

TANFAC INDUSTRIES LIMITED

CIN: L24117TN1972PLC006271

Regd. Office: 14, SIPCOT Industrial Complex - CUDDALORE – 607 005

CHAIRPERSON'S STATEMENT

Dear Shareholders,

I am glad to welcome you all to the Forty Ninth Annual General Meeting of your Company. The Annual Report containing the Board's Report and the Audited Financial Statement of your Company for the financial year 2022-23, has been with you for some time and with your permission I shall take them as read.

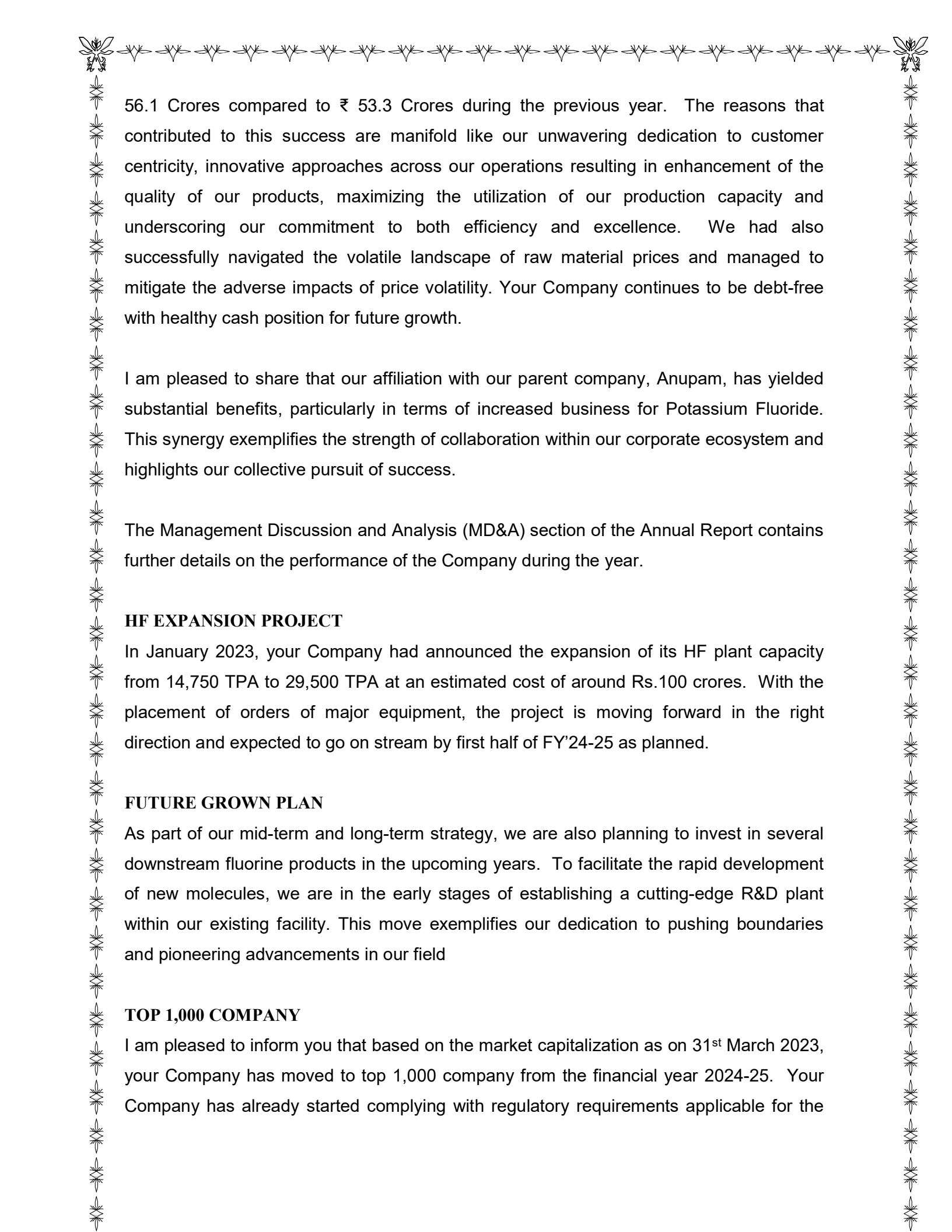
Our progress during the last few years have been phenomenal through relentless innovation and quickly identifying and capitalizing on emerging opportunities. In the fast-changing world that we live in, companies need to look beyond short-term goals to ensure sustainable growth. To do so, we must transform swiftly and strategically. I am happy to share that your Company has progressed well on the transformation journey and poised for reaching further heights.

