively as issued by the Institute of Company Secretaries of India ("ICSI") and approved by the Central Government.

RELATED PARTY TRANSACTIONS:

The Company has in place a Policy on Related Party Transactions, in line with the provisions of the Act and the SEBI Listing Regulations, which is available on its website at: <https://tanfaccms.tinglabs.in/uploads/Policy-on-materiality-of-related-party-transactions.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. All related party transactions and subsequent modifications are placed before the Audit Committee for review and approval.

Prior omnibus approval is obtained for related party transactions on a quarterly basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length. All contracts and arrangements with related parties were at arm's length and in the ordinary course of business of the Company. There are no materially significant related party transactions entered into by the Company with related parties which may have potential conflict of interest with the Company at large. Statement of transactions with related parties during the year is given at Note No. 31 of the Notes to standalone financial statements.

In accordance with Section 134(3)(h) of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of the contracts or arrangements with related parties referred to in Section 188(1) of the Act, are provided in Form AOC-2 attached as **Annexure - B** to this Report.

INTERNAL FINANCIAL CONTROL (IFC):

The Company has in place adequate internal financial controls with reference to its financial statements. These controls ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements. Details in respect of internal financial controls and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this Annual report.



RISK MANAGEMENT POLICY:

The Board formulated and implemented Risk Management Policy for the Company which identifies various elements of risks which in its opinion may threaten the existence of the Company and measures to contain and mitigate risks. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedures are reviewed by the Audit Committee, Risk Management Committee and the Board on periodical basis. The Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013 and Regulation 21 of the SEBI Listing Regulations and the same is also made available on the Company's website at: <https://tanfacms.tinglabs.in/uploads/Risk-Management-Policy.pdf>

DIRECTORS' RESPONSIBILITY STATEMENT:

Accordingly, pursuant to Sections 134(3)(c) and 134(5) of the Act, the Directors, to the best of their knowledge and ability, confirm that for the year ended March 31, 2026:

- a. In the preparation of the annual accounts, the applicable accounting standards (IND AS) had been followed along with proper explanation relating to material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a going concern basis;
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company's CSR initiatives are focused on creating sustainable and inclusive impact across communities surrounding its operations. Key areas

of intervention include healthcare and sanitation, safe drinking water, education and skill development, women empowerment, environmental sustainability, infrastructure development and community welfare.

During the year under review, the Company undertook various CSR initiatives aimed at improving the quality of life of the communities in and around its areas of operation. These initiatives included support towards healthcare and sanitation programmes, provision of safe drinking water, promotion of education and livelihood enhancement, women empowerment, environmental sustainability and conservation of natural resources, as well as infrastructure development and community welfare projects. Through these initiatives, the Company continues to contribute towards inclusive and sustainable development while creating a positive social impact in the communities it serves.

The Company's CSR Policy is available on its website at: <https://tanfacms.tinglabs.in/uploads/TANFAC-CSR-Policy.pdf>

The Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2025-26 is annexed as **Annexure-F** to this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Sections 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism through a Whistle Blower Policy. The details of the said Policy are disclosed in the Annual Report in accordance with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Vigil Mechanism/Whistle Blower Policy is available on the website of the Company at: <https://tanfacms.tinglabs.in/uploads/policy-Whistle-Blower.pdf>

ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the Company's website at: <https://tanfac.com/investors/results-reports/annual-returns>

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as **Annexure-A** to the Annual Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION:

The disclosure relating to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and is annexed as **Annexure – E**.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

STATUTORY AUDITORS:

In terms of the provisions of Section 139 of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E) were appointed as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of the 47th Annual General Meeting ("AGM") held on September 28, 2021 up to the conclusion of the ensuing 52nd AGM of the Company.

Accordingly, the tenure of M/s. Singhi & Co., Chartered Accountants, as the Statutory Auditors of the Company shall conclude at the ensuing 52nd AGM. The Board of Directors places on record its appreciation for the valuable services rendered by them during their tenure as Statutory Auditors of the Company.

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

The Report given by the Auditors on the financial statements of the Company for the financial year ended March 31, 2026 forms part of the Annual Report. The Auditors have not reported any qualification, reservation, adverse remark or disclaimer in their reports. Accordingly, no explanation or comments of the Board are required in terms of Section 134(3) (f) of the Companies Act, 2013. Further, no fraud was reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 during the year under review.

Pursuant to the recommendation of the Audit Committee, the Board of Directors at its meeting held on July 24, 2026, approved the appointment of M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (Firm Registration No. 010396S/S200084) as the Statutory Auditors of

the Company for a term of five consecutive years commencing from the conclusion of the ensuing 52nd Annual General Meeting till the conclusion of the 57th Annual General Meeting of the Company, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the statutory auditors from time to time, subject to the approval of shareholders at the 52nd AGM.

COST AUDITOR:

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendments Rules, 2014, the cost records maintained by the Company are required to be audited.

Pursuant to the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 06, 2026, approved the appointment of Mr. N. Krishna Kumar, Cost Accountant (Membership No. 27885), as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2026-27 at a remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) plus applicable taxes as well as reimbursement of reasonable out-of-pocket expenses at actuals. Mr. N. Krishna Kumar has confirmed that the appointment is in compliance with the provisions of the Companies Act, 2013.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Members' ratification of the remuneration payable to Mr. N. Krishna Kumar Cost Auditors is included in the Notice convening the AGM.

The Cost Audit Report for the FY 2024-25 was filed with the Ministry of Corporate Affairs. The report was unmodified and did not contain any qualification or reservation or adverse remark or disclaimer. The Cost Audit Report for the FY 2025-26 will be filed before the due date.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Kalyani Srinivasan, Practicing Company Secretary, as the Secretarial Auditor of the Company for the financial year 2025-26. The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2026 forms part of this Report as **Annexure – C**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Subsequent to the close of the financial year, Ms. Kalyani Srinivasan, Practicing Company Secretary, resigned from the position of Secretarial



Auditor of the Company. In order to comply with the provisions of Section 204 of the Act, and based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 06, 2026 approved the appointment of M/s. M D Baid & Associates, Practicing Company Secretaries, Peer Reviewed Firm (Peer Review Certificate No. 7396/2025 and FRN: P2004GJ015700) as the Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2026-27 up to FY 2030-31, subject to the approval of the Members at the ensuing Annual General Meeting.

Accordingly, a resolution seeking Members' approval for the appointment of M/s. M D Baid & Associates, Practicing Company Secretaries, has been included in the Notice convening the Annual General Meeting.

The Company does not have any subsidiary company. Accordingly, the requirement to annex the Secretarial Audit Report of a material unlisted subsidiary in terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

EXPORTS:

Export turnover had increased by ₹ 3583.43 lakhs against ₹ 3083.56 Lakhs in the previous year. Your Company endeavors continuously to improve export performance by expanding the customer base in the current market and penetrating to new markets.

INDUSTRIAL RELATIONS:

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

SAFETY, HEALTH AND ENVIRONMENT PROTECTION (SHE):

Your Company remains committed to maintaining high standards of safety, occupational health, environmental stewardship and sustainable business practices across its operations. Safety continues to be a core organisational value and an integral part of the Company's operational excellence and growth strategy.

The Company operates under an Integrated Management System certified to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, providing a structured framework for quality, environmental management and occupational health and safety.

During the year, the Company strengthened its safety culture through enhanced process safety initiatives, employee awareness programmes, safety training, mock drills and periodic risk assessments. The leadership team, under the guidance of the Managing Director, continued to place strong

emphasis on safety performance, operational discipline and responsible manufacturing practices.

As part of its commitment to continuous improvement, the Company implemented AI-enabled safety monitoring for real-time identification of safety non-compliances and introduced an Integrated Work Permit System to strengthen control over critical and non-routine activities. The Company also enhanced its emergency preparedness and transportation safety management systems to further strengthen operational resilience.

Environmental sustainability remains an important pillar of the Company's long-term strategy. During the year, the Company expanded the use of renewable energy through solar and wind power sources and continued its focus on energy efficiency, water conservation, rainwater harvesting and green belt development.

As the Company expands into higher-value fluorochemicals and downstream fluorine products, safety, sustainability and responsible operations will continue to remain central to its long-term value creation strategy.

OTHER DISCLOSURES:

1. The Company doesn't have any subsidiaries, joint venture or associate companies;
2. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on March 31, 2026;
3. There were no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016.
4. There was no instance of any one-time settlement or any requirement of a valuation for any loan from the banks or financial institutions during the year;
5. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and no complaints were received or pending during the year;
6. The Company has been regular and prompt in the payment of interest and repayment of principal amounts to banks and financial institutions. The Board places on record its appreciation for the continued support and cooperation extended by the banks and financial institutions; and
7. There were no significant or material orders passed by the regulators or courts or tribunals which could impact the going concern status of the Company and its future operations.

MANAGEMENT POLICY:

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

ACKNOWLEDGEMENT:

The Board of Directors wishes to place on record its sincere appreciation to the customers, suppliers, business partners and shareholders for their support. The Directors would like to thank the Bankers and financial Institutions as well. The Directors would take this opportunity to appreciate and sincerely acknowledge the dedication and hard work of the employees for the growth of the Company.

For and on behalf of the Board of Directors

Date: July 24, 2026

Place: Cuddalore

Mr. Afzal Malkani

Managing Director

DIN: 07194226

Place: Cuddalore

Dr. Ravichandran

Whole-Time Director

DIN: 02643264

Place: Cuddalore

Annexure–A

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

1. CONSERVATION OF ENERGY:

(a) Steps taken for Conservation of Energy :

During FY 2025–26, the Company implemented several initiatives aimed at improving energy efficiency, increasing the use of renewable energy and reducing greenhouse gas emissions at its manufacturing facility in Cuddalore. These initiatives included renewable power procurement, heat recovery, optimization of cooling water systems, installation of variable frequency drives (VFDs), and adoption of energy-efficient equipment and lighting.

(b) Major Energy Conservation initiatives taken during the Financial Year 2025–26:

- The Company entered into an agreement with renewable energy generators for sourcing and consumption of renewable energy (solar and wind) sources to the extent of 75.0 lakh units per annum. This initiative contributed to the reduction of greenhouse gas emissions and supports the Company's long-term decarbonization and sustainable energy transition objectives.
- Significant energy savings were achieved through heat recovery initiatives in Sulphuric Acid Plants 1 & 2. Hot water generated from acid coolers in Sulphuric Acid Plant-1 is utilized for distillation applications in other plants, thereby reducing steam consumption. In Sulphuric Acid Plant-2, recovered heat is utilized for preheating turbine return water and for generating hot water for process applications, thereby reducing steam consumption in the deaerator and eliminating steam usage in the respective process application.
- Utilization of recovered hot water from acid coolers in Sulphuric Acid Plants 1 & 2 enabled optimization of the cooling tower system. The cooling tower fans were switched off wherever feasible, and variable frequency drives (VFDs) were installed on cooling water pumps to optimize cooling water flow rates to the acid coolers, resulting in further energy savings.
- Additional variable frequency drives (VFDs) were installed on various equipment during the

year to optimize energy consumption in line with operating requirements.

- The Company continued to implement energy-efficient motors and LED lighting systems to reduce electrical energy consumption.

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

The Company is planning to utilize piped natural gas as an alternative to conventional fuels, which is expected to reduce the carbon intensity by 3600 Tons of CO₂ per annum.

(d) The capital investment on energy conservation equipment:

319 lakhs

2. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

a. Research and Development:

- The Company's R&D team is engaged in the development of multiple products through vapour-phase fluorination technology, targeting high-end applications in emerging sectors such as electric vehicles (EVs), energy storage, durable surface protection, and aerospace.
- The Company is engaged in the development of specialty chemicals for applications in the fine chemicals, pharmaceutical and agrochemical sectors.
- Continuous R&D efforts are being undertaken towards the development of specialty inorganic products and improvement of processes and product quality across existing product lines.
- The Company is collaborating with leading academic and research institutions for the development of new products and identification of new applications for existing products.
- The Company continues to promote the recycling and beneficial utilization of solid waste in the cement industry, contributing to environmental conservation and resource efficiency.

b. Technology Absorption:

The Company is in the process of scaling up its in-house technology from laboratory and pilot scale to commercial scale for products catering to the refrigerant industry.

- The Company is evaluating the adoption of appropriate technologies for the manufacture of specialty chemicals for applications in the electronics and polymer industries.
- The Company constitutes cross-functional teams for the implementation of new product development projects and for strengthening its in-house technological capabilities and self-reliance in technology development.
- The Company continues to enhance packaging technologies and systems with the objective of reducing manual intervention, improving operational safety and enhancing process efficiency.

Foreign Exchange Earning and Outgo:

Details	2025-26	2024-25
Forex Earned	3583.43	3083.56
Forex used	31834.82	26263.00

Details of technology imported during the past five years:

₹ In Lakhs		
Year	Technology Imported	Status
Nil		

Annexure-B

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. There are no contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis:

a. Name(s) of the related party and nature of relationship	
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	There were no contracts or arrangements or transactions entered during the year ended March 31, 2026, which were not at arm's length basis.
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. Date of approval by the Board	
g. Amount paid as advances, if any:	
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis:

a. Name(s) of the related party and nature of relationship	
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	There were no contracts or arrangements or transactions entered during the year ended March 31, 2026, which were at arm's length basis.
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. Date of approval by the Board	
g. Amount paid as advances, if any:	
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

Date: July 24, 2026
Place: Cuddalore

Mr. Afzal Malkani
Managing Director
DIN: 07194226
Place: Cuddalore

Dr. Ravichandran
Whole-Time Director
DIN: 02643264
Place: Cuddalore

Annexure-C

FORM NO.MR-3

Secretarial Audit Report

For the Financial year ended 31st March 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.9 of the Companies (Appointment and Remuneration personnel) Rules, 2014]

To

The Members,

TANFAC Industries Limited

CIN: L24117TN1972PLC006271

14 SIPCOT Industrial Complex

Kudikadu, Cuddalore – 607005, India.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there Under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: Not Applicable

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – Not Applicable to the Company during the Audit Period.
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – Not Applicable to the Company during the Audit Period.
- (g) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not Applicable to the Company during the Audit Period;
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period); and
- (j) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 – Not Applicable;



- (v) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under Manufacture, Storage and Import of Hazardous Chemical (Amendment) Rules, 1989 as applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except in respect of major deviations specified below:

S. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary (PCS)
1	The Company should provide the separate link in the Annual Report for Dividend Distribution policy	Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company has provided the link for Dividend Distribution policy in the Annual Report 2025-26, whereas BSE wants to provide the same in the Directors Report where dividend has been discussed.	BSE Limited	Fine	There is no non-compliance. The Company has provided the provided the link of Dividend distribution policy in the Annual Report	₹ 25,000	-
2	Delayed submission of XBRL Related Party Transaction for the half year ended September 30, 2025	Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	There was a delayed submission of Related Party Transaction in XBRL Mode by one day.	BSE Limited	Fine	Delayed submission of XBRL Related Party transactions by one day.	₹ 5,000	As per BSE Circular XBRL can be submitted with 24 hours after Financial Results are being submitted. Hence, the Company has submitted the XBRL with 24 hours after the financial results. There is a in ambiguity in exchange circular.

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

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

I further report that the compliance by the company of the applicable financial laws like direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor.

Place: Chennai
Date: May 06, 2026
 UDIN: F005854H001264573
 PRC: 795

Kalyani Srinivasan
 FCS. 5854
 CP 6047

Annexure to Secretarial Audit Report

To

The Members

TANFAC Industries Limited

Kudikadu, Cuddalore - 607005, India.

Auditor's Responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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

Place: Chennai

Date: May 06, 2026

UDIN: F005854H001264573

PRC: 795

Kalyani Srinivasan

FCS.5854

CP 6047

Annexure–D

Report On Corporate Governance

The Corporate Governance Report of TANFAC Industries Limited ("the Company") has been prepared in compliance with the requirements of Regulations 17 to 27, read with Schedule V (Part C) and clauses (b) to (i) and (t) of Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"). This Report sets out the Company's corporate governance framework, policies and practices adopted during the financial year ended March 31, 2026, reflecting its commitment to transparency, accountability, ethical business conduct and protection of stakeholders' interests.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

TANFAC is committed to maintaining the highest standards of Corporate Governance and conducting its business in a fair, transparent and ethical manner. The Company believes that good Corporate Governance enhances stakeholder confidence, protects stakeholders' interests and contributes to sustainable growth and long-term value creation.

The Company's philosophy on Corporate Governance is founded on the principles of integrity, accountability, transparency, compliance and responsible business conduct. The Company believes that its business strategy and operations should be aligned with the interests of all stakeholders, including shareholders, employees, customers, business partners, regulators and the communities in which it operates.

The Company continues to strengthen its governance practices through effective oversight by the Board, timely disclosures, adherence to statutory and regulatory requirements and a commitment to safety, environmental stewardship and sustainable development. The Company remains committed to adopting best governance practices and continuously improving its governance framework in line with evolving business and regulatory expectations.

CODE OF CONDUCT

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted the Code of Conduct for Directors, Senior Management Personnel and other Executives and Employees. This is available on the website of the Company at: <https://tanfacms.tinglabs.in/uploads/Code-of-conduct-for-Board-of-Director-and-Senior-Management.pdf>.

During the year under review the Company has received confirmations from the Directors and Senior Management Personnel affirming their compliance with this code.

DATE OF REPORT

The information provided in this Corporate Governance Report is as on March 31, 2026 for the purpose of unanimity. Some of the information is updated as on the date of the report, wherever applicable.

BOARD OF DIRECTORS

The Company has an experienced, diverse, active and well-informed Board. The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. It regularly reviews the Company's governance, risk and compliance framework, business plans and organisation structure to align with the highest global standards.

