

MINUTES OF THE FORTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF TANFAC INDUSTRIES LIMITED HELD ON SATURDAY THE 21ST SEPTEMBER, 2019 AT 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO.14, SIPCOT INDUSTRIAL COMPLEX, CUDDALORE – 607005.

PRESENT:

1. MR M.R. SIVARAMAN ... DIRECTOR
2. MR V.T. MOORTHY ... DIRECTOR
3. DR. SHANKAR NARASIMHAN ... DIRECTOR

BY INVITATION:

1. MR K. SENDHILNAATHAN ... CHIEF EXECUTIVE OFFICER
2. MR N.R. RAVICHANDRAN ... CHIEF FINANCIAL OFFICER
3. MR HASMUKH DEDHIA ... M/s. KHIMJI KUNVERJI & CO.
STATUTORY AUDITORS

Mrs. Punita Aggarwal, Company Secretary could not attend the meeting due to her medical condition.

There were altogether 37 (Thirty Seven) Members present in person and 2 (Two) proxies/corporate authorized representative.

Tamilnadu Industrial Development Corporation Limited (TIDCO), a Promoter of the Company holding 25,95,000 (26.02%) had authorized Mr K. Vivekanandan as their representative to attend the Annual General Meeting.

All the valid attendance slips and proxy forms were placed at the meeting.

The Promoters of the Company, viz., Tamilnadu Industrial Development Corporation Limited (TIDCO), T.G.S. Investment and Trade Private Limited and Pilani Investment and Industries Corporation Limited, collectively holding 50,83,652 Equity Shares (50.96%) had participated in the remote e-voting and exercised their vote cast.

On the proposal of Mr V.T. Moorthy, Director and seconded by Dr Shankar Narasimhan, Mr M.R. Sivaraman, IAS [Retd.], Director was elected as Chairman of the Annual General Meeting.

The Chairman occupied the Chair and after ascertaining necessary quorum as required under the Companies Act, 2013 was present at the meeting commenced the proceedings.

The Chairman welcomed the Shareholders/Proxy holders/corporate representative and announced that the Statutory Registers, Proxy Register and other statutory documents as required under the provision of The Companies Act, 2013, were available for inspection of the Members.

With the permission of the Members, the Notice, Board's Report and Financial Statement of the Forty Fifth Annual General Meeting were taken as read. Thereafter, the Chairman delivered his speech, circulated to the Members present at the meeting.

HIGHLIGHTS OF CHAIRMAN'S SPEECH:

OPERATIONS AND OVERALL PERFORMANCE:

The Chairman informed the Members that the Company had registered its all-time high performance during the year both in terms of revenue and profitability. Margins and profitability had further improved and shown significant growth during the year 2018-19 on the back of various ongoing initiatives taken by the company during the last few years and also the benefits from head and tail winds during the year. Profit before depreciation, interest and taxation (EBIDTA) had gone up by 154% at ₹52.69 Crores. Net Profit & Total Comprehensive Income had gone up almost by four fold to ₹35.97 Crores and ₹36.07 Crores respectively.

DIVIDEND:

Equity Shares:

The chairman informed the members that though the company made record profits during the year, no dividend was declared on equity shares considering the capital expenditure planned during the coming years.

Preference Shares:

Chairman informed the members that the Board had recommended payment of dividend on 500,000 11% Redeemable Cumulative Non-Convertible Preference Shares of Rs.100 each for the financial year 2018-19 amounting to Rs. 55 lakhs (net of Dividend Distribution Tax).

After delivering his statement to the Members, the Independent Auditors' Report on the financial statement of the Company for the financial year ended 31st March, 2019, was read by the Chief Financial Officer.

Thereafter, the Chairman invited the Members for their comments on Board's Report and Audited financial statements.

The Chairman conducted further proceedings after the queries raised by few members were answered.

The Chairman informed the Members that as per Section 108 of The Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, the Company had set up the facility to exercise their right to vote at the Annual General Meeting by electronic means through e-Voting services provided by the Central Depository Services (India) Limited (CDSL). The remote e-Voting period commenced on Wednesday the 18th September, 2019 at 9.00 a.m. and ended on Friday the 20th September, 2019 at 5.00 P.M. Ms. Kalyani Srinivasan, Practicing Company Secretary (CP No.6047) had been appointed by the Board for scrutinizing the e-voting process.

