

**Limited Review Report on Financial Results of TANFAC INDUSTRIES LIMITED**

To  
Board of Directors,  
**TANFAC INDUSTRIES LIMITED**

**INTRODUCTION**

1. We have reviewed the accompanying statement of unaudited financial results ('Statement') of **TANFAC INDUSTRIES LIMITED** ('the Company') for the quarter ended December 31, 2020 and the year-to-date results for the period from April 1, 2020 to December 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

**SCOPE OF REVIEW**

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**CONCLUSION**

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Emphasis of Matter**

4. Attention is drawn to Note no. 4 of the Statement which describes the impacts of COVID-19 Pandemic on the financial results as also on business operations of the Company, the assessment thereof by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties. Our opinion is not modified in respect of this matter.

**Other Matter**

5. As a matter of abundant precaution considering the widespread impact of COVID-19, the processes of quarterly limited review were carried out from remote locations i.e. from other than the office/plant of the Company, based on the data/details or financial information shared by the management through digital medium. Our report is not modified in respect of this matter

For Khimji Kunverji & Co LLP

Chartered Accountants

FRN: 105146W/W-100621

*Praveen Kumar Daga*

**Praveen Kumar Daga**

**Partner**

ICAI Membership No. 143762

UDIN: **21143762AAAAAR2431**



Place: Bengaluru

Date: February 10, 2021

SN	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Revenue:</b>						
I	a) Revenue from Operations	4,712.65	3,429.18	3,808.59	10,916.39	13,256.23	16,480.29
II	b) Other Income	18.55	7.75	75.20	32.66	106.75	116.41
III	<b>Total Revenue (I + II)</b>	<b>4,731.20</b>	<b>3,436.93</b>	<b>3,883.79</b>	<b>10,949.05</b>	<b>13,362.98</b>	<b>16,596.70</b>
	<b>Expenses:</b>						
IV	a) Cost of Raw Materials consumed	1,973.67	1,678.68	2,062.87	5,172.85	7,053.18	8,438.37
	b) Changes in inventories of Finished Goods, Work in progress and stock in trade	(104.48)	(83.39)	(133.86)	(277.07)	(190.52)	167.73
	c) Employee Benefits Expenses	288.95	323.30	298.43	908.65	887.02	1,207.05
	d) Finance Cost	28.70	5.56	20.52	38.03	67.04	84.51
	e) Depreciation and Amortisation Expenses (Refer Note 5 below)	382.28	190.04	125.57	680.86	362.24	463.75
	f) Power and Fuel	252.60	241.94	395.44	697.96	1,342.18	1,559.71
	g) Other Expenses	488.54	403.44	603.58	1,230.05	1,940.76	2,513.28
	<b>Total Expenses (IV)</b>	<b>3,310.26</b>	<b>2,759.57</b>	<b>3,372.55</b>	<b>8,451.33</b>	<b>11,461.90</b>	<b>14,434.40</b>
V	<b>Profit Before Exceptional and Extraordinary Items and Tax (III - IV)</b>	<b>1,420.94</b>	<b>677.36</b>	<b>511.24</b>	<b>2,497.72</b>	<b>1,901.08</b>	<b>2,162.30</b>
VI	Exceptional Item	-	-	-	-	-	-
VII	<b>Profit Before Tax (V - VI)</b>	<b>1,420.94</b>	<b>677.36</b>	<b>511.24</b>	<b>2,497.72</b>	<b>1,901.08</b>	<b>2,162.30</b>
VIII	Tax Expense						
	i) Current Tax	248.22	118.35	92.06	436.36	355.60	377.28
	ii) Deferred Tax	(121.68)	(35.28)	(35.03)	(145.21)	(62.49)	(94.69)
	iii) MAT Credit Entitlement: (Recognized) / Utilized	274.03	119.87	69.59	453.62	275.06	333.42
	iv) Tax Provision of prior year reversed	-	-	-	-	-	(151.14)
IX	<b>Profit / (Loss) for the period (VII - VIII)</b>	<b>1,020.37</b>	<b>474.42</b>	<b>384.62</b>	<b>1,752.95</b>	<b>1,332.91</b>	<b>1,697.43</b>
X	<b>Other Comprehensive Income (OCI)</b>						
A	(i) Items that will not be reclassified to Profit or Loss	-	8.69	-	8.69	19.69	33.86
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(0.00)	-	(2.55)	(2.85)
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	-	-	-	-	-	-
	<b>Total of Other Comprehensive Income</b>	<b>-</b>	<b>8.69</b>	<b>(0.00)</b>	<b>8.69</b>	<b>17.14</b>	<b>31.01</b>
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>1,020.37</b>	<b>483.11</b>	<b>384.62</b>	<b>1,761.64</b>	<b>1,350.05</b>	<b>1,728.44</b>
XII	<b>Paid-up Equity Share Capital [Face value Rs. 10/-]</b>	<b>997.50</b>	<b>997.50</b>	<b>997.50</b>	<b>997.50</b>	<b>997.50</b>	<b>997.50</b>
XIII	<b>Other Equity</b>						<b>5,522.21</b>
XIV	<b>Earnings per share of face value of Rs 10/- each (Not Annualised)</b>						
	Basic (Rs)	10.23	4.76	3.86	17.57	13.36	17.02
	Diluted(Rs)	10.23	4.76	3.86	17.57	13.36	17.02

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10th February 2021.
- 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'.
- 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.
- 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 continue to take various precautionary measures to protect from COVID-19. 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 and believes that there is no material impact or adjustments required in the financial result for the period ending 31st December 2020. 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. As the situation is continuously evolving, the company will continue to monitor future events for any material change in the economic conditions.
- The Company had reassessed the useful life of some of its main assets during the quarter. Based on the assessment, the Company had made additional depreciation provision of Rs.271.54 lakhs during the quarter and period ended 31st December 2020.
- Figures for the previous period / year have been rearranged /reclassified wherever necessary, to correspond with current period / year presentation.

Date : 10th February 2021



K. SENDHIL NAATHAN  
MANAGING DIRECTOR