SIZE AND COMPOSITION OF THE BOARD

The Company's policy is to have a balanced composition of the Board including EDs, NEDs, and IDs to maintain the Board's independence and separate its functions of governance and management. As on March 31, 2026, the Board comprised of six members consisting of one Executive Director, two Non-Executive Non-Independent Directors and three Independent Directors, including one Woman Independent Director. The Board periodically evaluates the need for change in its composition and size to ensure optimal effectiveness. Detailed profile of our Directors is available on our website at <https://tanfac.com/investors/governance-policies/board-of-directors>

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Act. During the year under review and as on date of this report, none of the Directors of the Company serve as Director or as IDs in more than seven listed companies and none of the EDs serve as IDs on any other listed company. Further, none of the IDs on the Board of the Company serve as Non-Independent Director of any company on the Board of which any of the Company's other Non-Independent Director is an ID. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any

circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at: <https://tanfaccms.tinglabs.in/uploads/terms-and-conditions-for-appointment-of-an-independent-director.pdf>.

During the year under review none of the Directors of the Company held directorships in excess of the limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations. Further, none of the Independent Directors served as an Independent Director in more than seven listed entities and none of the Executive Directors held the position of Independent Director in any listed entity. For the purpose of determining the limits of Board Committee memberships and chairpersonships, membership and chairpersonship of the Audit Committee and Stakeholders' Relationship Committee have been considered in accordance with Regulation 26(1)(b) of the SEBI Listing Regulations. Further, there are no inter-se relationships among the Directors of the Company.

Name of the Director, DIN & Category of Directorship	Number of Directorship(s) in listed entities including this listed entity	Number of Membership(s)/ Chairmanship(s) of Audit Committee/Stakeholders Relationship Committee including this listed entity (Refer Regulation 26(1) of SEBI Listing Regulations)*		Directorship in other listed company(ies) and category of directorship
		Chairman	Member	
#Mrs. Mariam Pallavi Baldev DIN: 09281201 Chairperson Non-Executive Non-Independent Director	2	-	2	Titan Company Limited - Director Tamilnadu Petroproducts Limited - Director
##Mrs. Sandhya Venugopal Sharma DIN: 08445015 Chairperson Non-Executive Nominee Director	3	-	-	Titan Company Limited -Director Tamilnadu Petroproducts Limited - Additional Director
@@Mr. Sendhil Kalyanasundaram Naathan DIN: 08850046 Managing Director	1	-	-	-
%Mr. Afzal Malkani DIN:07194226 Managing Director	1	-	-	-
Mr. R. Karthikeyan DIN: 00824621 Non-Executive Non-Independent Director	3	-	4	Tamil Nadu Telecommunication Limited - Director Sree Maruthi Marine Industries Limited
\$Dr. Ravindra Kumar Tyagi DIN: 01509031 Independent Director	1	1	2	-



Name of the Director, DIN & Category of Directorship	Number of Directorship(s) in listed entities including this listed entity	Number of Membership(s)/ Chairmanship(s) of Audit Committee/Stakeholders Relationship Committee including this listed entity (Refer Regulation 26(1) of SEBI Listing Regulations)*		Directorship in other listed company(ies) and category of directorship
		Chairman	Member	
§§Mr. Amreek Singh Sandhu DIN: 08064880 Independent Director	1	1	2	-
§§§§Dr. Mallidi Anuradha Reddy DIN: 11123956 Independent Director	1	-	-	-

*Excludes directorships in Private Limited companies, Foreign companies, Companies u/s 8 of the Companies Act, 2013 and memberships of managing committees of various chambers/bodies and alternate directorships.

**Committees include only Audit Committee and Stakeholder's Relationship Committee.

#Ms. Mariam Pallavi Baldev (DIN: 09281201) resigned from the position of Chairperson and Non-Executive Director of the Company with effect from January 09, 2026, consequent to the withdrawal of her nomination by Tamil Nadu Industrial Development Corporation Limited.

##Mrs. Sandhya Venugopal Sharma (DIN: 08445015) was appointed as Chairperson and Non-Executive Non-Independent Director of the Company with effect from January 09, 2026 and resigned from the position with effect from July 06, 2026, consequent to the withdrawal of her nomination by Tamil Nadu Industrial Development Corporation Limited (TIDCO).

@Mr. K. Sendhil Naathan ceased to be the Managing Director of the Company with effect from April 18, 2025, due to his demise.

%Mr. Afzal Malkani (DIN: 07194226) was appointed as Managing Director of the Company with effect from January 09, 2026.

§Dr. Ravindra Kumar Tyagi (DIN: 01509031) was appointed as an Independent Director of the Company with effect from April 01, 2025.

§§Mr. Amreek Singh Sandhu (DIN: 08064880) was appointed as an Independent Director of the Company with effect from April 01, 2025.

§§§§Dr. M. Anuradha Reddy (DIN: 11123956) was appointed as an Independent Director of the Company with effect from May 28, 2025.

BOARD MEETINGS AND ATTENDANCE

The Board meets at least once every quarter to review the quarterly financial results and other matters placed before it for consideration. Additional meetings are convened, as and when required, to consider specific business requirements. Directors are expected to attend all Board meetings and the Annual General Meeting of the Company.

The Company follows the Board processes prescribed under the Companies Act, 2013, the Rules made thereunder, the Secretarial Standards issued by the Institute of Company Secretaries of India and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is regularly apprised of significant developments relating to the Company's business, operations, financial performance, projects, risk management and compliance matters. The Company also provides the facility of participation through video conferencing and other audio-visual means in accordance with the applicable provisions of law.

Documents containing Unpublished Price Sensitive Information are submitted to the Board and Committee Members, at a shorter notice, as per the general consent taken from the Board, from time to time.

During the financial year ended March 31, 2026, seven (7) board meetings were held on April 28, 2025, July 16, 2025, September 25, 2025, October 16, 2025, January 09, 2026, January 21, 2026 and February 27, 2026. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days. The necessary quorum was present for all the meetings.

The details of directors' attendance at the AGM and Board meetings are given herein below:

Date of Board Meetings during FY 2025-26	Ms. Mariam Pallavi Baldev	Ms. Sandhya Venugopal Sharma	Mr. Afzal Malkani	Mr. R. Karthikeyan	Dr. Ravindra Kumar Tyagi	Mr. Amreek Singh Sandhu	Dr. M. Anuradha Reddy
April 28, 2025							
July 16, 2025							
Sept 25, 2025							
Oct 16, 2025							
Jan 09, 2026							
Jan 21, 2026							
Feb 27, 2026							
AGM on Sep 25, 2025							

  Attended in person  Attended via Video Conference  NA

*Ms. Mariam Pallavi Baldev (DIN: 09281201) resigned from the position of Chairperson and Non-Executive Director of the Company with effect from January 09, 2026, consequent to the withdrawal of her nomination by Tamil Nadu Industrial Development Corporation Limited.

**Mrs. Sandhya Venugopal Sharma (DIN: 08445015) was appointed as Chairperson and Non-Executive Non-Independent Director of the Company with effect from January 09, 2026 and resigned from the position with effect from July 06, 2026, consequent to the withdrawal of her nomination by Tamil Nadu Industrial Development Corporation Limited (TIDCO).

***Dr. M. Anuradha Reddy (DIN: 11123956) was appointed as an Independent Director of the Company with effect from May 28, 2025.

BOARD INDEPENDENCE

Every Independent Director provides a declaration at the first meeting of the Board in which they participate as a Director and thereafter at the first Board meeting of each financial year, confirming that they meet the criteria of independence as prescribed under applicable laws. They also confirm that they are not aware of any circumstances or situations that may exist or may reasonably be anticipated to impair their ability to discharge duties with objective and independent judgment, without any external influence. In the opinion of the Board, all the Independent Directors meet the criteria of independence as specified under the SEBI Listing Regulations and Section 149 of the Companies Act, 2013, and are independent of the management. The Independent Directors have also included their names in the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

MEETING OF INDEPENDENT DIRECTORS

During the financial year 2025-26, one separate meeting of the Independent Directors was held on March 28, 2026. The Independent Directors, inter alia, evaluated the performance of Non-Independent Directors, the Board as a whole, and the Chairperson, after considering the views of the Executive and Non-Executive Directors

BOARD FAMILIARISATION AND INDUCTION PROGRAMME

The Directors are provided with necessary documents, reports, and internal policies to enable them to familiarise themselves with the Company's procedures and practices. The Board is periodically apprised of developments relating to the industry, business operations, performance of the Company, compliance framework, roles and responsibilities of the Board and its Committees, and key statutory and regulatory changes.

A structured induction programme is in place for new Directors. An induction kit containing key documents, including various codes and policies of the Company and an overview of the roles and responsibilities of the Board and its Committees, is provided to facilitate their understanding. Plant visits are also arranged for Directors, based on their convenience and requirements.

Details of the familiarisation programmes for Independent Directors are available on the Company's website at: <https://tanfaccms.tinglabs.in/uploads/familiarisation-programme.pdf>

CORE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD

In terms of Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, based on the recommendation



of the Nomination and Remuneration Committee, has identified the core skills, expertise and competencies required in the context of the Company's business and industry for its effective functioning. The Board is of the view that its present composition comprises Directors possessing an appropriate mix of skills, experience and expertise in the areas identified below. The matrix setting out the core skills, expertise and competencies available with the Directors is provided hereunder:

Core Skills/Expertise/Competencies	Description
Industry Knowledge	Knowledge and understanding of the chemical and fluorochemical industry, market dynamics and industry trends.
Business Strategy and Leadership	Experience in strategic planning, business development, leadership and management of large and complex organisations.
Finance and Risk Management	Expertise in finance, accounting, financial reporting, internal controls, risk management and capital allocation.
Operations and Project Management	Experience in manufacturing operations, project execution, supply chain management and operational excellence.
Sales and Marketing	Knowledge of domestic and international markets, customer relationships, business development and marketing strategies.
Research & Development and Technology	Experience in innovation, product development, process improvement, technology and research activities relevant to the Company's business.
Corporate Governance and Compliance	Understanding of corporate governance practices, regulatory framework, legal and compliance requirements.
Environment, Health, Safety and Sustainability (EHS&S)	Knowledge and experience relating to environmental management, industrial safety, sustainability and responsible business practices.

Name of the Director	Industry Knowledge	Business Strategy and Leadership	Finance and Risk Management	Operations and Project Management	Sales and Marketing	Research & Development and Technology	Corporate Governance and Compliance	Environment, Health, Safety and Sustainability (EHS&S)
Mrs. Sandhya Venugopal Sharma	✓	✓	✓	✓	✓	✓	✓	✓
Dr. D. Karthikeyan	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Afzal Malkani	✓	✓	✓	✓	✓	✓	✓	✓
Mr. R. Karthikeyan	✓	✓	✓	✓			✓	✓
Dr. Ravichandran	✓			✓		✓	✓	✓
Dr. Ravindra Kumar Tyagi	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amreek Singh Sandhu	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Ajay Kumar Singh	✓	✓	✓	✓	✓	✓	✓	✓
Dr. M. Anuradha Reddy	✓			✓			✓	✓

The matrix setting out the core skills, expertise and competencies available with the Directors of the Company is provided below:

Directors Shareholding in the Company as on March 31, 2026

Name	Number of Shares held
Ms. Sandhya Venugopal Sharma	-
Mr. Afzal Malkani	-
Mr. R. Karthikeyan	-
Dr. Ravindra Kumar Tyagi	8 Shares
Mr. Amreek Singh Sandhu	-
Dr. M. Anuradha Reddy	-

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles that are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of the Committees are placed before the Board for review. The Chairpersons of the Committees apprise the Board periodically about the working of the Committees.

The Board has established the Statutory Committees in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Statutory Committees are provided in the subsequent sections of this Corporate Governance Report.

The composition of the Board Committees is available on the Company's website at: <https://tanfac.com/investors/governance-policies/committees-of-board>

a. Audit Committee

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The Committee further reviews the processes and controls including compliance with laws, TANFAC Code of Conduct and Insider Trading Code, Whistle Blower Policies and related cases thereto. The Committee also reviews matters under the Prevention of Sexual Harassment at Workplace Policy.

The terms of reference of the Audit Committee covers the matters specified for Audit Committee under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as well as in section 177 of the Companies Act, 2013. In addition, the role and responsibilities of the Audit Committee, including the review of information by the Committee, are in accordance with Part C of Schedule II of the SEBI Listing Regulations.

Terms of reference:

The terms of reference of the Audit Committee, inter alia, include the following:

- Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are accurate, adequate, and credible.
- Examination and review of financial statements and auditor's reports thereon before submission to the Board for approval.
- Review of all financial transactions, including inter-corporate loans and investments, utilization of funds, related party transactions, and the overall financial position of the Company.
- Recommendation for appointment, remuneration, and terms of appointment of the Statutory Auditors, and approval of remuneration for other services rendered by them.
- Review and monitoring of the independence and performance of auditors and effectiveness of the audit process.
- Review of the performance of Statutory and Internal Auditors and adequacy of internal control systems.
- Evaluation of internal financial controls and risk management systems.
- Review of the functioning of the vigil mechanism/whistle blower mechanism.
- Review of statements of deviations submitted to monitoring agencies.
- Approval of policies relating to the implementation of the Insider Trading Code and oversight of its compliance.
- Approval or any subsequent modification of related party transactions.

The composition of the Audit Committee as on March 31, 2026 was as follows:

Name of the Director	Category
Mr. Amreek Singh Sandhu	Chairperson, Independent Director
Dr. Ravindra Kumar Tyagi	Member, Independent Director
Mr. R. Karthikeyan	Member, Non-Executive, Non-Independent Director

During the year, the Audit Committee met 4 (four) times on April 28, 2025; July 16, 2025; October 16, 2025 and January 21, 2026 and the attendance of members is as follows:

Date of Audit Committee Meetings during FY 2025-26	Mr. Amreek Singh Sandhu	Dr. Ravindra Kumar Tyagi	Mr. R. Karthikeyan	Total Present	Total Absent
April 28, 2025				100%	0
July 16, 2025				100%	0
Oct 16, 2025				100%	0
Jan 21, 2026				100%	0



Attended in person



Attended via Video Conference

Mr. Amreek Singh Sandhu, Chairman of the Audit Committee was present at the Annual General Meeting held on September 25, 2025. The Company Secretary of the Company acts as the secretary to the Audit Committee. The Committee invites the Statutory Auditors and the Internal Auditors for discussions at the meeting. Chief Financial Officer is a permanent invitee at the Committee meetings. Members of Senior Management team also attend the meeting of Audit Committee.

b. Nomination and Remuneration Committee (NRC)

The purpose of the Nomination and Remuneration Committee ('NRC') is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and determine the role and capabilities required for Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors. The NRC and the Board periodically reviews the succession planning process of the Company and is satisfied that the Company has adequate process for orderly succession of Board Members and Members of the Senior Management.

The Board has adopted the Nomination and Remuneration Committee Charter, which sets out the terms of reference and responsibilities of the Committee in accordance with Section 178 of the Companies Act, 2013 ("Act") and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), read with Part D of Schedule II of the SEBI Listing Regulations.

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, include the following:

- Formulation of criteria for determining qualifications, positive attributes, and independence of Directors, and recommendation to the Board of a policy

relating to the remuneration of Directors, Key Managerial Personnel, and other employees.

- Formulation of criteria for evaluation of the performance of the Board, its Committees, and individual Directors, including Independent Directors, and review of the policy on Board diversity.
- Identification and evaluation of persons for appointment to the Board and Senior Management in accordance with the prescribed criteria, and recommendation to the Board for their appointment and/or removal.
- Assisting the Board and Independent Directors in carrying out performance evaluation of the Board, its Committees, and individual Directors.
- Recommendation to the Board of remuneration payable to Senior Management personnel.
- Administration and monitoring of the Employees' Stock Option Scheme(s), including formulation of terms and conditions relating to grant, vesting, exercise, and other matters, and making appropriate adjustments in case of corporate actions.
- Carrying out such other functions as may be assigned by the Board or as may be required under applicable laws, regulations, or statutory modifications from time to time.

The composition of the Nomination and Remuneration Committee as on March 31, 2026 was as follows:

Name of the Director	Category
Dr. Ravindra Kumar Tyagi	Chairperson, Independent Director
Mr. Amreek Singh Sandhu	Member, Independent Director
Mr. R. Karthikeyan	Member, Non-Executive, Non-Independent Director
Dr. M. Anuradha Reddy	Member, Independent Director

During the year, the Nomination and Remuneration Committee met 2 (two) times on July 16, 2025; and January 09, 2026 and the attendance of members is as follows:

Date of NRC Committee Meetings during FY 2025-26	Mr. Amreek Singh Sandhu	Dr. Ravindra Kumar Tyagi	Mr. R. Karthikeyan	Dr. M. Anuradha Reddy	Mr. Afzal Malkani*	Total Present	Total Absent
July 16, 2025						100%	0
Jan 09, 2026						100%	0

  Attended in person  NA

*Mr. Afzal Malkani ceased to be a member w.e.f. January 09, 2026 due to reconstitution of the Nomination and Remuneration Committee.

†Mr. R.Karthikeyan was inducted w.e.f January 09, 2026.

‡Dr. M. Anuradha Reddy inducted w.e.f January 09, 2026.

Mr. Ravindra Kumar Tyagi, Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on September 25, 2025. The Company Secretary of the Company acts as the secretary to the Nomination and Remuneration Committee.

Performance evaluation:

The Securities and Exchange Board of India (SEBI) in its Master Circular dated November 11, 2024 has included a guidance note on Board Evaluation specifying the criteria for evaluation of performance of (i) the Board as a whole (ii) individual Directors (including Independent Directors & Chairperson) and (iii) various Committees of the Board.

Based on the parameters suggested, the Nomination and Remuneration Committee has adopted suitable criteria to evaluate the performance of Independent Directors, Committees of the Board and the Board of Directors as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance Evaluation of the Board, the Individual Directors and the Committees has been carried out in accordance with the aforesaid circular.

Independent Directors' performance is evaluated based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions/roles, ability to function as a team,

pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the Company and the ability to articulate independent views and judgement. Accordingly, a performance evaluation of Independent Directors has been conducted and the results have been communicated to the Chairman of the Board.

Directors Remuneration:

The Non-Executive Director(s) of the Company are remunerated by way of Sitting fees. Sitting fees are paid to the Non-Executive Directors for attending the Meetings of Board of Directors and Committee Meetings thereof

Remuneration payable to Executive Director consists of fixed as well as variable components. Remuneration to the Executive Director is determined by the Nomination and Remuneration Committee and the Board of Directors and is approved by the Shareholders at the General Meeting based on the recommendation of the Board of Directors. No sitting fee is being paid to the Executive Director.