In the interest of the Shareholders, the Chairman on his own motion, ordered the poll at the meeting, so that the Members present in person who did not avail the facility of e-voting could exercise their vote cast through poll.

Accordingly, Poll was conducted at the meeting through ballot paper for passing all the ordinary resolutions contained in the Notice dated 05th August, 2019, available with the Members and he appointed the above Practicing Company Secretary to act as the Scrutinizer for the poll process and asked her to ensure orderly conduct of the voting.

The Chairman announced that the consolidated result of the remote e-voting and poll conducted through ballot paper at the meeting would be put on the Company's website and would be communicated to Stock Exchange(s) and CDSL.

The Chairman formally declared the closure of 45th Annual General Meeting of the Company.

The following resolutions were passed by the Members through remote e-voting and poll conducted at the meeting with a requisite majority.

ORDINARY BUSINESS :**ITEM NO.1****ADOPTION OF FINANCIAL STATEMENTS :**

“RESOLVED THAT the financial statement of the Company for the year ended 31st March, 2019, including the Balance Sheet of the Company as at 31st March, 2019, the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board's and Auditors thereon be and are hereby received adopted.”

Item No.	Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on out-standing shares	No. of votes in favour	No. of votes against	% of votes in favour of votes polled	% of votes against on votes polled
1	Promoter and Promoter group	50,84,802	50,83,652	99.98	50,83,652	0	100.00	-
	Pub.Inst.holder	-	-	-	-	-	-	-
	Public-Others	48,90,198	14,74,743	30.16	14,74,668	75	100.00	0

ITEM NO.2**DECLARATION OF DIVIDEND ON 11% CUMULATIVE REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES OF RS. 100 EACH.**

“RESOLVED to declare dividend on 500,000 11% Cumulative Redeemable Non-Convertible Preference Shares of Rs.100 each for the year ended 31st March, 2019, as recommended by the Board of Directors at their meeting held on 22nd May, 2019.”

Item No.	Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on out-standing shares	No. of votes in favour	No. of votes against	% of votes in favour of votes polled	% of votes against on votes polled
2	Promoter and Promoter group	50,84,802	50,83,652	99.98	50,83,652	0	100.00	-
	Pub.Inst.holder	-	-	-	-	-	-	-
	Public-Others	48,90,198	14,74,743	30.16	14,74,668	75	100.00	0

SPECIAL BUSINESS :**ITEM NO.3****APPOINTMENT OF MR. KALYAN RAM MADABHUSHI AS NON EXECUTIVE NON INDEPENDENT DIRECTOR OF THE COMPANY LIABLE TO RETIRE BY ROTATION:**

“RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Mr. Kalyan Ram Madabhushi (DIN: 08116290) who was appointed as a Non-Executive Director by the Board of Directors with effect from 22nd May 2019, in terms of Section 161(1) of the Companies Act, 2013 and who holds office upto the date of the 45th Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director, be and hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

Item No.	Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on out-standing shares	No. of votes in favour	No. of votes against	% of votes in favour of votes polled	% of votes against on votes polled
3	Promoter and Promoter group	50,84,802	50,83,652	99.98	50,83,652	0	100.00	-
	Pub.Inst.holder	-	-	-	-	-	-	-
	Public-Others	48,90,198	14,74,743	30.16	14,74,668	75	100.00	0

ITEM NO.4**APPOINTMENT & RATIFICATION OF RENUNERATION TO COST AUDITOR:**

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of The Companies Act, 2013, read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditor, viz., Mr N. Krishna Kumar (Membership No.27885 and Firm Registration No.100814), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, amounting to

₹60,000/- (Rupees Sixty Thousand only) in connection with the above said audit, be and is hereby ratified and approved.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No.	Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on out-standing shares	No. of votes in favour	No. of votes against	% of votes in favour of votes polled	% of votes against on votes polled
4	Promoter and Promoter group	50,84,802	50,83,652	99.98	50,83,652	0	100.00	-
	Pub.Inst.holder	-	-	-	-	-	-	-
	Public-Others	48,90,198	14,74,743	30.16	14,74,668	75	100.00	0

ITEM NO.5

REAPPOINTMENT OF MR.M.R.SIVARAMAN AS NON EXECUTIVE AND INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Section 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Mr. M.R.Sivaraman (DIN: 00020075), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires on 31st March 2020, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term of five consecutive years commencing from 1st April 2020 to 31st March 2025”.

