



SECY/S.E./L.A./2019-20/Q4

June 23, 2020

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

SCRIP CODE : 506854

Dear Sir,

Sub: Outcome of Board Meeting held on 23.06.2020 – reg.
Ref: Regulation 30 of SEBI (LODR) Regulations, 2015.

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We wish to inform that the Board of Directors of the Company at their meeting held today, *inter alia* considered and approved the Standalone Audited Financial Results for the quarter and year ended 31st March, 2020.

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

- (a) Statement of Standalone Audited Financial Results for the quarter and year ended 31st March, 2020 along with Auditors' Report thereon.
- (b) Declaration of CFO on unmodified opinion on Auditors' Report.

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

The meeting of the Board commenced early at 1.30 P.M. and concluded at 3.00 P.M.

Thanking you,

Yours faithfully,
for TANFAC INDUSTRIES LIMITED


(N.R. RAVICHANDRAN)
CHIEF FINANCIAL OFFICER

Encl. : As above

TANFAC INDUSTRIES LIMITED
(Joint Sector Company with TIDCO)



Regd. Office & Factory : 14, SIPCOT Industrial Complex, Cuddalore - 607 005. Tamil Nadu, INDIA
Tel : +91 - 4142 - 239001 - 5, Fax : +91 - 4142 - 239008,
Chennai Off : Oxford Centre, 1st Floor, 66, Sir C.P. Ramaswamy Road,
Alwarpet, Chennai - 600 018. Tamil Nadu, INDIA.
Tel : +91 - 44 - 2499 0451 / 0561 / 0464, Fax : +91 - 44 - 2499 3583
Web : www.tanfacs.com
GST : 33AACT2591A1ZU CIN: L24117TN1972PLC006271



SECY/S.E./L.A./2019-20/Q4

June 23, 2020

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

SCRIP CODE : 506854

Dear Sir,

Sub: Declaration in terms of Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 – reg.
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In terms of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (LODR) (Amendment) Regulations, 2016, vide its Notification No. SEBI/LAD-NRO/GN/2016-17/-1 dated 25th May, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated 25th May, 2016, we wish to confirm that the Statutory Auditors of our Company, viz., M/s. Khimji Kunverji & Co., Chartered Accountants (Registration No. 105146W) have issued an Audit Report with unmodified opinion on the Standalone Audited Financial Results of the Company for the quarter and year ended 31st March, 2020.

The above declaration is issued for your information and records.

Thanking you,

Yours faithfully,
for TANFAC INDUSTRIES LIMITED


(N.R. RAVICHANDRAN)
CHIEF FINANCIAL OFFICER

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Independent Auditors' Report

To the Board of Directors of
Tanfac Industries Limited

Report on the Audit of the Annual Financial Results

Opinion

1. We have audited the accompanying Annual Financial Results of **Tanfac Industries Limited** ('the Company') for the year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Annual Financial Results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit including other comprehensive income and other financial information for the year ended March 31, 2020.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Results 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, 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 opinion on the Annual Financial Results.

Emphasis of Matter

3. Attention is invited to Note No. 5 to the Annual Financial Results regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its operations and financial reporting for the year ended March 31, 2020; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.



Management's and Board of Directors' Responsibilities for the Annual Financial Results

4. These Annual Financial Results have been prepared on the basis of the Annual Financial Statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Results, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and the Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Results

5. Our objectives are to obtain reasonable assurance about whether the Annual Financial Results 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 Annual Financial Results. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

Other Matter

6. The entire audit finalization process was carried from remote locations i.e. other than the office/plant of the Company where books of account and other records are kept, based on data/details or financial information provided to us through digital medium, owing to complete lockdown imposed by



Government to restrict the spread of COVID19. Being constrained, we resorted to and relied upon the results of the related alternate audit procedures to obtain appropriate audit evidence for the significant matters in course of our audit. Our report is not modified in respect of this matter.

7. The Annual Financial Results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

For **Khimji Kunverji & Co LLP**

Chartered Accountants

Firm's Registration No.: 105146W / W-100621



Praveen Kumar Daga

Partner

Membership No. : F-143762

ICAI UDIN: 20143762AAAABS5015

Place: Bengaluru

Date: June 23, 2020

Annexure 1 to the Independent Auditors' Report to the members of Tanfac Industries Limited
[referred to in para 5 titled 'Auditor's Responsibilities for the Audit of the Annual Financial Results']

As part of our 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, to 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.
- 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.