The NRC also assists the Board in discharging its responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The NRC has formulated Remuneration Policy for Directors, KMPs and all other employees of the Company and the same is available on Company's website at: <https://tanfaccms.tinglabs.in/uploads/TANFAC-Remuneration-Policy.pdf>

Details of Remuneration to Board of Directors paid during the financial year 2025-26

₹ In Lakhs

Name of the Director	Salary	Perquisites	Sitting Fee	Commission	Total
Ms. Sandhya Venugopal Sharma	-	-	1.80	-	1.80
Ms. Mariam Pallavi Baldev	-	-	2.40	-	2.40
Mr. K. Sendhil Naathan	184.92	-	-	-	-
Mr. Afzal Malkani	36.96	-	-	-	36.96
Mr. R. Karthikeyan	-	-	6.90	-	6.90
Mr. Ravindra Kumar Tyagi	-	-	7.50	-	7.50
Mr. Amreek Singh Sandhu	-	-	7.50	-	7.50
Ms. M. Anuradha Reddy	-	-	3.90	-	3.90

c. Stakeholders Relationship Committee (SRC)

The Stakeholders' Relationship Committee ("SRC") is responsible for considering and resolving the grievances and complaints of shareholders, debenture holders and other security holders of the Company. The Committee, inter alia, deals with matters relating to non-receipt of annual reports, transfer and transmission of securities, non-receipt of dividends/interest, issue of new/duplicate certificates, general meetings and such other grievances as may be raised by the security holders from time to time.

The terms of reference of the Stakeholders' Relationship Committee cover the matters specified under Section 178 of the Companies Act, 2013 ("Act") and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), read with Part D of Schedule II of the SEBI Listing Regulations.

Terms of Reference:

The terms of reference of the Stakeholders' Relationship Committee, inter alia, include the following:

- The measures taken for effective exercise of voting rights by shareholders;
- The service standards adopted by the Company in respect of services rendered by our Registrar & Transfer Agent;
- The measures rendered and initiatives taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend/annual report/notices and other information by shareholders.

The composition of the Stakeholders' Relationship Committee as on March 31, 2026 was as follows:

Name of the Director	Category
Dr. Ravindra Kumar Tyagi	Chairperson, Independent Director
Mr. Amreek Singh Sandhu	Member, Independent Director
Mr. R. Karthikeyan	Member, Non-Executive, Non-Independent Director

During the year, the Stakeholders' Relationship Committee met 1 (One) time on February 27, 2026 and the attendance of members is as follows:

Date of SRC Committee Meetings during FY 2025-26	Dr. Ravindra Kumar Tyagi	Mr. Amreek Singh Sandhu	Mr. R. Karthikeyan	Total Present	Total Absent
Feb 27, 2026				100%	0



Attended via Video Conference

The Company has received 7 complaints during the financial year 2025-26; resolved 7 complaints and no complaint was pending as on March 31, 2026.

Mr. Ravindra Kumar Tyagi, Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting held on September 25, 2025. The Company Secretary of the Company acts as the secretary to the Stakeholder Relationship Committee.

Compliance officer: Mr. Vinod Kumar S, Company Secretary and Compliance Officer of the Company, has been designated as the Compliance Officer for the purpose of addressing shareholders'/investors' grievances and ensuring compliance with the applicable provisions of the SEBI Listing Regulations. He is also the Nodal Officer for the purposes of the Investor Education and Protection Fund Rules.

d. Risk Management Committee (RMC)

The Company has constituted a Risk Management Committee ("RMC") to assist the Board in overseeing the Company's risk management framework and to review and monitor the risks associated with the Company's business and operations. The

RMC oversees the identification, assessment and mitigation of key risks, including strategic, financial, operational, sectoral, environmental, social, health and safety, sustainability, information technology and cybersecurity and compliance risks.

The terms of reference of the Risk Management Committee cover the matters specified under the applicable provisions of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), read with Part D of Schedule II of the SEBI Listing Regulations.

The terms of reference of the Risk Management Committee, inter alia, include the following:

- Formulation and review of the Risk Management Policy and framework for identification, assessment and mitigation of risks faced by the Company;
- Identification and monitoring of strategic, financial, operational, sectoral, environmental, health and safety, sustainability, cybersecurity and compliance risks;

- Oversight of risks relating to the Company's manufacturing operations, process safety, handling and storage of chemicals, occupational health and safety and environmental protection;
- Review of risks relating to raw material availability, supply chain, market conditions and changes in applicable laws and regulations;
- Monitoring the adequacy and effectiveness of risk mitigation measures and business continuity plans; and
- Periodic review of the Company's environmental, health and safety performance, including compliance with applicable environmental standards and monitoring of identified risks, and recommending appropriate measures to the Board.

The composition of the Risk Management Committee as on March 31, 2026 was as follows:

Name of the Director	Category
Mr. Afzal Malkani	Chairperson, Executive Director
Dr. Ravindra Kumar Tyagi	Member, Independent Director
Mr. Amreek Singh Sandhu	Member, Independent Director
Mr. N R Ravichandran	Member, Chief Financial Officer

During the year, the Risk Management Committee met 2 (two) times on July 16, 2025 and January 21, 2026 and the attendance of members is as follows:

Date of RMC Committee Meetings during FY 2025-26	Mr. Afzal Malkani	Dr. Ravindra Kumar Tyagi	Mr. Amreek Singh Sandhu	Mr. N R Ravichandran	Total Present	Total Absent
July 16, 2025					100%	0
Jan 21, 2026					100%	0



Attended in person

Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programs. The scope of the Committee also includes approving the budget for CSR activities, reviewing the CSR programs, formulation of annual action plan and monitoring CSR spending. Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on Corporate Social Responsibility ("CSR") activities and to monitor from time to time the CSR activities and Policy of the Company.

The terms of reference of the Corporate Social Responsibility Committee are in accordance with and covers all the matters specified under Section 135 of the Act and applicable provisions of the SEBI Listing Regulations and, inter alia, include:

- Formulation and recommendation to the Board of the Corporate Social Responsibility (CSR) Policy, indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommendation of the amount of expenditure to be incurred on CSR activities in accordance with the CSR Policy.

- Recommend the amount to be spent on CSR activities and review reports on the performance of CSR.
- Formulation and recommendation of the annual CSR action plan, including the list of CSR projects or programmes to be undertaken during the financial year.
- Monitoring the implementation of CSR projects/programmes and ensuring adherence to the CSR Policy of the Company.
- Providing guidance on CSR initiatives undertaken by the Company from time to time.

The composition of the Corporate Social Responsibility Committee as on March 31, 2026 was as follows:

Name of the Director	Category
Mr. Afzal Malkani	Chairperson, Executive Director
Dr. Ravindra Kumar Tyagi	Member, Independent Director
Mr. Amreek Singh Sandhu	Member, Independent Director
Dr. M. Anuradha Reddy	Member, Independent Director

During the year, the Corporate Social Responsibility Committee met 1 (One) time on July 16, 2025 and the attendance of members is as follows:

Date of CSR Committee Meetings during FY 2025-26	Mr. Afzal Malkani	Dr. Ravindra Kumar Tyagi	Mr. Amreek Singh Sandhu	Dr. M. Anuradha Reddy	Total Present	Total Absent
July 16, 2025					100%	0

  Attended in person

SENIOR MANAGEMENT

The details of Senior Management personnel, as defined under the SEBI Listing Regulations, as on March 31, 2026, including changes during the year, are provided below:

S. No	Name	Designation
1.	Mr. Hemango Gupta	Chief Executive Officer
2.	Mr. N R Ravichandran	President & Chief Financial Officer
3.	Mr. Vinod Kumar S	Company Secretary and Compliance Officer
4.	Mr. Ilango S	HR, IT & Administration
5.	Mr. Sraman Raj Jain	Sales and Marketing

GENERAL BODY MEETINGS

The details of the preceding three years Annual General Meetings are as under:

Financial Year	Date, day & Time	Venu	Details of Special Resolutions Passed
2024-25	Thursday, September 25, 2025 at 11:00 A.M	Video Conference/Other Audio Visual Means (OAVM)	-
2023-24	Friday, September 27, 2024 at 11:30 A.M	Video Conference/Other Audio Visual Means (OAVM)	-
2022-23	Wednesday, September 27, 2023 at 11:30 A.M	Video Conference/Other Audio Visual Means (OAVM)	To approve re-appointment of Mr. K. Sendhil Naathan (DIN: 08850046) as Managing Director of the Company.

Extraordinary General Meetings:

Date, day & Time	Venu	Details of Special Resolutions Passed
Monday, February 23, 2026 at 11:00 A.M	Video Conference/Other Audio Visual Means (OAVM)	1. Approval for Raising of Funds in one or more tranches by way of issuance securities up to 10,00,000 equity shares of face value of ₹ 10 each aggregating up to ₹ 500 crores (i.e, up to 20,00,000 equity shares of face value of ₹ 5 each post proposed sub-division of equity shares aggregating up to ₹ 500 crores), through Qualified Institutional Placement or other permissible modes.

Postal Ballot:

Person who conducted the Postal ballot exercise:

The Company has appointed Ms. Kalyani Srinivasan, Practicing Company Secretary, as Scrutinizer to conduct the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

Pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, General Circular No.11/2022 dated December 28, 2022, General Circular No.9/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2024 and General Circular

No. 03/2025 dated September 22, 2025 issued by Ministry of Corporate Affairs ("MCA Circulars"), read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS2) including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the following Special Resolutions were passed by the Members of the Company through postal ballot by remote e-voting process during the Financial year 2025-26.

Upon completion of the voting period, the Scrutinizer completed the scrutiny of the votes cast and submitted his report to the Chairperson of the Company. The results of the voting were declared on June 11, 2024 and August 20, 2025 respectively and displayed on the websites of the Stock Exchange, the Company, and CDSL.

During the financial year 2025-26, the Company conducted two Postal Ballot processes and the resolutions proposed therein were approved by the shareholders on June 10, 2025 and August 19, 2025.

As on June 10, 2025:

a) Appointment of Dr. R. K. Tyagi (DIN:01509031) as Non-Executive-Independent Director of the Company.

Category	Mode of Voting	No of shares held	No of votes polled	% of votes polled on outstanding shares	No of votes-in favour	No of votes-against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group		5168081	5168081	100.00	5168081	0.00	100.00	0.00
Public-Institution	E-Voting	50545	11571	22.8925	11571	0.00	100.00	0.00
Public-Non Institutions		4756374	10624	0.2234	10084	540	94.9172	5.0828
Total		9975000	5190276	52.0328	5189736	540	99.9896	0.0104

b) Appointment of Mr. Amreek Singh Sandhu (DIN: 08064880) as Non-Executive-Independent Director of the Company.

Category	Mode of Voting	No of shares held	No of votes polled	% of votes polled on outstanding shares	No of votes-in favour	No of votes-against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group		5168081	5168081	100.00	5168081	0.00	100.00	0.00
Public-Institution	E-Voting	50545	11571	22.8925	11571	0.00	100.00	0.00
Public-Non Institutions		4756374	10624	0.2234	9974	650	93.8818	6.1182
Total		9975000	5190276	52.0328	5189626	650	99.9875	0.0125

As on August 19, 2025:

a. Appointment of Dr. M. Anuradha Reddy (DIN: 11123956) as Non-Executive-Independent Director of the Company.

Category	Mode of Voting	No of shares held	No of votes polled	% of votes polled on outstanding shares	No of votes- in favour	No of votes- against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group		5168081	5168081	100.00	5168081	0	100.00	0.00
Public-Institution	E-Voting	42943	40856	95.1401	40856	0	100.00	0.00
Public-Non Institutions		4763976	8617	0.1809	8478	139	98.3869	1.6131
Total		9975000	5217554	52.3063	5217415	139	99.9973	0.0027

MEANS OF COMMUNICATION**Quarterly and annual results:**

Quarterly and annual results of the Company are published in widely circulated national newspapers such as the Business Line/Business Standard and the local vernacular daily, Makkal Kural. These are also made available on the Company's website at: <https://tanfac.com/investors/results-reports/half-yearly-and-quarterly-financial-results>

News and Media Release: The official news and media releases are disseminated to the stock exchanges and displayed on the Company's website.

Earning calls and presentations to Institutional Investors/Analysts:

The Company organizes an earnings call with analysts and investors after the announcement of financial results. The transcript and audio recording of the earnings call is also uploaded on the Company's website as well as filed with the stock exchanges where the securities of the Company are listed. Presentations made to institutional investors and financial analysts on the financial results is filed with the stock exchanges and uploaded on the Company's website: <https://tanfac.com/investors/investor-information/calls-conferences-and-transcripts>

Website:

The Company's website <https://tanfac.com/investors> has a dedicated section titled "Investor Relations" which hosts information required to be disclosed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations and the Companies Act, 2013. The information available under this section, inter alia, includes details of the Company, Board and Board Committees, various policies and codes adopted by the Company, annual reports, quarterly financial results and other compliance filings, financial statements of subsidiaries, transcripts of quarterly earnings

calls, details of unclaimed dividends and shares transferred to the Investor Education and Protection Fund (IEPF), communications to shareholders, information on closure of the trading window, official press releases, investor presentations (if any), and submissions made to the stock exchanges.

Unclaimed Dividend/Investor Education and Protection Fund (IEPF):

As per Section 124 of the Act read with the Rules made thereunder, any dividend amount transferred to Unpaid Dividend Account which remains unclaimed or unpaid for 7 years is transferred to IEPF and shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more are transferred to IEPF.

The details of shares and dividends transferred to IEPF by the Company during the year are available at <https://tanfac.com/investors/results-reports/unpaid-unclaimed-dividend>. The Company intimates concerned Members and issues public notice in respect of shares to be transferred to IEPF in the newspaper, on timely basis.

Annual Report:

The Company's Annual Report containing, inter alia, the Board's Report, Additional Shareholders Information, the Corporate Governance Report, the Business Responsibility and Sustainability Report, Management's Discussion and Analysis (MD&A), Audited Standalone and Consolidated Financial Statements, Auditors' Report and other important information are circulated to members and others so entitled. The Annual Report is also available on the Company's website in a user-friendly and downloadable form.

Reminder to investors:

Reminders to collect unclaimed dividend on shares are sent to the relevant shareholders.

Compliances with stock exchanges:

The Company regularly submits various periodic and event-based disclosures and other material information to the stock exchange, BSE Limited (BSE). Such submissions are disseminated by the stock exchanges on their respective websites for the information of investors. The relevant disclosures filed with the stock exchanges are also made available on the Company's website.

Letters/e-mails/SMS to Members:

The Company communicated with its shareholders through various letters, emails, and SMS during the financial year. Such communications, inter alia, included reminders for claiming unclaimed/unpaid dividends, dematerialisation of shares, updating of email addresses, PAN and bank account details, and information relating to deduction of tax at source on dividends. Further, email and SMS reminders are sent to Members at the commencement of the e-voting period for proposed resolutions, with a view to encouraging greater shareholder participation.

Annual General Meeting and related information

Date and Time	Wednesday, September 23, 2026 at 12.30 p.m.
Venue	The meeting will be held through Video Conference (VC)/Other Audio-Visual Means (OAVM) from the Registered Office, i.e., Plot No.14, SIPCOT Industrial Complex, Cuddalore – 607 005 Tamilnadu
Period of Book Closure/ Record date	Thursday, September 17, 2026 to Wednesday, September 23, 2026
Financial Year	April 01, 2025 to March 31, 2026
Dividend Payment Date	Dividend will be paid on or before October 23, 2026
Corporate Identity Number of the Company	L24117TN1972PLC006271
ISIN	INE639B01023
Name and address Stock Exchange at which the Company's securities are listed	BSE Limited Phiroze Jeejeebhoy Towers 25 th Floor, Dalal Street Mumbai – 400 001.
Scrip Code	506854
Confirmation for the Payment of Annual Listing fee	Listing fee for the financial year 2025-26 has been paid to BSE Limited
Depository Fees	Depository Fee Annual custody fee for the FY 2025-26 has been paid to the Depositories.
Registrar to an issue and Share Transfer Agent	Integrated Registry Management Services Private Limited, 2 nd Floor, Kences Towers, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017, E-mail: einward@integratedindia.in deals with all aspects of investor servicing relating to shares in both physical and demat form
Special window for re-lodgement of transfer requests of physical shares	Pursuant to SEBI Circulars dated July 2, 2025, the Company opened a special window for physical shareholders to facilitate the re-lodgement of transfer deeds that were originally lodged prior to April 1, 2019, and rejected/returned, due to deficiency in the documents. The re-lodgement window started for a period of 6 months from July 7, 2025, to January 6, 2026. In terms of SEBI Circular dated January 30, 2026, another special window has been opened for a period of 1 year from February 5, 2026, to February 4, 2027. Shareholders may note that securities transferred under the special window shall be mandatorily credited in demat mode and shall be under lock-in for a period of one year from the date of transfer. Such securities shall not be transferred/lienmarked/pledged during the said lock-in period. Shareholders are encouraged to take advantage of this opportunity by submitting the necessary documents to the Company's RTA i.e. Integrated Registry Management Services Private Limited.

Annual General Meeting and related information (Contd.)

Share transfer system	Pursuant to the applicable SEBI Regulations and circulars issued from time to time, transfer of securities of the Company is permitted only in dematerialised form. During the year under review, the Company completed the sub-division of its equity shares and, consequent thereto, the entire issued, subscribed and paid-up equity share capital of the Company is held in dematerialised form. Accordingly, transfer of shares is effected only in electronic mode through the depositories.
Credit Rating obtained by the Company	ICRA has granted rating action of [ICRA]A+(Stable); reaffirmed; for the following: Fund-based limits – Working capital facilities – ₹ 50 Crore Non-Fund-based limits – Working capital facilities – ₹ 105 Crore Short-term – Unallocated Limits – ₹ 40 Crore
Outstanding of ADR's/ GDR's/Warrants or Convertible Instruments	Nil
Commodity Price Risk or Foreign exchange risk and hedging activities	The Company hedges its Foreign Exchange Risk from time to time in accordance with the Hedging Policy approved by the Board.