OVERALL ECONOMIC ENVIRONMENT

Before giving overview on the Company's Performance for the year, I would like to give insight on the overall economic environment. India's sound macroeconomic fundamentals provide comfort amidst global risks, with reducing inflation, softening current account deficit and improved forex reserves. Fiscal consolidation is on track. The economy is future-ready with pragmatic industrial policies and production-linked incentive schemes expected to augment more capex from the private sector. These initiatives, combined with the dynamism of the technology-based 'new economy,' create promising medium-term growth prospects for the Indian economy. Today, India holds a prominent place among the world's largest economies. While the major global economies are still weighed down by stagflation, India has shown resilience in its continued growth momentum.

PERFORMANCE DURING FINANCIAL YEAR 2022-23

I am proud to inform you that during the financial year 2022-23, we recorded our highest-ever Revenue, EBITDA and PAT. Your Company reported total revenue of ₹ 374.9 Crores and EBITDA of ₹ 82.7 crores compared to revenue of ₹ 320.2 crores and EBITDA of ₹ 78.6 crores during the previous financial year. Total Comprehensive Income was ₹



56.1 Crores compared to ₹ 53.3 Crores during the previous year. The reasons that contributed to this success are manifold like our unwavering dedication to customer centricity, innovative approaches across our operations resulting in enhancement of the quality of our products, maximizing the utilization of our production capacity and underscoring our commitment to both efficiency and excellence. We had also successfully navigated the volatile landscape of raw material prices and managed to mitigate the adverse impacts of price volatility. Your Company continues to be debt-free with healthy cash position for future growth.

I am pleased to share that our affiliation with our parent company, Anupam, has yielded substantial benefits, particularly in terms of increased business for Potassium Fluoride. This synergy exemplifies the strength of collaboration within our corporate ecosystem and highlights our collective pursuit of success.

The Management Discussion and Analysis (MD&A) section of the Annual Report contains further details on the performance of the Company during the year.

HF EXPANSION PROJECT

In January 2023, your Company had announced the expansion of its HF plant capacity from 14,750 TPA to 29,500 TPA at an estimated cost of around Rs.100 crores. With the placement of orders of major equipment, the project is moving forward in the right direction and expected to go on stream by first half of FY'24-25 as planned.

FUTURE GROWN PLAN

As part of our mid-term and long-term strategy, we are also planning to invest in several downstream fluorine products in the upcoming years. To facilitate the rapid development of new molecules, we are in the early stages of establishing a cutting-edge R&D plant within our existing facility. This move exemplifies our dedication to pushing boundaries and pioneering advancements in our field

TOP 1,000 COMPANY

I am pleased to inform you that based on the market capitalization as on 31st March 2023, your Company has moved to top 1,000 company from the financial year 2024-25. Your Company has already started complying with regulatory requirements applicable for the

top 1,000 companies.

DIVIDEND

Your directors recommend a dividend of Rs. 6.5 per equity share of Rs. 10/- each (65%) for the year ended 31st March 2023. During the last financial year (2021-22), your Company had declared final dividend of Rs.5.5 per equity share of Rs.10/- each (55%).

INDUSTRIAL RELATIONS:

Your Company is its people, and your directors are proud of how our employees have shown their true mettle, rallying around, and displaying remarkable fortitude in highly challenging circumstances.

Employee relations continued to be cordial throughout the year. The whole-hearted support of employees during the pandemic and also in the implementation of cost saving initiatives and the improvements in quality systems like ISO-9001-2015, ISO 14001-2015 & ISO 45001: 2018 amply demonstrate team work and a sense of belongingness with the organization. Your directors place on records the dedication and efforts put in by the employees in the pursuit of excellence through continuous improvements in all spheres.

ACKNOWLEDGEMENT:

On behalf of your Company's Board, your directors would like to record their **deep appreciation** to the banks, stakeholders, business associates and the Central and State Governments. Their continuous support has been invaluable in extending your Company's business.

Finally, I look forward to your continued understanding and support in taking your Company significant strides forward in the coming years.

Cuddalore

27.09.2023

CHAIRPERSON