SN	Particulars	Quarter Ended			Year Ended	
		Standalone				
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Unaudited	Audited	Audited	Audited
	Revenue:					
I	a) Revenue from Operations	3,224.07	3,808.59	5,393.62	16,480.29	22,171.24
II	b) Other Income	9.65	75.20	85.73	116.41	94.03
III	Total Revenue (I + II)	3,233.72	3,883.79	5,479.35	16,596.70	22,265.27
IV	Expenses:					
	a) Cost of Raw Materials consumed	1,385.19	2,062.87	3,072.97	8,438.37	11,007.95
	b) Changes in inventories of Finished Goods, Work in progress and stock in trade	358.25	(133.86)	(219.76)	167.73	(142.56)
	c) Excise Duty on sales	-	-	-	-	-
	c) Employee Benefits Expenses	320.03	298.43	212.53	1,207.05	1,158.87
	d) Finance Cost	17.47	20.52	57.02	84.51	304.40
	e) Depreciation and Amortisation Expenses	101.51	125.57	445.16	463.76	802.28
	f) Power and Fuel	217.53	395.44	521.05	1,559.71	2,322.46
	g) Other Expenses	572.53	603.58	737.40	2,513.28	2,648.56
	Total Expenses (IV)	2,972.51	3,372.55	4,826.37	14,434.41	18,101.96
V	Profit Before Exceptional and Extraordinary Items and Tax (III - IV)	261.21	511.24	652.98	2,162.30	4,163.31
VI	Exceptional Item	-	-	-	-	-
VII	Profit Before Tax (V - VI)	261.21	511.24	652.98	2,162.30	4,163.31
VIII	Tax Expense					
	i) Current Tax	21.68	92.06	224.05	377.28	764.22
	ii) Deferred Tax	(32.20)	(35.03)	323.25	(94.69)	566.54
	iii) MAT Credit Entitlement (Recognized) / Utilized	58.36	69.59	(224.05)	333.42	(764.22)
	iv) Tax Provision of prior year reversed	(151.14)	-	-	(151.14)	-
IX	Profit / (Loss) for the period (VII - VIII)	364.51	384.62	329.73	1,697.43	3,596.77
X	Other Comprehensive Income (OCI)					
A	(i) Items that will not be reclassified to Profit or Loss	14.16	-	1.67	33.86	12.24
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.30)	(0.00)	-	-2.85	(2.14)
B	(i) Items that will be reclassified subsequently to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total of Other Comprehensive Income	13.86	(0.00)	1.67	31.01	10.10
XI	Total Comprehensive Income for the period (IX+X)	378.37	384.62	331.40	1,728.44	3,606.87
XII	Paid-up Equity Share Capital [Face value Rs. 10/-]	997.50	997.50	997.50	997.50	997.50
XIII	Other Equity				5,522.21	3,805.08
XIV	Earnings per share of face value of Rs 10/- each (Not Annualised)					
	Basic (Rs)	3.65	3.86	3.31	17.02	36.06
	Diluted (Rs)	3.65	3.86	3.31	17.02	36.06

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 23rd June 2020.
- The company operates in a single segment i.e. Chemicals in India and all other activities evolve around the same. Hence, there is no reportable primary/secondary segment in accordance with the requirements of Ind AS 108, 'Operating Segments'.
- Figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date reviewed figures upto the 3rd quarter of the relevant financial year.

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TANFAC 4 The Government of India, on 20th September, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961 which provides an option to the Company for paying income tax at reduced rates subject to compliance of the conditions stipulated therein. The Company has chosen not to opt for the reduce rate of tax in September, 2019 and continue with the existing rate of Tax.

5 The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns. As per the directives of the Central and the State Governments, the Company had suspended the operations at its factory at Cuddalore on 26th March 2020. After obtaining necessary permission, the Company had restarted its operations in a phased manner from 8th April 2020 with controlled entry and exit facilities.

The Company has been taking various precautionary measures to protect employees and their families from COVID-19 apart from contributing through local authorities at the plant location towards countering COVID-19 impact on the local communities. The Company has prepared a detailed manual exclusively for the use of its employees and implemented various action plans based on this.

As part of Business Continuity Plan (BCP), the Company has made a detailed assessments of its operations, liquidity positions, recoverability & carrying values of the assets comprising of Plant & Machinery, Trade Receivables, Inventory and other Current and Non-Current Assets for the next 12 months from the Balance Sheet date. Based on the BCP, the Company believes that there is no material impact or adjustments required in the financial statements. Management believes that it has taken into account all the possible impact of events known till the date of approval of the financial statements. Management believes that existing customer and supplier relationships and its market position arising from COVID-19 pandemic is not expected to be significant. Management is of the view that as the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of the financial results.

6 From April 1, 2019, the new accounting standard i.e. Ind AS 116 "Leases" became effective. The Company doesnot have lease arrangements which would require recognition of asset in form of 'Right to use' and liability towards present value of future rent payable. Hence, there is No Impact on the financial results of the company.