Distribution of Shareholding Pattern as on March 31, 2026:

Category of Shares	Holders	% to holders	Shares	% to shares
Up to 500	15,646	93.19	12,51,862	6.27
501 – 1000	602	3.59	4,58,981	2.30
1001 – 2000	287	1.71	4,24,993	2.13
2001 – 3000	86	0.51	2,16,551	1.09
3001 – 4000	42	0.25	1,51,832	0.76
4001 – 5000	21	0.13	96,157	0.48
5001 – 10000	54	0.32	3,97,872	1.99
Above 10001	51	0.30	1,69,51,752	84.97
Total	16,789	100.00	1,99,50,000	100.00
No. of shareholders in physical mode	0	0.00	0	0.00
No. of shareholders in electronic mode	16,789	100.00	1,99,50,000	100.00
Total	16,789	100.00	1,99,50,000	100.00

Categories of Shareholding as on March 31, 2026:

Category	No. of Shares Held	% Age of Shareholding
Promoters	1,03,36,162	51.81
Mutual Funds	26	0.00
Alternative Investment Fund	66,060	0.33
Banks	500	0.00
FPI	5,226	0.03
Key Managerial Personnel	100	0.00
Investor Education and Protection Fund (IEPF)	6,52,972	3.27
Resident Individuals	46,23,984	23.18
Non-Resident Indians	91,179	0.46
Bodies Corporate	31,64,257	15.86
Any Other (Clearing Members, HUF, LLP, Trusts and Escrow Account)	10,09,534	5.06
Total	1,99,50,000	100.00

Dematerialization of shares and liquidity:

The Company has dematerialized its equity shares with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2026, 100.00% of the Company's paid-up capital was held in dematerialized form. Particulars of number of shares held in dematerialized form, are as under:

Particulars	Number of shares	% of paid-up capital
Held in dematerialized form in NSDL	1,48,30,883	74.34
Held in dematerialized form in CDSL	51,19,117	25.66
Total	1,99,50,000	100.00

Plant Location	14 SIPCOT Industrial Complex, Kudikaddu Cuddalore – 607 002, Tamilnadu.
Address for correspondence	Integrated Registry Management Services Private Limited "Kences Towers", Second Floor, No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017. TEL: +91-44-28140801 FAX: +91-44- 28142479/28143378 Email Id: corpserv@integratedindia.in
Company Secretary & Compliance Officer, and Nodal Officer under IEPF	Mr. Vinod Kumar S Regarding non - receipt of payment of declared dividend may be addressed to our Secretarial Department at: Registered Office at: 14, SIPCOT Industrial Complex, Cuddalore – 607 005, Tamilnadu, Tel: +91-4142-239001 to 239005 Mail to: tanfac.invreln@anupamrasayan.co

OTHER DISCLOSURES

- Disclosures on materially significant related party transactions:** The Company has not entered into any materially significant related party transactions that may have a potential conflict with the interests of the Company. All related party transactions during the financial year were in the ordinary course of business and on an arm's length basis, and have been duly disclosed in Note 31 of the standalone financial statements forming part of the Annual Report.

The Policy on Related Party Transactions is available on the Company's website at:

- Details of non-compliance by the Company, penalties, strictures imposed on the Company on any matter related to capital markets, during the year:** During the year under review, BSE Limited imposed a penalty of ₹25,000 on the Company for non-disclosure of the specific web-link of the Dividend Distribution Policy in the Annual Report, as required under the applicable provisions of the SEBI Listing Regulations. Further, a penalty of ₹5,000 was imposed for delayed submission of Related Party Transaction disclosures. The Company has taken necessary corrective measures and strengthened its compliance review process to ensure adherence to the applicable regulatory requirements.

- Whistle blower policy/Vigil mechanism:** The Company has established a Whistle Blower Policy as part of its commitment to corporate transparency, providing a mechanism for directors and employees to report, in good faith, instances of unethical behaviour, actual or suspected fraud, or violations of the Code of Ethics and Business Conduct to the Vigilance Officer or the Chairman of the Audit Committee. The mechanism includes adequate safeguards against victimization and provides for direct access to the Chairman of the Audit Committee in exceptional cases, and no personnel have been denied such access.

The Policy is available on the Company's website at: <https://tanfaccms.tinglabs.in/uploads/policy-Whistle-Blower.pdf>

- Dividend Distribution Policy:** The Board of Directors has adopted a Dividend Distribution Policy in accordance with the requirements of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. The Policy is available on the Company's website at: <https://tanfaccms.tinglabs.in/uploads/TANFAC-Dividend-Distribution-Policy.pdf>



5. The Company has complied with the mandatory requirements of corporate governance as specified in Regulations 17 to 27; clauses (b) to (i) of Regulation 46(2) and Schedule V of the SEBI Listing Regulations.
6. As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year ended March 31, 2026, no complaint was received by the Committee. As such, there are no complaints pending as at the end of the Financial Year.
7. The Company does not have any material subsidiaries, accordingly, the disclosure requirements in relation to the date and place of incorporation and the name and date of appointment of statutory auditors of such subsidiaries does not arise.
8. During the year under review, the recommendations made by various Committees of the Board of Directors have been accepted and there were no instances where the Board of Directors have not accepted any such recommendation.
9. In Compliance with SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022; the Company has opened a Suspense Escrow Demat Account.
10. The Board: Your Company is a Joint Sector undertaking with Tamilnadu Industrial Development Corporation Limited (TIDCO), a Government of Tamilnadu undertaking. The Chairperson of the Company is nominated by TIDCO as per Joint Venture Agreement and performs his/her duty at their office. Hence no separate Chairperson's office is maintained at your Company.
11. The details of fees paid to statutory auditors is disclosed in the financial statement forming part of this Annual Report.
12. The Company is not undertaking any commodity hedging activities, hence there is no risk of commodity hedging to the Company.
13. **CEO and CFO certification:** The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company provide an annual certification on financial reporting and internal controls to the Board in accordance with Regulation 17(8) of the SEBI Listing Regulations and the said certificate for the year ended March 31, 2026 forms part of this Report. Further, the CEO and CFO also provide quarterly certifications on financial results to the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.
14. **Modified opinion(s) in audit report:** There are no qualifications/modified opinions in the Auditors' Report on the accounts for the financial year 2025-26.
15. **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
16. **Unclaimed Suspense Account:** There are no unclaimed physical and demat shares till date in the books of the Company and hence the requirements to provide the details as per Regulation 34 (3) read with Schedule V of Part F of Listing Regulations is not applicable.
17. The Company has no inter-corporate loans as on March 31, 2026.
18. A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or in continuing as Directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to the Annual Report.
19. The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The securities of the Company were not suspended from trading at any time during the year.
20. Shareholder rights: Half-yearly and other quarterly financial results are uploaded on Company's website <https://tanfac.com/investors/results-reports/half-yearly-and-quarterly-financial-results> and information about publication of financial results along with QR code for accessing the same are published in the newspapers.

21. **Certificate on compliance with Code of Ethics and Business Conduct:** The Company has adopted a Code of Ethics and Business Conduct ("the Code") applicable to Directors, Senior Management and all employees, which is comprehensive in nature and is available on the Company's website at: <https://tanfaccms.tinglabs.in/uploads/Code-of-conduct-for-Board-of-Director-and-Senior-Management.pdf>. The Code has been circulated to all members of the Board and Senior Management, and compliance with the same has been affirmed by them. A declaration signed by the Chief Executive Officer and Managing Director is as follows: We hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code in respect of the financial year 2025-26.

For and on behalf of the Board of Directors

Date: July 24, 2026
Place: Cuddalore

Mr. Afzal Malkani
Managing Director
DIN: 07194226
Place: Cuddalore

Dr. Ravichandran
Whole-Time Director
DIN: 02643264
Place: Cuddalore

Certification of Chief Executive Officer and Chief Financial Officer

[Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Board of Directors

TANFAC Industries Limited

Mr. Hemango Gupta, Chief Executive Officer and Mr. N.R. Ravichandran, Chief Financial Officer of the Company have certified to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2026 and that to the best of our knowledge and belief;
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge, no transactions entered into by the company during the year which are fraudulent, illegal or a violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee;
 - a. that there no significant changes in internal control during the year;
 - b. that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: July 24, 2026
Place: Cuddalore

Mr. Hemango Gupta
Chief Executive Officer

Mr. N R Ravichandran
Chief Financial Officer

Independent Auditor's Report on Corporate Governance

TO THE MEMBERS OF TANFAC INDUSTRIES LIMITED

1. We have examined the compliance of conditions of corporate governance by **Tanfacs Industries Limited** (the 'Company') for the year ended March 31, 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

MANAGEMENT'S RESPONSIBILITY

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2026.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

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

For Singhi & Co.

Chartered Accountants
Firm Registration No.: 302049E

Date: July 24, 2026
Place: Mumbai

Sudesh Choraria Partner
Membership No.: 204936
UDIN: 26204936AUXOGN6922



Certificate of Non-Disqualification of Directors

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Date: 29th August, 2026

To,

The Members of

TANFAC Industries Limited

CIN: L24117TN1972PLC006271

14, SIPCOT Industrial Complex, Kudikadu,

Cuddalore - 607 005, Tamil Nadu, India

We have been engaged by TANFAC Industries Limited (CIN: L24117TN1972PLC006271), having its registered office at Plot No. 14, SIPCOT Industrial Complex, Cuddalore - 607 005, Tamil Nadu, India (hereinafter referred to as the 'Company'), to issue this certificate in accordance with Regulation 34(3) read with Schedule V, Para C, Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31 March 2026.

1. MANAGEMENT'S RESPONSIBILITY

The management of the Company is responsible for:

- (a) ensuring compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations;
- (b) maintaining proper statutory registers, records, forms, returns and disclosures relating to the Directors of the Company;
- (c) ensuring the eligibility and continued compliance of each Director appointed or continuing on the Board;
- (d) providing complete and accurate information, records, disclosures and representations for the purpose of issuance of this certificate; and
- (e) ensuring that the information and representations furnished to us are complete and accurate.

2. PRACTITIONER'S RESPONSIBILITY

Our responsibility is to examine the relevant registers, records, forms, returns, disclosures and information made available to us by the Company and its Directors and to issue this certificate based on such examination.

Our verification includes, *inter alia*, verification of the status of the Directors' Identification Numbers (DINs) available on the portal of the Ministry of Corporate Affairs at www.mca.gov.in, along with such other verification as we considered necessary for the purpose of this certificate.

Our responsibility is limited to expressing an opinion based on the records, information and representations furnished to us and information available in the public domain. We have not independently verified any material information which has not been brought to our attention by the respective Director and is not available in the public domain.

3. BASIS OF VERIFICATION

For the purpose of this certificate, we have examined, *inter alia*, the following:

1. Relevant statutory registers and records maintained by the Company relating to its Directors.
2. Forms and returns filed by the Company with the Ministry of Corporate Affairs.
3. Disclosures and declarations received from the Directors of the Company.
4. Particulars of Directors and their respective DINs available on the MCA portal.
5. Date of appointment and cessation, wherever applicable, as appearing from the records examined by us.
6. Such other documents, records, information and explanations as considered necessary for the purpose of this certificate.

4. CERTIFICATE

Based on our examination of the relevant registers, records, forms, returns and disclosures produced before us by the Company and its Directors, and according to the information and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of Tanfac Industries Limited, as set out below, as at 31 March 2026, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any other statutory authority.

Sr. No.	Name of the Director	Director Identification Number (DIN)	Date of Appointment
1	Mr. Sendhil Kalyanasundaram Naathan [#]	08850046	27-08-2020
2	Mr. Afzal Harunbhai Malkani	07194226	11-03-2022
3	Mrs. Mariam Pallavi Baldev ^{##}	09281201	26-09-2022
4	Mr. R Karthikeyan	00824621	28-03-2024
5	Mr. Ravindra Kumar Tyagi	01509031	01-04-2025
6	Mr. Amreek Singh Sandhu	08064880	01-04-2025
7	Mrs. Anuradha Reddy Mallidi	11123956	28-05-2025
8	Mrs. Sandhya Venugopal Sharma ^{###}	08445015	09-01-2026

[#]Resignation w.e.f. 18.04.2025

^{##}Resignation w.e.f. 09.01.2026

^{###}Resignation w.e.f. 06.07.2026

5. LIMITATION AND DISCLAIMER

Ensuring the eligibility for appointment or continuity of each Director on the Board is the responsibility of the management of the Company.

This certificate is issued based on the disclosures available in the public domain and information and representations provided to us by the Company and its Directors. We have not independently verified any material information which may exist but has not been brought to our attention by the respective Director and is not available in the public domain.

This certificate is neither an assurance as to the future viability of the Company nor an opinion on the efficiency or effectiveness with which the management has conducted the affairs of the Company.

6. RESTRICTION ON USE

This certificate is issued specifically for the purpose of complying with Regulation 34(3) read with Schedule V, Para C, Clause 10(i) of the SEBI Listing Regulations and for inclusion in the Annual Report of the Company for the financial year ended 31 March 2026. The certificate should not be used, reproduced, referred to or relied upon for any other purpose without our prior written consent.

For M. D. Baid & Associates

Company Secretaries

CS Mohan Baid

Partner

M. No.: ACS 3598 | CP No.: 3873

PRN: 7396/2025

UIN: P2004GJ015700

UDIN: A003598H001279213

Date: 29/08/2026

Place: Surat

Annexure–E

Particulars of Employee Related Disclosures

Details in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The details of remuneration during the year 2025-26 as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

- The ratio of remuneration of each director to the median remuneration of the employees and the percentage increase in remuneration of each directors, Chief Financial Officer, Chief Executive Officer, Company Secretary of the Company for the financial year:

S. No.	Name of the Director/KMP, Designation	Ratio of remuneration to the median remuneration of the employees	Percentage increase in remuneration
1.	Mr. Afzal Malkani, Managing Director	36.96	NA
2.	Dr. Ravichandran, Whole-time Director	NA	NA
3.	Mr. Hemango Gupta, Chief Executive Officer	144.86	NA
4.	Mr. N R Ravichandran, President & Chief Financial Officer	111.27	10.00%
5.	Mr. Vinod Kumar S, Company Secretary & Compliance Officer	21.30	NA

Note: Independent Directors and TIDCO Nominated Directors were paid sitting fees for attending the Meetings.

- The percentage increase in the median remuneration of employees in the FY 2026: **9%**
- The number of permanent employees on the rolls of company as on 31-Mar-2026: **191**
- Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the Percentile increases in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **10%**
- In the Financial Year 2025-26 there is an average increase of 10% in the remuneration of all the employees other than the managerial personnel and there is no percentage of increase in remuneration for Managing Director and Chief Financial Officer.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy, applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection in electronic mode. Any Member interested in obtaining a copy of the same may write to the Company.

Annexure–F

Report on Corporate Social Responsibilities (CSR) Activities

(As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility ("CSR") reflects TANFAC Industries Limited's commitment towards inclusive growth, community development and environmental sustainability. The Company strives to contribute to the socio-economic development of the communities it serves through focused interventions in areas such as education, healthcare, safe drinking water, livelihood enhancement and environmental protection.

The Company's CSR Policy provides the framework for planning and implementing initiatives that address the developmental needs of the communities and contribute to sustainable social and environmental progress. The Company focuses on creating long-term and meaningful impact through programmes in the areas of education, healthcare, safe drinking water, livelihood enhancement, women empowerment, environmental sustainability, infrastructure development and other community welfare initiatives. The CSR activities are undertaken in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereto.

2. The Composition of the CSR Committee

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

Sl. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Afzal Malkani	Chairman, Managing Director	1	1
2.	Dr. Ravindra Kumar Tyagi	Member, Independent Director	1	1
3.	Mr. Amreek Singh Sandhu	Member, Independent Director	1	1
4.	Dr. M. Anuradha Reddy	Member, Independent Director	1	1

3. The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

a. Composition of CSR Committee – <https://tanfac.com/investors/governance-policies/committees-of-board>

b. CSR Policy – <https://tanfacms.tinglabs.in/uploads/TANFAC-CSR-Policy.pdf>

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

Not Applicable

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

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2025-26	720478	21565.48

Sl. No.	For the Financial Year	Annual Net Profit (₹ Lakhs)
1.	2024-25	11807.98
2.	2023-24	7067.18
3.	2022-23	7589.01
Total		26464.17
Average Annual Net Profit		8821.39

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1	Contribution for Schedule VII activities								
Total									

9.

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

Nil as there is excess payment available for set off.

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

Nil

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

Not Applicable since NO capital asset was created or acquired.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not applicable. Unspent CSR amount outstanding at the end of the financial year pertaining to ongoing CSR projects have been transferred to Unspent CSR account in terms of Section 135(6) of the Act

Date: July 24, 2026
Place: Cuddalore

Mr. Afzal Malkani
Managing Director
DIN: 07194226
Place: Cuddalore

Dr. Ravichandran
Whole-Time Director
DIN: 02643264
Place: Cuddalore

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

Sr. No.	Particulars	Response
1	Corporate Identity Number (CIN) of the Listed Entity	L24117TN1972PLC006271
2	Name of the Listed Entity	TANFAC Industries Limited ("Company/ TANFAC")
3	Year of incorporation	20-12-1972
4	Registered office address	No. 14, SIPCOT Industrial Complex, Kudikadu, Cuddalore - 607005, Tamil Nadu, India.
5	Corporate Address	No. 14, SIPCOT Industrial Complex, Kudikadu, Cuddalore - 607005, Tamil Nadu, India.
6	E-mail	tanfac.cosecy@anupamrasayan.com
7	Telephone	+91-4142-239001-05
8	Website	https://tanfac.com/
9	Financial year for which reporting is being done	2025-26
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11	Paid-up Capital	9,97,50,000
12	Contact Person	
	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. N R Ravichandran Chief Financial Officer Tel: +91-4142-239005 tanfac.cosecy@anupamrasayan.com
13	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Name of assurance provider	TÜV SÜD SOUTH ASIA PVT. LTD
15	Type of assurance obtained	Limited Assurance

II. Product/Services

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

Sr.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Manufacturing of Fluorine Based Chemicals	Manufacturing of Hydrofluoric Acid (HF), Sulphuric Acid, Solar Grade Diluted Hydrofluoric Acid, Aluminium Fluoride & Specialty Fluorochemicals etc.	100%

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

Sr.	Product/Service	NIC Code	% of Total Turnover contributed
1	Fluorine-Based Chemicals/ Specialty Chemicals	20119	100%

III. Operations

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

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

19. Markets served by the entity:

a. Number of Locations:

Locations	Numbers
National (No. of States)	19 States and one Union Territory
International (No. of Countries)	13 Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

5.09%

c A brief on types of customers:

The Company serves customers in both domestic and international markets across industries such as refrigerant gases, agrochemicals, pharmaceuticals and pharmaceutical intermediates, specialty chemicals, surface treatment, renewable energy, glass and metallurgical sectors. Its products are used as key raw materials and intermediates for various industrial applications.