“RESOLVED FURTHER THAT pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, approval of the members be and is hereby accorded for the continuance of Mr. M.R.Sivaraman (DIN: 00020075) as an Independent Director of the Company for the above stated tenure, notwithstanding that he has crossed the age of 75 years.”

Item No.	Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on out-standing shares	No. of votes in favour	No. of votes against	% of votes in favour of votes polled	% of votes against on votes polled
5	Promoter and Promoter group	50,84,802	50,83,652	99.98	50,83,652	0	100.00	-
	Pub.Inst.holder	-	-	-	-	-	-	-
	Public-Others	48,90,198	14,74,743	30.16	14,74,668	75	100.00	0

ITEM NO.6

REAPPOINTMENT OF MR.V.T.MOORTHY AS NON EXECUTIVE AND INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Section 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Mr. V.T.Moorthy (DIN: 00007648), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires on 31st March 2020, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and hereby re-appointed as a Non-Executive Independent Director of the

Company, not liable to retire by rotation, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term of five consecutive years commencing from 1st April 2020 to 31st March 2025”.

“RESOLVED FURTHER THAT pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, approval of the members be and is hereby accorded for the continuance of Mr. V.T.Moorthy (DIN: 00007648) as an Independent Director of the Company for the above stated tenure, notwithstanding that he has crossed the age of 75 years.”

Item No.	Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on out-standing shares	No. of votes in favour	No. of votes against	% of votes in favour of votes polled	% of votes against on votes polled
6	Promoter and Promoter group	50,84,802	50,83,652	99.98	50,83,652	0	100.00	-
	Pub.Inst.holder	-	-	-	-	-	-	-
	Public-Others	48,90,198	14,74,743	30.16	14,74,668	75	100.00	0

ITEM NO.7

REAPPOINTMENT OF DR.SHANKAR NARASIMHAN AS NON EXECUTIVE AND INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Section 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Dr. Shankar Narasimhan (DIN: 01484214), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires on 31st March 2020, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and

hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term of five consecutive years commencing from 1st April 2020 to 31st March 2025”.

Item No.	Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on out-standing shares	No. of votes in favour	No. of votes against	% of votes in favour of votes polled	% of votes against on votes polled
7	Promoter and Promoter group	50,84,802	50,83,652	99.98	50,83,652	0	100.00	-
	Pub.Inst.holder	-	-	-	-	-	-	-
	Public-Others	48,90,198	14,74,743	30.16	14,74,668	75	100.00	0

ITEM NO.8

REAPPOINTMENT OF MRS.RAJALAKSHMI.R AS NON EXECUTIVE AND INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Section 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Mrs. Rajalakshmi. R (DIN: 01982132), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires on 24th March 2020, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term of five consecutive years commencing from 25th March 2020 to 24th March 2025”.


Item No.	Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on out-standing shares	No. of votes in favour	No. of votes against	% of votes in favour of votes polled	% of votes against on votes polled
8	Promoter and Promoter group	50,84,802	50,83,652	99.98	50,83,652	0	100.00	-
	Pub.Inst.holder	-	-	-	-	-	-	-
	Public-Others	48,90,198	14,74,743	30.16	14,74,668	75	100.00	0

The results on e-voting and poll conducted at the meeting were informed to BSE Limited, where the Company's Equity Shares are listed, as required in terms of sub regulation 3 of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, within the stipulated time.

The Company has also sent the above results to the electronic service provider for e-voting platform, viz., Central Depository Services (India) Limited (CDSL) and also uploaded in the Company's website viz., www.tanfac.com

There being no other business to transact the meeting concluded with a vote of thanks to the Chairman.


(N.R. RAVICHANDRAN)
CHIEF FINANCIAL OFFICER


(M.R. SIVARAMAN)
CHAIRMAN OF THE MEETING