7 Statement of Assets and Liabilities as on 31st March 2020 is given below:

S.No	Particulars	Rs in Lakhs	
		Year Ended 3/31/2020 Audited	Year Ended 3/31/2019 Audited
	ASSETS		
	1) Non-Current Assets		
	a) Property, Plant and Equipment	3,295.84	3,434.17
	b) Capital Work in Progress	627.43	88.47
	c) Investment Property	-	-
	d) Other Intangible Assets	-	-
	e) Intangible Assets under Development	-	-
	f) Financial Assets		
	i) Investments	98.25	85.98
	ii) Loans	-	-
	iii) Other Financial Assets	124.39	35.83
	g) Deferred Tax Assets(Net)	-	-
	e) Other Non-Current Assets	95.25	95.23
	Sub total- Non Current Assets	4,241.16	3,739.68
	2) Current Assets		
	a) Inventories	1,698.68	3,028.75
	b) Financial Assets		
	i) Investments	-	-
	ii) Trade Receivables	1,794.33	2,292.35
	iii) Cash & Cash Equivalents	0.06	0.83
	iv) Bank balances other than (ii) above	2.75	94.46
	v) Loans & Advances	0.75	34.45
	vi) Other Financial Assets	-	-
	c) Current Tax Assets (Net)	-	-
	c) Other Current Assets	1,174.69	1,555.51
	Sub total- Current Assets	4,671.26	7,006.35
	TOTAL ASSETS	8,912.42	10,746.03
	EQUITY & LIABILITIES		
	Equity		
	a) Equity Share Capital	997.50	997.50
	b) Other Equity	5,522.21	3,805.08
	Sub total- Shareholders' Funds	6,519.71	4,802.58
	Liabilities		
	1) Non-Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	-	559.47
	ii) Other Financial Liabilities	-	-
	b) Provisions	57.51	48.95
	c) Deferred Tax Liability (Net)	478.83	568.67
	d) Other non - current liabilities	-	-
	Sub total- Non Current liabilities	534.34	1,177.09
	2) Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	39.58	620.32
	ii) Trade Payables		
	- Outstanding Dues of Creditors other than Micro and Small	224.98	3.92
	- Due to Others	844.87	2,555.45
	iii) Other financial liabilities	-	-
	b) Other Current Liabilities	179.25	504.49
	c) Provisions	569.69	1,082.18
	d) Current Tax Liabilities (Net)	-	-
	Sub total -Current Liabilities	1,858.37	4,766.36
	TOTAL EQUITY AND LIABILITIES	8,912.42	10,746.03

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(Amount in ₹ Lakhs)

S.No	Particulars	Year Ended		Year Ended	
		31st March 2020		31st March 2019	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax Including Other Comprehensive Income	2,196.16		4,175.55	
	Adjustments for:				
	Depreciation & Amortisation of Expenses	463.75		802.28	
	Finance Cost	84.51		304.40	
	Provision for Tax (net of MAT Credit Availed)	-		-	
	Provision for Liabilities no longer required written back	(26.68)		(44.06)	
	Loss / (Profit) on Sale of Fixed Assets	(0.00)		(5.27)	
	Interest & Dividend Income	(12.72)		(12.66)	
	Provision for Advances	-		0.58	
	Provision for Sales Tax	-		-	
	Provision for Inventories	8.10		(31.00)	
	Operating Profit before Working Capital changes		2,713.12		5,189.82
	Adjustments for:				
	Trade and Other Receivables	982.88		(2,225.33)	
	Inventories	1,321.98		(1,307.31)	
	Trade Payable and Provisions	(2,366.72)	(61.88)	2,711.58	(821.06)
	Cash Generated From / (Used in) Operations		2,651.24		4,368.76
	Direct Taxes (Payment) / Refund (net)	(469.88)	(469.88)	(680.00)	(680.00)
	Net Cash Generated From / (Used in) Operating Activities		2,181.36		3,688.76
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property Plant & Equipment (Note-II below)	(1,046.23)		(220.09)	
	Sale of Fixed Assets	0.06		6.89	
	Investment in Bank Deposits	91.71		(91.06)	
	Interest and Dividend Income	8.38		10.71	
	Net Cash flow From / (Used in) Investing Activities		(946.10)		(293.58)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Buyer's credit/ICD			(2,899.29)	
	Short term loan availed	(580.74)		(157.53)	
	Redemption of Preference Shares	(500.00)		(108.70)	
	Amortized Cost on Redeemable NC Preference Shares	(59.47)		(195.70)	
	Finance Cost	(84.51)		(33.92)	
	Dividend Distribution Tax	(11.31)		-	
	Net Cash flow From / (Used in) financing Activities		(1,236.03)		(3,395.14)
	Net Increase / (Decrease) in Cash and Cash Equivalents		(0.77)		0.04
	Cash & Cash Equivalents at the Beginning of the year	0.83		0.79	
	Cash & Cash Equivalents at the End of the year	0.06		0.83	
			(0.77)		0.04

9 The Board of Directors, in their meeting held on 22nd May 2019, have passed a resolution approving redemption of 500,000 11% Redeemable Preference Share Capital of Rs. 100/- each out of internal accruals. Based on this, the Company had redeemed the said shares.

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

Date : 23rd June 2020

M. R. Sivaram
DIRECTOR
M.R.Sivaraman

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