IV. Employees

20. Details as at the end of Financial Year (FY 2025-26):

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	182	176	96.70	6	3.30
2	Other than Permanent (E)	0	0	0	0	0
3	Total Employees (D+E)	182	176	96.70	6	3.30
Workers						
4	Permanent (F)	9	9	100.00	0	0.00
5	Other than Permanent (G)	427	415	97.19	12	2.81
6	Total Workers (F+G)	436	424	97.25	12	2.75

b. Differently abled employees and workers (FY 2025-26):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1	Permanent Employees (D)	Nil	Nil	Nil	Nil	Nil
2	Other than Permanent Employees (E)	Nil	Nil	Nil	Nil	Nil
3	Total Employees (D+E)	Nil	Nil	Nil	Nil	Nil
Differently Abled Workers						
4	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6	Total Differently Abled Employees (F+G)	Nil	Nil	Nil	Nil	Nil

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and % of females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	3	0	0%

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

Particulars	FY 2025-2026 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.81%	1.05%	7.85%	6.80%	22.22%	4.24%	4.82%	0%	4.82%
Permanent Workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

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

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures	Indicate whether it is a holding/Subsidiary/Associate/or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Nil				

VI. CSR Details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

ii. Turnover (in ₹) (for FY 2025-26): 7,11,07,39,509

iii. Net worth (in ₹) (for FY 2025-26): 3,73,16,56,896

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints		Remarks	Number of complaints		Remarks
		filed during the year	pending resolution at close of the year		filed during the year	pending resolution at close of the year	
Communities	Formal grievance redressal policy is not in place. However, community concerns and grievances, if any, are addressed through regular stakeholder engagement, CSR initiatives and the contact mechanisms available on the Company's website at: https://tanfac.com/investors/contact-us	Nil	Nil	Nil	Nil	Nil	NA

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints		Remarks	Number of complaints		Remarks
		filed during the year	pending resolution at close of the year		filed during the year	pending resolution at close of the year	
Investors (other than shareholders)	Yes. The Company has established mechanisms for redressal of investor grievances. Investors may communicate their queries and grievances through the dedicated e-mail ID: tanfac.invreln@anupamrasayan.com or through the contact details available on the Company's website at: https://tanfac.com/investors/contact-us	Nil	Nil	Nil	Nil	Nil	NA
Shareholders	Yes. Shareholders may lodge their queries/complaints through the dedicated e-mail ID: tanfac.invreln@anupamrasayan.com or with the Company's Registrar and Share Transfer Agent ("RTA"), Integrated Registry Management Services Private Limited, at: Elnward@IntegratedIndia.in Shareholders may also submit their queries and grievances through the Company's website at: https://tanfac.com/investors/contact-us	7	Nil	NA	Nil	Nil	NA
Employees and workers	Yes. The Company has implemented a Whistle Blower Policy, which provides a vigil mechanism for employees and workers to report unethical behaviour and concerns. The Policy is available on the Company's website at: https://tanfaccms.tinglabs.in/uploads/policy-Whistle-Blower.pdf The Company has also adopted a Policy on Prevention of Sexual Harassment (POSH) to ensure a safe and inclusive workplace environment. Employees and workers may also raise their grievances through the contact mechanisms available on the Company's website at: https://tanfac.com/investors/contact-us	Nil	Nil	NA	Nil	Nil	NA

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints		Remarks	Number of complaints		Remarks
		filed during the year	pending resolution at close of the year		filed during the year	pending resolution at close of the year	
Customers	The Company has established internal mechanisms to address customer queries, feedback and grievances, if any, in a timely manner.	Nil	Nil	NA	Nil	Nil	NA
Value Chain Partners	The Company maintains regular engagement with its value chain partners and has internal mechanisms in place to address concerns and grievances, if any.	Nil	Nil	NA	Nil	Nil	NA

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Energy Management and Renewable Energy Transition	Risk and Opportunity	Efficient energy management and increased use of renewable energy contribute towards reduction in greenhouse gas emissions, improved resource efficiency and support the Company's long-term sustainability objectives.	The Company continuously monitors energy consumption and undertakes energy conservation initiatives across its operations. During FY 2025-26, the Company increased the use of renewable energy sourced from solar and wind power, resulting in consumption of approximately 1.30 million kWh of renewable energy. The Company remains committed to increasing the share of renewable energy in its overall energy mix and improving energy efficiency.	Positive – Improved energy efficiency and increased use of renewable energy support long-term cost optimisation, reduction in carbon footprint and enhancement of sustainable business operations.
Environmental Compliance and Pollution Control	Risk	The Company's manufacturing operations involve handling of chemicals and are subject to environmental laws and regulations relating to air emissions, water discharge and waste management.	The Company has established systems and procedures to ensure compliance with applicable environmental regulations. Periodic statutory filings relating to air and water compliance are submitted to the regulatory authorities. Internal reviews and external audits are conducted regularly to monitor compliance. The Company also operates pollution control systems and undertakes continuous monitoring of environmental parameters to ensure adherence to prescribed standards.	Negative – In case of non-compliance due to regulatory actions, penalties, operational disruptions and reputational risks.

26. Overview of the entity's material responsible business conduct issues (contd.)

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Occupational Health and Safety	Risk	The Company's manufacturing operations involve handling of chemicals and operation of process equipment, which may expose employees and contract workers to occupational health and safety risks. Maintaining a safe workplace is essential for protecting employees, ensuring business continuity and complying with applicable regulatory requirements.	The Company has implemented safety policies and procedures aimed at maintaining a safe and healthy workplace. Regular safety training programmes, mock drills, safety inspections, safety committee meetings and awareness initiatives are conducted to strengthen the safety culture. The Company also conducts periodic health check-ups for employees. During FY 2025-26, the Company introduced AI-enabled monitoring systems for surveillance of critical operational areas to strengthen workplace safety, facilitate early identification of unsafe conditions and support timely corrective actions. Incident reporting and investigation mechanisms are in place to identify root causes and implement corrective and preventive measures.	Negative – Workplace incidents may result in operational disruptions, increased compliance costs, legal liabilities, compensation claims and reputational impact.
Water Management and Water Stewardship	Risk	Water is a critical resource for the Company's manufacturing operations. Sustainable water management is essential for operational continuity, resource efficiency and environmental stewardship.	The Company sources water from SIPCOT and continuously monitors water consumption across its operations. Water conservation measures, including rainwater harvesting and water recycling initiatives, have been implemented to optimize water usage and improve resource efficiency. The Company remains committed to responsible water management and reducing dependence on freshwater resources wherever feasible.	Negative – Water scarcity, supply disruptions, regulatory restrictions or increased water procurement costs may adversely impact operations and profitability.
Supply Chain and Raw Material Availability	Risk	The Company's manufacturing operations depend on the timely availability of key raw materials, utilities and logistics services. Any disruption in the supply chain or volatility in raw material prices may affect production schedules, operating costs and customer commitments.	The Company maintains relationships with multiple suppliers, undertakes periodic assessment of supplier performance and monitors inventory levels of critical raw materials. The Company also focuses on procurement planning and supply chain coordination to support continuity of operations and timely fulfillment of customer requirements.	Negative – Supply disruptions, logistics challenges or significant fluctuations in raw material prices may increase operating costs, impact production schedules and affect profitability.

26. Overview of the entity's material responsible business conduct issues (contd.)

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Human Capital Development and Talent Management	Opportunity	The Company's continued growth and operational excellence depend on attracting, developing and retaining skilled employees. Investing in employee capability building and talent development supports productivity, innovation, succession planning and long-term business sustainability.	The Company focuses on employee training, skill enhancement and professional development through various learning and development initiatives. Regular training programmes are conducted to strengthen technical competencies, operational excellence, safety awareness and leadership capabilities. The Company also promotes employee engagement and a collaborative work culture to support talent retention and organizational growth.	Positive – A skilled and engaged workforce contributes to improved productivity, operational efficiency, innovation and long-term business growth.
Sustainable Growth and Product Innovation	Opportunity	The Company's long-term growth is dependent on expanding its product portfolio, developing value-added products, undertaking strategic capital investments and addressing evolving customer and industry requirements. Innovation and capacity expansion support business competitiveness and sustainable growth.	The Company continues to focus on product development, process improvements and strategic growth initiatives to strengthen its market position. Ongoing investments in capacity expansion and new projects, including the proposed manufacturing facility, are expected to support future growth opportunities and enhance the Company's product offerings.	Positive – Product innovation, capacity expansion and successful execution of strategic projects may contribute to revenue growth, improved profitability, market diversification and long-term value creation for stakeholders.
Customer Satisfaction	Opportunity	Customer satisfaction is critical for maintaining long-term business relationships, strengthening customer trust and enhancing the Company's market position. Understanding customer requirements and feedback helps improve product quality, service standards and business growth.	The Company maintains regular interactions with customers to understand their requirements and obtain feedback on its products and services. Customer feedback is reviewed and considered for continuous improvement in product quality, service delivery and customer experience. The Company also provides product safety information through Material Safety Data Sheets (MSDS)/ Safety Data Sheets (SDS) and technical support, as required.	Positive: Higher customer satisfaction supports customer retention, repeat business opportunities, strengthened customer relationships and sustainable revenue growth.

26. Overview of the entity's material responsible business conduct issues (contd.)

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Corporate Governance and Ethical Business Conduct	Risk and Opportunity	Strong corporate governance practices promote transparency, accountability, ethical conduct and stakeholder confidence. Effective governance supports sustainable business growth and regulatory compliance	The Company has established a governance framework comprising policies, codes and internal controls to ensure compliance with applicable laws and ethical business practices. The Board and its Committees periodically review governance matters, risk management, compliance and stakeholder concerns. The Company also has a Whistle Blower Policy and Code of Conduct to promote integrity and responsible business conduct.	Positive – Strong governance practices enhance stakeholder confidence, support long-term value creation and reduce regulatory and compliance risks. Negative – Governance failures may result in regulatory actions, financial penalties and reputational impact
Chemical Handling and Process Safety	Risk	Manufacturing, storage and handling of hazardous chemicals involve inherent process safety risks which may impact employees, assets, communities and business operations.	The Company has implemented process safety management systems, standard operating procedures and emergency response mechanisms across its operations. Regular safety audits, inspections, risk assessments, mock drills and preventive maintenance activities are carried out to strengthen process safety and minimize operational risks. Employee training and awareness programmes are also conducted on a regular basis.	Negative – Process safety incidents may result in operational disruptions, regulatory actions, remediation costs and reputational impact.
Biodiversity and Ecological Conservation	Risk	The Company's manufacturing operations are subject to environmental regulations and operate within a broader ecosystem. Protection of biodiversity and ecological resources is important for maintaining environmental sustainability, regulatory compliance and responsible business operations.	The Company undertakes greenbelt development and tree plantation activities within and around its operational areas. Environmental management practices relating to pollution control, waste management, water conservation and monitoring of environmental parameters are implemented to minimize ecological impact and support biodiversity conservation. The Company continues to comply with applicable environmental regulations and promotes sustainable environmental practices across its operations.	Negative – Adverse impact on biodiversity or non-compliance with environmental requirements may result in regulatory actions, remediation costs, operational restrictions and reputational impact.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes, the statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.								
	c. Web Link of the Policies, if available	We adhere to Anupam Rasayan India Limited's Code of Conduct and policies, which are available on website at www.anupamrasayan.com/sustainability/policies/ .								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4	Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	We are practicing following Standards: 1. ISO 9001:2015 – Quality Management System 2. ISO 14001:2015 – Environment Management System 3. ISO 45001:2018 – Occupational Health & Safety Management System								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company continuously undertakes initiatives relating to energy efficiency, renewable energy adoption, water conservation, pollution control and waste management. While specific long-term sustainability targets with defined timelines have not been formally adopted, the Company remains committed to improving its environmental and operational performance on an ongoing basis.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	During FY 2025-26, the Company continued to undertake initiatives relating to renewable energy adoption, energy efficiency, water conservation and environmental management. The Company sourced approximately 1.30 million kWh of renewable energy through solar and wind power during the year and continued to implement water recycling, rainwater harvesting and pollution control measures across its operations.								
Governance, Leadership and Oversight										
7.	Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:	The Company remains committed to conducting its business in a responsible, sustainable and ethical manner while creating long-term value for all stakeholders. During FY 2025-26, the Company continued its focus on environmental stewardship, operational excellence, workplace safety and responsible resource management. Key initiatives undertaken during the year included increased adoption of renewable energy sourced from solar and wind power, implementation of water conservation measures, strengthening of environmental compliance systems and introduction of AI-enabled monitoring systems to enhance workplace safety. The Company recognizes the challenges associated with climate change, resource efficiency, environmental compliance and evolving stakeholder expectations, and remains committed to addressing these challenges through continuous improvement and sustainable business practices. Going forward, the Company will continue to focus on enhancing energy efficiency, increasing the use of renewable energy, strengthening safety standards and supporting sustainable growth across its operations.								

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES (Contd.)

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (i.es).	1. Mr. Afzal Malkani Managing Director 2. Mr. N. R. Ravichandran Chief Financial Officer								
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	No								
10. Details of Review of NGRBCs by the company:										
Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee										
Performance against above policies and follow up action		This will be reviewed by our committee members on half yearly basis.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances		Yes								
Frequency (Annually/Half yearly (HY)/Quarterly/Any other – please specify)										
Performance against above policies and follow up action		HY								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances		HY								
11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No. However, the Company's policies, processes, and internal control mechanisms are periodically reviewed and evaluated internally to ensure their effectiveness, relevance, and alignment with the Company's operational and regulatory requirements. Necessary improvements and corrective measures are implemented from time to time based on such evaluations								
Questions										
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:										
The entity does not consider the principles material to its business (Yes/No)										
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										
The entity does not have the financial or/human and technical resources available for the task (Yes/No)										
It is planned to be done in the next financial year (Yes/No)										
Any other reason (please specify)										

NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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



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

Essential Indicators

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

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	7	Familiarization programmes for the Board of Directors/KMPs of the Company are done periodically. The topics of the programmes includes business and industry updates, risk management, important regulatory changes and compliances of various statutory requirements, updating on various Codes/ Policies of the Company, environmental, social and governance parameters, legal cases, etc	100%
Key Management Personnel	7		
Employees other than BODs & KMPs	64 (Training Hours – 3404)	1. Code of Conduct	100%
Workers		2. Human Rights	
		3. Anti-discrimination	
		4. Anti-harassment	
		5. POSH	
		6. Safety and Health Policy	
		7. Induction Training for new employees	

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

a. Monetary

Type	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NA	The Chief Judicial Magistrate Court, Cuddalore.	₹ 85,000	The Deputy Director of Industrial Safety & Health filed case No. CC 795/2025 against Management Under Factory Act The Chief Judicial Magistrate (CJM) Court, Cuddalore pertaining to Late Mr. U.Purushothaman and the injured Employee Mr. R. Devanathan, and case is closed on Dated. 27-10-2025	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

b. Non-Monetary

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

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

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

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

Yes. The Company is committed to maintaining the highest standards of ethical and lawful business conduct. While the Company does not have a separate Anti-Bribery or Anti-Corruption Policy, these principles are firmly embedded in its Code of Conduct and other governance policies. The Code of Conduct applies to Directors, employees and other stakeholders associated with the Company and outlines a clear stance against any form of bribery, corruption or unethical behaviour. It prohibits offering, accepting or soliciting any undue advantage, gift, payment or favour that may improperly influence business decisions. The Company has also established a Whistle Blower Policy that enables employees and other stakeholders to report concerns relating to unethical conduct, bribery, corruption or violations of applicable laws and regulations. Through these mechanisms, the Company promotes a culture of integrity, accountability and ethical business practices across its operations.

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

Category	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

Topic	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of conflict of Interest of KMPs				

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

During FY 2025-26, the Company did not report any such cases.

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

Topic	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	26	40

9. Open-ness of business

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

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	16.98%	18.13%
	b. Number of trading houses where purchases are made from	239	229
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	85.27%	85.25%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	20.15%	13.55%
	b. Number of dealers/distributors to whom sales are made	9	3
	c. Sales to top 10 dealers/Distributors as % of total sales to dealers/distributors	100%	100%
Share of RPTs In	a. Purchases (Purchases with related parties/Total Purchases)	0.43%	0.31%
	b. Sales (Sales to related parties/Total Sales)	1.88%	3.57%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties/Total Investments made)	100%	100%

Leadership Indicators

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

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

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

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

established a comprehensive Code of Conduct that is applicable to all employees, senior management, and the Board of Directors. This Code includes clear provisions related to conflicts of interest, ensuring that all individuals are aware of their responsibilities to avoid situations that may compromise their impartiality or integrity.

The Code of Conduct can be accessed at <https://tanfac.com/investors/governance-policies/code-of-conduct>

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



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

Essential Indicators

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

Type	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	7.23%	19.29%	Implementation of air pollution control systems to enhance emission control and environmental performance.
Capital Expenditure (CAPEX)	1.81%	80.71%	

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

The entity has no set procedure in place for sustainable sourcing however, Vendors are onboarded after due diligence to ensure alignment with our expectations, including labor standards, data security, and environmental compliance. Regular assessments and engagement initiatives are conducted to promote awareness and strengthen sustainable practices across the supplier ecosystem.

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

Not Applicable

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

a. Plastics (including packaging)	Not Applicable. The Company's products are industrial chemicals and the Company does not have any product take-back mechanism for plastics or packaging at the end of life. Plastic waste generated, if any, during operations is disposed of through authorized recyclers in accordance with applicable regulations.
b. E-waste	E-waste generated from the Company's operations is disposed of through authorized e-waste recyclers in compliance with applicable environmental regulations.
c. Hazardous waste	The Company has established systems and procedures for the safe handling, storage, transportation and disposal of hazardous waste generated during its manufacturing operations. Hazardous waste is disposed of through authorized recyclers, co-processing facilities and treatment, storage and disposal facilities (TSDFs), as applicable, in accordance with the provisions of applicable environmental laws and regulations.
d. Other waste	Non-hazardous waste generated from operations is segregated and disposed of through authorized agencies. The Company continues to undertake initiatives for waste reduction, reuse and recycling, wherever feasible.

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

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

Leadership Indicators

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

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

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

Sr. No.	Name of the product	Description of the risk	Action Taken
NA			

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lime sludge	0.1%	1.30%
Sulfur sludge	0.03%	0.02%

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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

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

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

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

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



Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	176	176	100%	176	100%	0	0%	NA	NA	NA	NA
Female	6	6	100%	6	100%	6	100%	0	0%	0	0%
Total	182	182	100%	182	100%	6	100%	NA	NA	NA	NA
Other than Permanent Employees											
Male	0	0	0%	0	0%	0	0%	0	0%	NA	NA
Female	0	0	0%	0	0%	0	0%	0	0%	NA	NA
Total	0	0	0%	0	0%	0	0%	0	0%	NA	NA

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	9	9	100%	9	100%	0	0%	NA	NA	NA	NA
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	9	9	100%	9	100%	0	0%	0	0%	0	0%
Other than Permanent Workers											
Male	415	0	0%	415	100%	NA	NA	NA	NA	NA	NA
Female	12	0	0%	12	100%	NA	NA	NA	NA	NA	NA
Total	427	0	0%	427	100%	NA	NA	NA	NA	NA	NA

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

Topic	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.10%	4.11%

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

Sr.	Benefits	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)			FY 2023-24 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1.	PF	100%	100%	Yes	100%	100%	Yes	100%	100%	Yes
2.	Gratuity	100%	100%	Yes	100%	100%	Yes	100%	100%	Yes
3.	ESI	0%	0%	NA	0%	0%	NA	0%	0%	NA

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

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

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

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

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

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

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

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

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

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil
Permanent Workers						
Male	9	9	100%	9	9	100%
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total	9	9	100%	9	9	100%

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

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current FY)					FY 2024-25 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	176	176	100%	176	100%	165	165	100%	165	100%
Female	6	6	100%	6	100%	4	4	100%	4	100%
Total	182	182	100%	182	100%	169	169	100%	169	100%
Workers										
Male	9	9	100%	9	100%	9	9	100%	9	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	9	9	100%	9	100%	9	9	100%	9	100%

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

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	176	176	100%	165	165	100%
Female	6	6	100%	4	4	100%
Total	182	182	100%	169	169	100%
Workers						
Male	9	9	100%	9	9	100%
Female	0	0	0%	0	0	0%
Total	9	9	100%	9	9	100%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) If yes, the coverage such system? Yes, the ISO 45001:2018, Occupational Health and Safety Management System has been comprehensively implemented throughout factory premises, ensuring coverage for all employees, contract workers, and external parties engaged in activities at or visiting the Company's site.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? The Company has established comprehensive methodologies for hazard identification and assessment, aimed at identifying work-related hazards in both routine and non-routine activities:
- **Process-Related Hazards:** The Company uses Hazard Operability (HAZOP) to ensure thorough identification and assessment.
 - **Routine and Non-Routine Activities:** These are managed through the implementation of Hazard Identification and Risk Assessment (HIRA) procedures.
 - **Exposure-Related Activities:** Health Risk Assessment (HRA) is conducted to identify and evaluate these activities.

10. Health and safety management system: (Contd.)

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes, the Company has a robust incident reporting procedure in place, including provisions for training on accident reporting. This training covers the reporting of accidents, near-misses, unsafe acts, and unsafe conditions.
d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, TANFAC ensures comprehensive healthcare coverage for all employees and workers through various schemes, including Mediclaim, life-term insurance policies, and ESIC (Employees' State Insurance Corporation). Health promotion services and programs are personalized according to routine medical assessments. The Company emphasizes healthy dining choices in the canteen and offers recreational amenities including a gym with indoor sports like table tennis, as well as outdoor games like cricket and badminton. Additionally, Occupational Health Center (OHC) is accessible to all workers for nonoccupational medical consultations, bolstering the overall healthcare support provided to employees and workers across the organization

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

Safety Incident/Number	Category	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	1.35
	Workers	0.579	0.67
Total recordable work-related injuries	Employees	0	2
	Workers	1	1
No. of fatalities	Employees	0	1
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

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

- Hazard and Operability (HAZOP):** Used for process-related hazards.
- Hazard Identification and Risk Assessment (HIRA):** Applied to routine and non-routine activities.
- Quantitative Risk Assessment (QRA):** Used for Emergency Planning.
- Health Risk Assessment (HRA):** Implemented to identify and address exposure-related activities.
- Job Safety Analysis (JSA):** Implemented to identify hazard and implementation of risk control measures before execution of each maintenance activity for safe execution of work.
- Safety Audits:** Used to identify the Hazards and risk and improvements activities.
- Pre Start Up Safety Review (PSSR):** Used to ensure safe start up of the process plants.

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

During this year, the Company has:

- Undertaken internal and external audits to systematically and comprehensively evaluate its occupational health and safety practices, policies, and procedures.
- Prioritized employee training in occupational health and safety, providing regular sessions that amounted to an average of 53.06 hours per employee.

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

Topic	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety		Nil	NA		Nil	NA

14. Assessments for the year:

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

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

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

Leadership Indicators

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

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

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

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

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

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

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current FY 2025-26	Previous FY 2024-25	Current FY 2025-26	Previous FY 2024-25
Employees	0	1	Nil	1
Workers	1	Nil	Nil	Nil

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

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

5. Details on assessment of value chain partners:

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

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

Not applicable.

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



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

Essential Indicators

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

We consider individuals, groups, institutions, or entities that contribute to shaping our business, that add value or constitute a core part of the business value chain as key stakeholders. Our stakeholders are both internal and external, and direct as well as indirect. Our process of identification and classification of the stakeholders is defined by their interest, impact and participation in operations of the Company including engagement on various environmental, social and governance matters. Delivering on stakeholder needs, interests and expectations are integral to the way we operate. We keenly listen to our stakeholders and have established various touchpoints and tools for communication, advocacy and engagement. Our key stakeholders include employees, investors, suppliers and partners, customers, government authorities, healthcare professionals, patients and the community.

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

Stakeholder Group	Whether identified as a Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers and Suppliers	No	Engaging in one-on-one interactions, conducting customer satisfaction surveys, and making follow-up calls after resolving complaints. Offering a customer service helpline and various communication channels, including email, phone, and in-person meetings as required. Utilizing emails, supplier portals, collaborative platforms, supplier forums, and regular face-to-face meetings to ensure effective engagement	As and When Required	Responding to customers improves satisfaction and brand image. Understanding needs helps to improve products. Supplier feedback boosts quality and collaboration. Supporting growth and ensuring ethical practices strengthens the supply chain
Employees and Workers	No	We use digital as well as physical channels of communication including but not limited to e-mails, newsletters, intranet, townhalls and leadership touchpoints, pulse surveys for employee feedback and redressal, and appraisal and training programmes for personal and professional growth.	Daily	Through multiple physical and digital channels of communication, we aim to provide our employees a safe, inclusive and empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Employees can share concerns in the open Forum. The focus is on employee development, benefits, employee issues, and career growth.
Communities	No	Email, Telephone, Community meetings, Social media, Community events etc.	As and When Required	Education support, Infrastructure development, Training & livelihood programs and Participation in social services
Investors & Shareholders	No	Email, Telephone, Virtual meetings, In person meetings, Newspaper, Website, Public disclosures, Annual reports, Conference calls, Shareholder meetings. Investor interactions/Calls.	Quarterly/ annually and whenever required	We engage with investors to update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks, our ESG goals/actions, and material events which may have a positive or negative impact on the performance of the Company.
Governments and Regulatory Bodies	No	E-mails and letters, Conferences, Industry forums, regulatory filings, meetings with officials, and representation	On periodical basis whenever required	We are dedicated to ensuring timely compliance with all laws and regulations while maintaining transparency and openness in our operations. We strictly follow environmental laws, make prompt payments of dues and taxes, and actively support government initiatives to contribute positively to regulatory bodies and programmes.

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

Stakeholder Group	Whether identified as a Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Bankers	No	Periodical Meetings	As and when required	Grasping banking compliance, fostering relationships with bankers, and overseeing banking and credit facilities are essential. Key areas of focus include regulations, compliance, credit facilities, and relationship management. Concerns include noncompliance, strained relationships, and restricted access to credit facilities.

Leadership Indicators

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

The Company engages with its stakeholders, including shareholders, customers, employees, suppliers, regulators and local communities, through various communication channels such as investor meetings, stakeholder interactions, customer engagements, employee feedback mechanisms and statutory disclosures. The Stakeholders Relationship Committee oversees stakeholder engagement and grievance redressal processes, while significant stakeholder concerns and feedback are placed before the Board and its Committees, as appropriate, for consideration and necessary action.

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

The Company engages with various stakeholders, including employees, customers, shareholders, regulators, suppliers and local communities, to understand their expectations and concerns relating to environmental and social matters. Feedback received through these interactions is considered while implementing initiatives relating to workplace safety, environmental compliance, resource conservation, community development and other sustainability-related activities.

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

The Company engages with local communities in the areas surrounding its operations through various Corporate Social Responsibility (CSR) initiatives and community development programmes. During the year, the Company continued to support initiatives in the areas of education, healthcare, skill development and community welfare. The Company also undertakes regular engagement with local stakeholders to understand community needs and support inclusive and sustainable development.

PRINCIPLE 5: Businesses should respect and promote human rights



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

Essential Indicators

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

Category	FY 2025-2026 (current FY)			FY 2024-25 (previous FY)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	182	182	100%	169	169	100%
Other than permanent	0	0	0%	0	0	0%
Total	182	182	100%	169	169	100%
Workers						
Permanent	9	9	100%	9	0	0%
Other than permanent	427	427	100%	381	0	0%
Total	436	436	100%	390	0	0%

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

Category	FY 2025-26 (Current FY)					FY 2024-25 (Previous FY)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	176	NA	NA	176	100%	165	NA	NA	165	100%
Female	6	NA	NA	6	100%	4	NA	NA	4	100%
Other than Permanent										
Male	0	0	0	0	0	0	NA	NA	0	0%
Female	0	0	0	0	0	0	NA	NA	0	0%
Workers										
Permanent										
Male	9	NA	NA	9	100%	9	NA	NA	9	100%
Female	0	NA	NA	0	0%	0	NA	NA	0	0%
Other than Permanent										
Male	415	123	30%	292	70%	371	284	76.55%	87	23.45%
Female	12	12	100%	0	0%	9	9	100%	0	0%

3. Details of remuneration/salary/wages:

a. Median remuneration/wages:

Category	Male		Female	
	Number	Median remuneration/salary/wages of respective category (INR in Lacs)	Number	Median remuneration/salary/wages of respective category (INR in Lacs)
Board of Directors (BoD)	6		2	
A) Executive Directors	1	36.96	0	NA
B) Non – Executive Non – Independent Director	2	NA	1	NA
C) Non – Executive Independent Director	3	NA	1	NA
Key Managerial Personnel	3	125.69	0	NA
Employees other than BoD and KMP	178	8.22 to 8.13	6	6.74
Workers	9	4.09	0	NA

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

Topic	FY 2025–26 (Current Financial Year)	FY 2024–25 (Previous Financial Year)
Gross wages paid to females as % of total wages	1.50%	1.38%

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

The Company has designated governance structures to address human rights-related concerns across its operations. The Human Resource Officer (HRO) serves as the nodal authority for overseeing and addressing human rights impacts or issues arising from business activities. In addition, the Internal Committee (IC) under the Prevention of Sexual Harassment (POSH) framework, chaired by a designated member, is responsible for addressing complaints related to workplace harassment and ensuring a safe and respectful work environment. These mechanisms are supported by defined policies and processes to ensure timely identification, review, and resolution of human rights-related concerns.

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

The Company has established structured internal mechanisms to address and resolve grievances related to human rights across its operations. These mechanisms sets out the Company's commitment to ethical conduct, respect for human rights, and responsible business practices. Employees and other stakeholders are provided with formal channels to report concerns, including the Whistle-blower Policy and Vigil Mechanism, which enables confidential reporting of grievances related to unethical conduct, discrimination, harassment, or any violation of human rights principles. All reported concerns are reviewed through defined processes to ensure timely investigation and appropriate resolution. In addition, the Internal Committee (IC) under the Prevention of Sexual Harassment (POSH) framework addresses complaints related to workplace harassment, ensuring a safe and respectful work environment. These mechanisms are supported by established HR policies, regular training and awareness programmes, and oversight by designated authorities to ensure effective implementation. The Company further reinforces its commitment through fair labour practices, including adherence to statutory wage requirements and ensuring that employees and workers are compensated in line with or above applicable minimum wage standards.

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

	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	NA	NA	Nil	NA	NA
Discrimination at workplace	Nil	NA	NA	Nil	NA	NA
Child Labour	Nil	NA	NA	Nil	NA	NA
Forced Labour/ Involuntary Labour	Nil	NA	NA	Nil	NA	NA
Wages	Nil	NA	NA	Nil	NA	NA
Other human rights related issues	Nil	NA	NA	Nil	NA	NA

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

Topic	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

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

The Company has established safeguards under its Whistle-blower Policy and Vigil Mechanism to protect complainants from any adverse consequences. The policy ensures strict confidentiality of the complainant's identity and the information shared, with access restricted only to authorised personnel involved in the review and investigation process.

The Company follows a zero-tolerance approach towards retaliation, victimisation, or any form of adverse action against individuals who report concerns in good faith. Any such instances are treated seriously and addressed in accordance with the Company's disciplinary framework.

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

Human rights considerations are integrated into the Company's business agreements and contractual frameworks. These requirements reinforce expectations relating to ethical conduct, fair labour practices, non-discrimination, and compliance with applicable laws and regulations across the value chain.

The inclusion of such provisions enables the Company to promote responsible business practices and ensure alignment of its partners with its human rights commitments.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

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

Internal audit and external audits are in place, and corrective actions are being taken by the inquiry/committee.

Leadership Indicators

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

As the Company has not received any major human rights grievances/complaints, there was no need to modify/introduce any business process.

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

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

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

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

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	The Company is committed to promoting responsible and ethical business practices across its value chain. Formal assessment of value chain partners relating to child labour, forced labour, sexual harassment, workplace discrimination and compliance with applicable labour laws, including wages and benefits, is currently under development.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

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

Not Applicable

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



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

Essential Indicators

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (in GJ)	4,691	Nil
Total fuel consumption (B) (in GJ)	Nil	Nil
Energy consumption through other sources (c) (in GJ)	65,871	Nil
Total energy consumption (A+B+C) (in GJ)	70,562	Nil
From non-renewable sources		
Total electricity consumption (D)	42,697	25,904
Total fuel consumption (E)	4,61,095	3,56,522
Energy consumption through other sources (F)	Nil	5,9917
Total energy consumed from nonrenewable Sources (D+E+F)	5,03,792	4,42,343
Total energy consumed (A+B+C+D+E+F)	5,74,354	4,42,343
Energy intensity per rupee of turnover (Total energy consumption/Revenue from operations) (in GJ per INR)	0.00008051	0.0000794
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.00141869	0.001641
Energy intensity in terms of physical output	0.0023958	0.00371
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

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

No. The Company does not operate any facility identified as a Designated Consumer (DC) under the Performance, Achieve and Trade (PAT) Scheme of the Bureau of Energy Efficiency, Government of India. Accordingly, no targets have been prescribed for the Company under the PAT Scheme.

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	6,44,283	5,73,755
(iv) Seawater/desalinated water	0	0
(v) Others (Rainwater storage)	0	0
Re-used (Steam Condensate)#	1,04,893	91,314
Total volume of water withdrawal (in kiloliters) (I + ii + iii + iv + v)	6,44,283	5,73,755
Total volume of water consumption (in kiloliters)	5,70,525	5,03,646
Water intensity per rupee of turnover (Water consumed/turnover) (liters per INR)	0.00007997	0.08995
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) (KL per USD)	0.00160661	0.00187
Water intensity in terms of physical output	0.002380	0.0042
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	m ³	-	-
- No treatment	m ³	-	-
- With treatment	m ³	-	-
(ii) Into Groundwater	m ³	-	-
- No treatment	m ³	-	-
- With treatment	m ³	-	-
(iii) Into Seawater	m ³	-	-
- No treatment	m ³	-	-
- With treatment	m ³	-	-

4. Provide the following details related to water discharged: (Contd.)

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
(iv) Sent to third-parties	KL	-	-
- No treatment	m ³	-	-
- With treatment – We have primary, secondary (MEE & ATFD) and tertiary treatment facility available for effluent treatment after stream segregation at source.	KL	73,758.7	70,109
(v) Others	m ³	-	-
- No treatment	m ³	-	-
- With treatment	m ³	-	-
Total water discharged (in kilolitres)	KL	73,758.7	70,109

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

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

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

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

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	Tonne/Year	139.71	40.67
SOx	Tonne/Year	133.93	64.85
Particulate matter (PM)	Tonne/Year	92.84	22.77
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

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

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

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	43226.55	29922
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	7507	5232
Total Scope 1 and Scope 2 Emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	t CO ₂ e/₹	0.000007111	0.00000631
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Kg CO ₂ e/\$ US	0.00014287	0.000130
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.0002116	0.00030
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		–	–

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

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

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

The Company entered into agreements with TNEB for procurement and utilization of renewable energy sources including solar and wind power, with an investment commitment of approximately ₹15 lakhs. During the last quarter of FY 2025–26, the Company sourced around 1,303,036 kWh of renewable energy through solar and wind power, contributing towards reduction in greenhouse gas emissions and supporting the Company's long-term decarbonization and sustainable energy transition goals. The renewable energy consumption is expected to further increase during FY 2026–27.

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	167.36	120.56
E-waste (B)	1.86	0
Bio-medical waste (C)	0.0005	0.006875
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)		

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	1,884.94	1,188
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	915.46	390
Total (A+B + C + D + E + F + G+ H)	2,969.62	1,699
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.00000042	0.000000305
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.00000836	0.000006300
Waste intensity in terms of physical output	0.000012387	0.0000143
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Re-used	21,182	35,631
(ii) Re-used by product	0	0
(iv) Recycled	108.13	663.82
(v) Coprocessing	1,701.56	266.18
(vi) Non-Hazardous waste	915.64	384.44
Total	23,907.33	36,945.44
For each category of waste generated, total waste disposed by nature of disposal method		
(i) Incineration	Nil	Nil
(ii) Landfilling	75.25	64
(iii) Other disposal operations	Nil	Nil
Total	75.25	64

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

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

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

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

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

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

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

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

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

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

Specify the law/regulation/guidelines which was not complied with	Provide details of non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NIL	NIL	NIL	NIL

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

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

Leadership Indicators

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

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

(i) Name of the area

(ii) Nature of operations

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)			
(i) Surface water	m ³	Nil	Nil
(ii) Groundwater	m ³	Nil	Nil
(iii) Third party water	m ³	Nil	Nil
(iv) Seawater/desalinated water	m ³	Nil	Nil
(v) Others	m ³	Nil	Nil
Total volume of water withdrawal (in kilolitres)	m³	Nil	Nil
Total volume of water consumption (in kilolitres)	m³	Nil	Nil
Water intensity per rupee of turnover (Water consumed/turnover)	KL per crore INR	Nil	Nil
Water intensity (optional) – therelevant metric may be selected by the entity			
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil
(ii) Into Groundwater	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
(iii) Into Seawater	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil
(iv) Sent to third-parties	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil
(v) Others	m ³	Nil	Nil
- No treatment	m ³	Nil	Nil
- With treatment – please specify level of treatment	m ³	Nil	Nil
Total water discharged (in kilolitres)	m³	Nil	Nil

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

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ if available)	TCO ₂ e	1,10,691	65,931
Total Scope 3 emissions per rupee of turnover	T CO ₂ e/ INR	0.00001552	0.0000118
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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

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

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

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

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

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

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

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

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

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

Not Applicable

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



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

Essential Indicators

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

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

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

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Madras Management Association (MMA)	National
2	Chemical Industries Association (CIA)	National
3	Indian Chemical Council (ICC)	National
4	Confederation of Indian Industry (CII)	National
5	The Madras Chamber of Commerce & Industries (MCCI)	National

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

In the fiscal year 2025-26, the Company upheld an outstanding record, receiving no adverse rulings from regulatory authorities. This accomplishment underscores our dedication to fostering a workplace environment centered on integrity, fairness, and ethical decision-making.

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

Leadership Indicators

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

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

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.



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

Essential Indicators

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

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

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

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

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

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

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

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

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

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

	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Directly sourced from MSMEs/Small producers	5.64%	4.76 %
Sourced directly from within the district and neighbouring districts	32.73%	22.55%
Sourced from outside India (Import)	61.37%	71.94%

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

	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Rural	NA	6.51%
Semi-urban	NA	NA
Urban	98.6%	NA
Metropolitan	1.4%	NA

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

Leadership Indicators

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

Not Applicable

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

Sr. No.	State	Aspirational District	Amount Spent in INR
NA	NA	NA	NA

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

No

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

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

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

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

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

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

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

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

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Education - Anandham Youth Foundation -Higher education support to Meritorious students from Economically Weaker families through Anandham Youth Foundation - Namma School Foundation, Tamil Nadu Government Online Payment - Support to Three Government Schools in nearby villages Rasapettai, Sothikuppam & Pachayankuppam for infrastructure improvement - Support to Government Middle School, Sothikuppam and Government Primary School, Rasapettai - Provided Smart Interactive Panel TV System 65 Inch for each School - Education support to Government Nursery and Primary School. Ayeepuram, Cuddalore District through Alameluammal Educational Development Trust -Financial support provided for Wheel Chairs, School Desk, Smart TV Projector and Uniforms for Differently abled children in Government Nursery and Primary School, Ayeepuram. - Sri Rishab Jain School - Financial Support provided to Sri Rishab Jain School for good cause medical requirements to mentally retarded children through Shri Santhi Jain Welfare Trust - Support to Sri Vidhya Kalakenrum School, Thiruvandipuram, Cuddalore - Provided Smart Interactive Panel TV System 65 Inches - Dr. Ramadoss Educational Institutions - Financial Support provided for infrastructure improvement for the students from economically weaker families - Vela Institutions, Villupuram District - Financial Support provided for toilets/bathrooms construction for differently abled children - Akshyapatra foundation, Puducherry - Financial support provided to Akshyapatra foundation for midday meal program in Govt Schools - Government High School, Rasapettai -Provided Education study support materials to Xth students for public exam to Government High school, Rasapettai & Provided Chairs. Steel Almirah with glass doors, Students Tables for this school	11,742	100 % beneficiaries are from vulnerable and marginalized group

6. Details of beneficiaries of CSR Projects. (Contd.)

Sr. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
	- Sanvi educational and charitable trust - Financial Support provided for establishment of smart learning infrastructure with AI based learning tools to children in rural community through Sanvi educational and charitable trust - Support to District Fire Office, Cuddalore -Provided an Interactive Panel TV system 75 inches to Training center, District Fire Office, Cuddalore - Government Schools in nearby villages for National Day Celebration - Study Support materials provided to nearby Government schools in villages Rasapettai, Sothikuppam, Kannarapettai and Eachankadu during Republic Day Celebration & Refreshment provided for Public and students during Republic Day celebration conducted by District Administration - Government Schools in nearby villages for National Day Independence Celebration - Study Support materials provided to nearby Government schools in villages Rasapettai, Sothikuppam, Kannarapettai and Eachankadu during Independence Day Celebration & Refreshment provided for Public and students during Independence Day celebration conducted by District Administration		
2.	Health - Support to Government Hospital, Vridhachalam through District Administration - Payment to District Administration, Cuddalore towards Installation of RO plant at GH, Vridhachalam. - Support to Shine Children Home, Villupuram, JAL Trust - Financial Support for providing of lift for Cancer affected Children - Support to Hemophilia Society for treating hemophilia Patients -Financial Support provided for physiotherapy items and medicines for patients - Support to Mahatma Gandhi Foundation, Cuddalore - Provided CC TV system with cameras and a computer for monitoring and security of patients. - Support to Advanced Primary Health Centre (PHC) , Kannarapettai - Provided Medical Equipment's, Instruments and Furniture's to Advanced Primary Health Centre, Karaikadu. - Support to Mobility affected person through Revenue dept, Cuddalore - Provided Three-Wheeler Scooter-1 No to a mobility affected person through District Administration for Sustainable Livelihood of their family	4401	100 % of beneficiaries are from villages, who are from vulnerable and marginalised group.

6. Details of beneficiaries of CSR Projects. (Contd.)

Sr. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
3.	Infrastructure & Others - Support to Kudikadu and Karaikadu Panchayat Villages - Provided Electric Three-wheeler vehicle and Waste bins to Kudikadu Panchayat and Electric Three-wheeler vehicle to Karaikadu Panchayat for domestic solid waste management. - Support to Chinnakankankuppam Panchayat - Provided 2 Nos of Three-wheeler Garbage vehicle for domestic solid waste management - Support to SP office, Cuddalore - Provided Safety Hard Barricades, Computer Systems with printers and CC TV cameras to SP office for public security and grievance cell - Support to Revenue Divisional, District Revenue camp office and Collectorate- Provided computers, printers for handling of public grievances management and TV for monitoring incidences - Support to Pillaiyarmedu and Karaikadu villages - Provided Infrastructures to Pillaiyarmedu and Karaikadu villages - Chairs. Tables, Racks to Community Hall and Library Building. - Support for Sri Vidhya Kalakenrum School, Thiruvandipuram, Cuddalore - Financial support provided for construction of Toilets - Support to Iswariya Ladies service organization, Cuddalore - Financial support provided for infrastructure building revamping. - Support to DSP office ,Cuddalore - Provided Water purifier and furniture's- Chairs, Almirah and Table for the public use. - Support to Government Service Home. Cuddalore - Provided Fans and Furniture's Almirah to the Government Service Home, Cuddalore	35112	100 % beneficiary are from vulnerable and marginalised group.
4.	Environment - Desilting of Lakhs & Ponds through District Administration - Financial Support provided to District Administration for de silting and rejuvenation of 2 Numbers of irrigation tanks located in Nallur blocks of Cuddalore district in order to increase ground water recharge and ground water level for the benefit of agriculture Green Belt Maint. Plot No. 20- Maintenance Charges from Apr24 to Mar-25. - Green Belt Maintenance Plot No. 20 - Maintenance Charges from Apr25 to Mar-26 - Green Belt Maintenance Plot No. 29 - Maintenance Charges from Apr25 to Mar-26	21245	

6. Details of beneficiaries of CSR Projects. (Contd.)

Sr. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
	- Support to Tamil Nadu Pollution Control Board -Awareness on prevention of Single use Plastics - Provided Cotton Bags to Tamil Nadu Pollution Control Board through district Administration to make awareness to prevent use single use plastics among the public - Support to Chinnakanganankuppm Village Panchayat - Provided Domestic waste collection bins to Chinnakankankuppam Village - Support to Tamil Nadu Pollution Control Board -Electoral Awareness campaign through cotton bags - Provided Cotton bags to TNPCB through District Administration for electoral awareness campaign		
5.	Social Empowerment	340	
	- Support to Government Service Home Students, Cuddalore - Implemented Tanjore Painting Skill development program for Female Student residing in Government Service Home, Cuddalore MNTN Old age home. KN Pettai, Cuddalore -Support for providing of Cots, Pillows and Bed sheets + Gowsala Public Charitable trust - Support for Gowsala towards protection and maintenance of Cows - Support to Sri Bhagavan Mahavir Gowsala Public Charitable Trust - Financial support provided for maintenance of Cows - Support to Conference on CSR - Support to SHINE Indian Soldiers Welfare Foundation, Cuddalore - Support for National Armed Flag Day fund through TNPCB		

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

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

Essential Indicators

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

We have established a robust mechanism to address customer complaints efficiently. Customers may raise queries, grievances, or escalations through emails, phone calls, or direct messages to our sales managers. We prioritise prompt resolution, aiming to close complaints within 48 hours to avoid further loss. We also conduct a root cause analysis within 5 working days to identify underlying issues. Based on this, we implement corrective measures within 30 days of receiving the complaint, ensuring swift and effective resolution process.

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

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

3. Number of consumer complaints:

	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Others	Nil	Nil	NA	Nil	Nil	NA

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

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

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

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

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

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

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Nil

Leadership Indicators

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

Information relating to the products of the company is available on our website at: <https://tanfac.com/company>

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

The Company follows established safety protocols for the handling, storage and transportation of its products. Material Safety Data Sheets (MSDS)/Safety Data Sheets (SDS) are provided to customers, containing information on product composition, potential hazards, safe handling practices, storage requirements, emergency response measures and disposal guidelines. The Company also engages with customers, as required, to address product-related safety and usage queries and promote safe and responsible use of its product.

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

Currently, our ability to educate and inform end users about the risks of disruptions or discontinuation of essential services is somewhat limited. Consequently, we do not have a dedicated mechanism for this purpose. However, when critical communication, such as notifying users of any discontinuation of essential services or products, is necessary, we ensure it is effectively managed through direct mail or our established distribution network.

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

Yes. The Company complies with applicable laws and regulations relating to product information and safety disclosures. Product labels, hazard communication labels and Material Safety Data Sheets (MSDS)/Safety Data Sheets (SDS) and Globally Harmonized System (GHS) labels on each consignment for safe handling of the product, are provided along with product consignments to facilitate safe handling, storage, transportation and use of the Company's products. These documents contain information relating to product identification, hazard classification, precautionary measures and emergency response requirements.

Furthermore, The Company conducts routine customer satisfaction surveys involving both external and internal stakeholders. External customers participate annually, while internal customers are surveyed quarterly. Feedback from these surveys informs departmental initiatives aimed at improving service quality and meeting TANFAC's customer needs.



Assurance statement on third-party verification of sustainability information

Unique identification no.: **3153266236**

TÜV SÜD South Asia Pvt Ltd. (hereinafter TÜV SÜD) has been engaged by **TANFAC INDUSTRIES LIMITED, No.14, SIPCOT Industrial Complex, Kudikadu, Cuddalore - 607005, Tamil Nadu, India** for the period from 01 April 2025 to 31 March 2026.

The verification was carried out according to the steps and methods described below.

Scope of the verification

The third-party verification was conducted to obtain independent assurance about whether the Sustainability information is prepared in reference to BRSR standard/framework (hereinafter referred as "Reporting Criteria").

Reporting standard/framework

The disclosures have been prepared by **TANFAC INDUSTRIES LIMITED**, in reference to:

BRSR Core – Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.

BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023

The following sustainability indicators' reporting are included in the scope of the assurance engagement during the reporting period of FY 2025-2026 as listed below

Limited level of assurance of 'BRSR 9 Core Attributes'

and

Limited level of assurance for the rest non-financial quantitative disclosures in BRSR

(Ref: Annexure II of SEBI circular) for –

Section A: General Disclosures- 20-a, b, 21, 22, 25

Section-B Availability of Policies & Management Process

Section C: Principle Wise Performance Disclosure-

Principle 1: Essential Indicator 1, 2, 3, 5, 6, 8, 9

Principle 1: Leadership Indicator 2

Principle 2: Essential Indicator 4

Principle 2: Leadership Indicator 3

Principle 3: Essential Indicator 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14

Principle 3: Leadership Indicator 1, 3

Principle 5: Essential Indicator 1, 2, 3, 6, 7, 8

Principle 6: Essential Indicator 1, 3, 4, 6, 7, 9, 10

Principle 6: Leadership Indicator 2

Principle 8: Essential Indicators 3, 4, 5

Principle 8: Leadership Indicators 6

Principle 9: Essential Indicators 1, 2, 3, 5, 7



Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the BRSR reporting, and accordingly, we do not express a conclusion on this information.

It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.

Responsibility of the Company

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

Verification methodology and procedures performed

The verification engagement has been planned and performed in accordance with the verification methodology developed by the TÜV SÜD Group which is based on ISAE 3000 assurance engagement standard and ISO 17029.

Level of Assurance

Limited Level of assurance for the 9 core attributes of BRSR (Ref: Annexure I of SEBI circular)

Limited Level of assurance for the rest non-financial quantitative disclosures of BRSR report (Ref: Annexure II of SEBI circular).

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

- Inquiries of personnel who are responsible for the stakeholder engagement und materiality analysis to understand the reporting boundaries
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls
- Inquiries of company's representatives responsible for collecting, preparing and consolidating sustainability information and performing internal controls
- Analytical procedures and inspection of sustainability information as reported at group level by all locations
- Assessment of local data collection and management procedures and control mechanisms by conducting site visits at following locations as mentioned below:

Sl. No.	Company Name	Site Address
1	TANFAC INDUSTRIES LIMITED	Registered & Corporate office: No. 14, SIPCOT Industrial Complex, Kudikadu, Cuddalore - 607005, Tamil Nadu, India

Conclusion

Limited level of Assurance- BRSR 9 Core Attributes

On the basis of the assessment procedures carried out & evidence we have collected during 04 Jun 2026 to 06 Jun 2026, TÜV SÜD has not become aware of any facts that lead to the conclusion that the identified BRSR indicators of 9 Core Attributes (Listed in Annexure I of this statement) of BRSR for FY 2025-2026 has not been prepared, in all material aspects, in reference to the reporting requirements outlined in BRSR Core.



Limited Level of Assurance- BRSR Reporting Format

On the basis of the assessment procedures carried out from 04 Jun 2026 to 06 Jun 2026, TÜV SÜD has not become aware of any facts that lead to the conclusion that the selected non-core indicators have not been prepared, in all material aspects, in accordance with the Reporting Criteria.

Limitation

The assurance process was subject to the following limitations:

- The subject matter information covered by the engagement are described in the "scope of the engagement". Assurance of further information included in the BRSR reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on this information.
- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Use of this Statement

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

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

Independence and competence of the verifier

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

Mumbai, 01-09-2026

Prosenjit Mitra
General Manager- Verification, Validation and Audit
Management System Assurance

Pratik Pancholi
Verification Team Leader, TÜV SÜD
Management System Assurance



Annexure I

S.No	Attribute	Parameter	Cross reference to BRSR (P-Principles/ E- Essential Indicator)
1.	Green-house gas (GHG) foot-print Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*	Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) Total Scope 2 emissions (Break-up of the GHG (CO ₂ e) into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) GHG Emission Intensity (Scope 1 +2)	P6-E7
2.	Water footprint	Total water consumption Water consumption intensity Water Discharge by destination and levels of Treatment	P6-E3 P6-E4
3.	Energy footprint	Total energy consumed % of energy consumed from renewable sources Energy intensity	P6-E1
4.	Embracing circularity - details related to waste management by the entity	Plastic waste (A) E-waste (B) Bio-medical waste (C) Construction and demolition waste (D) Battery waste (E) Other Hazardous waste. Please specify, if any. (G) Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) Total waste generated ((A+B + C + D + E + F + G + H) Waste intensity Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations For each category of waste generated, total waste disposed by nature of disposal method	P6-E9
5.	Enhancing Employee Wellbeing and Safety	Spending on measures towards well being of employees and workers – cost incurred as a % of total revenue of the company	P3-E1 P3-E11



		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	
6.	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid Complaints on POSH	P5-E3 P5-E7
7.	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or nonpermanent /on contract) as % of total wage cost	P8-E4 P8-E5
8.	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events Number of days of accounts payable	P9-E7 P1-E8
9.	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	P1-E9

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 are 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 are 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 its knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The dividend declared or paid during the year as well as the dividend proposed (which is subject to members approval at the ensuing Annual General Meeting) by the Company are in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, 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

Sudesh Choraria

Partner
Membership No: 204936
UDIN: 26204936TJYBZE9331

Date: May 06,2026
Place: Chennai

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:

- a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There was no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.
- b) There are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the dispute	Period to which the amount relates	Forum where Dispute is Pending	Amount Unpaid/ (refund) ₹ in lakhs
TNGST Act, 1959	Levy of sales tax from sales affected through Pondicherry	1989-90 & 1990-91	Appeal before Tamil Nadu Sales Tax Appellate Tribunal	52.77
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:

- a) Based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders.
- b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) Based on our examination of the records of the Company, the Company has availed loans from banks and financial institutions. The amount of loan was applied for the purpose for which the loan was obtained. Further the Company has not availed any loans from Government or has not issued any debenture during the year.
- d) Based on the 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

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 **Tanfacs 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

Sudesh Choraria

Partner
Membership No: 204936
UDIN: 26204936TJYBZE9331

Date: May 06,2026
Place: Chennai

Statement of 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. 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

Sudesh Choria
Partner
Membership No. 204936

Afzal Malkani
Managing Director
DIN 07194226

Hemango Gupta
Chief Executive Officer

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

Dr. Ravichandran
Whole Time Director
DIN 02643264

N.R. Ravichandran
Chief Financial Officer

Place: Chennai
Date: 06.05.2026

S Vinod Kumar
Company Secretary

Statement of Profit and Loss

For the period 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 in Progress	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
iii) 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 ₹ 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. 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

Sudesh Choraria
Partner
Membership No. 204936

Afzal Malkani
Managing Director
DIN 07194226

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Chief Executive Officer

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

Dr. Ravichandran
Whole Time Director
DIN 02643264

N.R.Ravichandran
Chief Financial Officer

Place: Chennai
Date: 06.05.2026

S Vinod Kumar
Company Secretary

Statement of Cash Flow

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)
		(5,284.35)	(6,954.49)
	Cash Generated From/(Used in) Operations	6,440.08	6,109.75
	Direct Taxes (Payment)/Refund (Net)	(2,100.00)	(2,825.57)
		(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
		(904.41)	2,299.53

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

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

Sudesh Choraria
Partner
Membership No. 204936

Afzal Malkani
Managing Director
DIN 07194226

Dr. Ravichandran
Whole Time Director
DIN 02643264

Hemango Gupta
Chief Executive Officer

N.R.Ravichandran
Chief Financial Officer

Place: Chennai
Date: 06.05.2026

S Vinod Kumar
Company Secretary

Statement of Changes in Equity

For the period ended 31st March 2026

A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As At 31-Mar-2026	As At 31-Mar-2025
Balance at the beginning of the reporting year	997.50	997.50
Changes in Equity Share capital due to prior period errors	-	-
Restated Balance at the beginning of the current reporting period	-	-
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	997.50	997.50

B) OTHER EQUITY

(₹ in Lakhs)

Particulars	General Reserve	Retained Earnings	Securities premium	Capital Redemption Reserve	Capital Reserve	Equity Instruments through OCI	Total
Balance as at 1 st April 2025 (I)	3,324.96	26,233.09	2.18	500.00	30.46	109.22	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	-	-	-	-5.14	2.62
Total Comprehensive income for the year (2025-26) (II)	-	7,022.04	-	-	-	-5.14	7,016.91
Less: Dividend	-	-	-	-	-	-	-
On Equity Shares	-	(897.75)	-	-	-	-	(897.75)
Balance as at 31st March 2026 (III) = I+II	3,324.96	32,357.38	2.18	500.00	30.46	104.09	36,319.07

C) OTHER EQUITY

(₹ in Lakhs)

Particulars	General Reserve	Retained Earnings	Securities premium	Capital Redemption Reserve	Capital Reserve	Equity Instruments through OCI	Total
Balance as at 1 st April 2024 (I)	3,324.96	18,089.65	2.18	500.00	30.46	99.77	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	-	-	-	9.46	36.45
Total Comprehensive income for the year (2024-25) (II)	-	8,841.69	-	-	-	9.46	8,851.16
Less: Dividend	-	-	-	-	-	-	-
On Equity Shares	-	(698.25)	-	-	-	-	(698.25)
Balance as at 31st March 2025 (III) = I+II	3,324.96	26,233.09	2.18	500.00	30.46	109.22	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

Sudesh Choraria
Partner
Membership No. 204936

Afzal Malkani
Managing Director
DIN 07194226

Hemango Gupta
Chief Executive Officer

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

Dr. Ravichandran
Whole Time Director
DIN 02643264

N.R.Ravichandran
Chief Financial Officer

Place: Chennai
Date: 06.05.2026

S Vinod Kumar
Company Secretary

Notes Forming part of the Financial Statements

For the Period Ended 31st March 2026

CORPORATE INFORMATION

TANFAC Industries Limited ("the Company" or "TANFAC") is a public limited company incorporated and domiciled in India under the provisions of the Companies Act 1956. The Company is a joint venture promoted by Anupam Rasayan India Limited ("ARIL") and Tamil Nadu Industrial Development Corporation Limited ("TIDCO"). TANFAC is one of India's leading fluorochemical manufacturers with a diversified portfolio of inorganic fluorides, specialty fluorochemicals and industrial chemicals catering to domestic and international markets. The equity shares of the Company are listed on BSE Limited ("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 are incurred.

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

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

asset and is recognised in the Statement of Profit and Loss.

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

b. Expenditure during construction period:

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

c. Depreciation:

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

Also,

- i) Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.
- ii) Depreciation on additions is being provided on Pro rata basis from the date of such additions.
- iii) Depreciation on sale or disposal is provided on Pro rata basis till the date of such sale or disposal.
- iv) Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.
- v) Depreciation and amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- vi) Leasehold lands are amortized over the period of the lease.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company

d. Intangible Assets and Amortization:

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

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the

amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

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

e. Impairment of Non-Financial Assets:

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

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased

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

f. Non-Current assets (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 realized simultaneously.

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

m. Foreign Currency Transactions:

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

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

n. Financial Instruments:

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

Initial Measurement:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

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

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

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

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

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

instrument is reported as interest income using the EIR method.

Fair Value through Profit or Loss ('FVTPL'):

FVTPL is a residual category for Financial Asset. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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

Equity instruments:

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

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For Financial Assets, the Company applies 'simplified approach' as specified under Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The application of simplified approach does not require the Company to track changes in credit risk. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Derecognition of Financial Instruments:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an

associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit or loss if such gain or loss would have otherwise been recognised in statement of profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in statement of profit or loss if such gain or loss would have otherwise been recognised in statement of profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Liabilities:

The 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 advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in level 1.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the 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 operations.

At each reporting date, Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the 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 subsequently measured as per the accounting policy applicable to financial liabilities.

p. Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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

q. Earnings Per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split, if any that have changed the number of

equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted EPS, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r. Cash and cash equivalent:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less, that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

s. 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 affected in future periods.

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

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

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

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

(ii) Defined Benefit Plans and Compensated Absences:

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

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

(iii) Expected Credit Losses on Financial Assets:

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

(iv) Fair Value measurement of Financial Instruments:

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

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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	As at
									31/03/2026	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 Equipments	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

(₹ in Lakhs)

**NOTE - 2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS** (Contd.)

(₹ in Lakhs)

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
		As at 01/04/2024	Additions	Deductions/ Discarded	As at 31/03/2025	As at 01/04/2024	Depreciation	Deductions	As at 31/03/2025	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 Equipments	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.

Capital Work in Progress (CWIP) ageing schedule

As at March 31, 2026

(₹ in Lakhs)

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, 2025

(₹ in Lakhs)

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.

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

(₹ in Lakhs)

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
At Fair Value through Other Comprehensive Income (FVTOCI)		
16,963 Shares of ₹ 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)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31 st Mar 2026		As at 31 st 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	As at 31-Mar-2026	As at 31-Mar-2025
Security Deposits & Other Deposits	61.42	15.37
	61.42	15.37

NOTE - 5 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	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	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 ₹.159.89 lakhs (Previous year ₹ 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 moving/obsolete inventory.**6.3** Working Capital Borrowings are secured by hypothecation of inventories of the Company.**NOTE - 7 CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at 31-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-Mar-2026	As at 31-Mar-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 ₹ 1,534.63 Lakhs (Previous Year ₹ 2,099.12 Lakhs). Refer Note 29.2.

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

(₹ in Lakhs)

Particulars	Not Due	Outstanding from due date of payment as on Mar 31, 2026					Total
		Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Considered good	7,521.56	3,025.72	284.20	212.27	2.68	-	11,046.43
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	11,055.19
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	-	11,046.43

(₹ in Lakhs)

Particulars	Not Due	Outstanding from due date of payment as on Mar 31, 2025					Total
		Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
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.

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

12.1 The Company has issued only one class of Equity Shares having face value of ₹.5 each (Previous Year ₹.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 ₹.10 each was sub divided into 2 equity shares having face value of ₹.5 each which was approved by the shareholders in their EGM held on 23rd February 2026 and the sub division of shares was given effect from 9th March 2026.

12.2 Reconciliation of the No. of Shares outstanding is set out below:

(₹ in Lakhs)

Particulars	As at 31-Mar-2026		As at 31-Mar-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 company:

Equity:

Name of the Shareholder	As at 31-Mar-2026		As at 31-Mar-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	20,43,798	10.24%	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

(₹ in Lakhs)

Sl. No.	Promoter name	As at March 31, 2026*			As at March 31, 2025		
		No. of shares (Of ₹ 5 each)*	% of total shares	% Change during the year	No. of shares (Of ₹ 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 ₹ 10 each into two (2) equity shares having face value of ₹ 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 ₹ 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.

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
SECURED LOANS		
Working Capital Loan		
Packing Credit Foreign Currency Loan (PCFC)		
From Banks	-	142.63
Other	-	-
TOTAL	-	142.63
UNSECURED LOANS		
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 ₹ 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	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 and Small Enterprises)

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

Micro, Small and Medium Enterprises

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

(₹ in Lakhs)

Particulars	As at 31-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

(₹ in Lakhs)

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

(₹ in Lakhs)

Particulars	Outstanding as on Mar 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
Other Payables		
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 Contingent Asset"

a) Provision for Disputed Liabilities

(₹ in Lakhs)

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)

(₹ in Lakhs)

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

NOTE - 20 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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:

- All Sales are recognized at a Point in time.
- The expected credit loss recognised on receivables arising from the Company's contracts with customers is disclosed in Note No. 8.
- No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.
- 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 sold as well as the market it caters to. Presently the Average Credit period is around 54 days.

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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:

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
Fluorspar	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 speciality products)	2,238.18	1,469.34
Total	45,346.96	30,759.94

NOTE – 23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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)

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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

NOTE – 25 FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2026	Year Ended 31-Mar-2025
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

NOTE – 29 NOTES TO FINANCIAL STATEMENTS**29.1 Employee Benefits:****a) Disclosure in respect of gratuity liability:**

(₹ in Lakhs)

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	-	-
Re-measurements:		
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 past period	4.26	(33.30)
Present value of DBO at end of the year	339.67	315.29

(₹ in Lakhs)

Reconciliation of Fair Value of Plan Assets:	As at 31 st March, 2026	As at 31 st 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	-	-
Re-measurements:		
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

(₹ in Lakhs)

Amount recognized in the Balance Sheet:	As at 31 st March, 2026	As at 31 st 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

a) Disclosure in respect of gratuity liability: (Contd.)

(₹ in Lakhs)

Gratuity recognized in the Statement of Profit and Loss	As at 31st March, 2026	As at 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

(₹ in Lakhs)

Remeasurement effects recognized in Other Comprehensive Income (OCI)	As at 31st March, 2026	As at 31st March, 2025
Re-measurements on DBO		
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)
Re-measurements on Plan Assets		
Actuarial (Loss)/Gain	20.71	(2.78)
Remeasurement effect recognized in OCI	(12.03)	(36.08)

(₹ in Lakhs)

Principal Assumption used in determining Gratuity liability	As at 31st March, 2026	As at 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

(₹ in Lakhs)

Sensitivity Analysis	As at 31st March, 2026		As at 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.

The Company contributed ₹ Nil (P.Y. ₹ Nil) to gratuity trust for contribution to Aditya Birla Sun Life Insurance during the financial year 2025-26.

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 ₹ 56.13 lakhs (P.Y. ₹ 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 ₹ 129.78 lakhs (P.Y. ₹ 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. Sendhil Naathan [*]	Managing Director
Mr. Hemango Gupta [^]	Chief Executive Officer
Mr. N.R. Ravichandran	President & Chief Financial Officer
Mr. S.Vinod kumar	Company Secretary

[#]Appointed as Non- Executive Director w.e.f. 09.01.2026.

^{****}Ceased to be director w.e.f 09.01.2026.

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.

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:

(₹ in Lakhs)

Particulars	As at 31 st March, 2026	As at 31 st 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:

(₹ in Lakhs)

Particulars	As at 31 st March, 2026	As at 31 st 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[#]

(₹ in Lakhs)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Short-term benefits (including Sitting Fees - ₹ 30 Lakhs, PY - ₹ 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 (₹ 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:

(₹ in Lakhs)

Currency	Payable (in Foreign currency)		Receivables (in foreign currency)	
	As at 31 st March, 2026	As at 31 st March, 2025	As at 31 st March, 2026	As at 31 st 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)

(₹ in Lakhs)

Claims against the Company not acknowledged as debt	As at 31 st March, 2026	As at 31 st 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 – ₹ 5,183.19 Lakhs (Previous Year – ₹ 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) – ₹ 25,765.65 lakhs (Previous Year ₹ 3,871.67 lakhs).

d) SIPCOT has raised a demand of ₹ 12.00 lakhs for payment of additional cost for the land at Cuddalore taken on long-term lease together with interest @ 16.5%p.a. The Company has paid an initial amount of ₹ 6.00 lakhs in 1995 and additional amount of ₹ 6.00 lakhs in 2001, as per the directions of the Honourable High Court of Madras. However, SIPCOT has preferred an appeal against the order of the High Court challenging the waiver of interest. Matter is pending at High court of Madras.

e) During the Financial Year 1991 – 92 the Company has received a notice from the Tamil Nadu Sales Tax authorities towards levy of tax etc. on sales effected from Pondicherry Depot during 1989–90 and 1990–91. Based on the directions of the Honourable High Court of Madras, the Appellate Assistant Commissioner, Commercial Taxes, Chennai passed the order in favour of the company thereby reducing the demand to ₹ 52.77 lakhs. The amount has since been paid under protest. The company has also filed a writ petition before Honourable High Court

of Madras, for granting refund of tax paid earlier to Pondicherry Government. As a matter of abundant caution, provision has been made in these accounts for the disputed amount of ₹ 52.77 lakhs.

The Honourable High Court had passed Order vide SR No.49922 dated 1st September, 2016, disposing the all writ petitions filed earlier on various occasions and giving liberty to the Company (Petitioner) to file an appeal before the Tamil Nadu Sales Tax Appellate Tribunal within Sixty days from the receipt of the order, who shall entertain the appeal without reference to the limitation. Accordingly, the Company has filed an appeal before The Tamil Nadu Sales Tax Appellate Tribunal on 6th January, 2017, pursuant to the judgement order dated 01.09.2016 delivered on 22/11/2016 and appeal proceeding is awaited.

f) 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.

g) 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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

The following table demonstrates the sensitivity to a reasonably possible change in rate of USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakhs)

Basis Points	31 st March, 2026		31 st 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 forward-looking information such as:

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,

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

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

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

Financial Assets for which loss allowances is measured using the Expected Credit Losses (ECL):

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

(₹ in Lakhs)

Ageing	31 st March, 2026	31 st March, 2025
1 to 60 days	9,734.02	8,292.91
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	9,937.51

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

(₹ in Lakhs)

Provisions	As at 31 st March, 2026	As at 31 st 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:

(₹ 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

(₹ in Lakhs)

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.

(₹ in Lakhs)

Particulars	As at 31 st March, 2026	As at 31 st 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	As at 31 st March, 2026	As at 31 st 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 ₹ 5 each		
Basic (in ₹)	35.16	44.18
Diluted (in ₹)	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 ₹ 5/- each in accordance with Ind AS 33 – Earning per Share.

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	31 st March, 2026	31 st 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 assets etc.	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 current year 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 EBITDA 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:

(₹ in Lakhs)

Provisions	As at 31 st March, 2026	As at 31 st 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	-	-

29.10 CSR Expenditure: (Contd.)

(₹ in Lakhs)

Provisions	As at 31 st March, 2026	As at 31 st March, 2025
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 ₹ 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:

- Disclosure on Revaluation of property, plant and equipment and intangible assets from Registered Valuers is not applicable to company.
- No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (us of 1988) an rules made thereunder.
- 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.

- 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.
- The Company has not carried out any scheme of arrangement which is approved by regulatory authorities during the year.
- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- There are no transactions recorded in books of account reflecting surrender/disclosure of income in the assessment under Income Tax Act, 1961.
- During the year no loans/advances in the nature of Loans have been given to Promoters, Directors, KMP and Related Parties.
- 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 ₹ 9.00 per share totaling ₹ 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 ₹ 4.50 per share totaling ₹ 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

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

Sudesh Choraria
Partner
Membership No. 204936

Afzal Malkani
Managing Director
DIN 07194226

Dr. Ravichandran
Whole Time Director
DIN 02643264

Hemango Gupta
Chief Executive Officer

N.R.Ravichandran
Chief Financial Officer

Place: Chennai
Date: 06.05.2026

S Vinod Kumar
Company Secretary



TANFAC Industries Limited

Plot No.14, SIPCOT Industrial Complex Kudikadu,
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