

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE TATA PIGMENTS LIMITED
Report on the Financial Statements**

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We have audited the accompanying financial statements of **THE TATA PIGMENTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.



Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement 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 prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
ICAI Registration Number. 302009E



Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Kolkata
Date: 22nd April, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **THE TATA PIGMENTS LIMITED** ("the Company") as of March 31, 2016 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

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. 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 Companies Act, 2013.

Auditor's Responsibility

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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

A 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 (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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

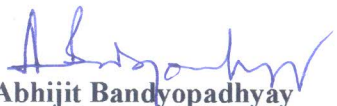
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion, to the best of our information and according to the explanations given to us, 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, 2016, 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 Deloitte Haskins & Sells
Chartered Accountants
ICAI Registration Number. 302009E


Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Kolkata
Date: 22nd April, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. 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 the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. The legal formalities relating to the lease are yet to be completed.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
 - (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
 - (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.



- (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:


Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs.)	Amount Unpaid
Finance Act 1994	Service Tax	Central Excise & Service tax Appellate Tribunal	2006-07 to 2011-2012 & 2012-2013	48,26,108	48,26,108
Central Sales Tax	Sales Tax	Deputy Commissioner (Appeal)	1988-89, 1997-98, 1998-99, 2000-2001, 2001-2002, 2002-2003 & 2012-2013	30,21,926	30,21,926
Central Sales Tax	Sales Tax	Commissioner (Appeal)	2002-2003	3,154,761	3,154,761
Central Sales Tax	Sales Tax	Joint Commissioner (Appeal)	2003-2004, 2004-2005, 2005-2006	45,98,521	45,98,521
Value Added Tax	Sales Tax	Deputy Commissioner (Appeal)	2012-2013	2,71,695	2,71,695
Central Sales Tax	Entry Tax	Joint Commissioner (Appeal)	2008-2009 to 2010-2011	1,18,20,008	1,18,20,008

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.



- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
ICAI Registration Number. 302009E


Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Kolkata
Date: 22nd April, 2016

THE TATA PIGMENTS LIMITED
Balance Sheet
as at 31st March, 2016

	Notes	As at 31st March, 2016 Rupees	As at 31st March, 2015 Rupees
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3(A)	7,500,000	7,500,000
(b) Reserves and surplus	3(B)	399,232,060	351,837,775
		406,732,060	359,337,775
(2) Non-current liabilities			
(a) Deferred tax liabilities (Net)	20	9,401,118	8,403,638
(b) Other long term liabilities	4	11,259,208	10,993,208
(c) Long-term provisions	5	45,372,363	31,088,649
		66,032,689	50,485,495
(3) Current liabilities			
(a) Trade payables	6(A)	200,828,095	155,938,868
(b) Other current liabilities	6(B)	17,009,264	21,273,962
(c) Short-term provisions	5	17,717,238	10,411,924
		235,554,597	187,624,754
TOTAL EQUITY AND LIABILITIES		708,319,346	597,448,024
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	162,285,684	171,704,200
(ii) Intangible assets	7	10,568,302	11,880,607
		172,853,986	183,584,807
(b) Non-current investments	8	1	1
(c) Long-term loans and advances	9(A)	18,645,417	25,455,059
(d) Other Non-current Assets	9(B)	25,702,912	10,652,261
		44,348,330	36,107,321
(2) Current assets			
(a) Current investments	8	74,867,113	39,782,854
(b) Inventories	10(A)	108,442,692	98,134,977
(c) Trade receivables	10(B)	220,044,028	166,838,370
(d) Cash and Bank Balances	11	58,197,384	56,253,223
(e) Short-term loans and advances	9(A)	28,992,008	13,644,640
(f) Other Current Assets	9(C)	573,805	3,101,832
		491,117,030	377,755,896
TOTAL ASSETS		708,319,346	597,448,024

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants



Abhijit Bandyopadhyay
Partner

Kolkata, 22nd April, 2016

Jamshedpur, April, 2016



V. Natarajan

AGM Finance & Accounts
Cum Company Secretary

For and on behalf of the Board of Directors



Sunil Bhaskaran
Chairman



Shubhenjit Chaudhuri
Managing Director

THE TATA PIGMENTS LIMITED
Statement of Profit & Loss
for the year ended 31st March, 2016

	Notes	For the year ended	For the year ended
		31st March, 2016 Rupees	31st March, 2015 Rupees
I Revenue from operations (net)	12(A)	1,064,913,785	934,165,189
II Other Income	12(B)	7,046,319	5,161,857
III Total Revenue (I + II)		1,071,960,104	939,327,046
IV EXPENSES			
(a) Raw materials consumed		245,060,435	229,839,012
(b) Purchases of finished, semi-finished and other products		138,296,611	136,303,145
(c) Expenses on Service Contract		195,470,728	156,909,686
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(8,293,732)	(22,090,735)
(e) Employee benefit expense	13(A)	102,148,488	116,796,395
(f) Finance costs	13(B)	778,137	796,537
(g) Depreciation and amortization expense	7	13,589,264	13,376,035
(h) Other expenses	14	280,939,623	251,793,196
Total Expenses		967,989,554	883,723,271
V Profit before tax & Exceptional Items (III-IV)		103,970,550	55,603,775
VI Exceptional items			
Less: Retirement benefits to Ex. Managing director		19,148,650	-
VII Profit before tax (V-VI)		84,821,900	55,603,775
VIII Tax Expense			
(1) Current tax		27,403,310	18,208,870
(2) Deferred Tax		997,480	325,087
Total tax expense		28,400,790	18,533,957
X Profit after tax (VII-VIII)		56,421,110	37,069,818
XI Earnings per equity share:			
(1) Basic		752	494
(2) Diluted		752	494

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata, 22nd April 2016

Jamshedpur, April, 2016



V. Natarajan
AGM Finance & Accounts
Cum Company Secretary

Sunil Bhaskaran
Sunil Bhaskaran
Chairman

Shubhenjit Chauhuri
Shubhenjit Chauhuri
Managing Director

THE TATA PIGMENTS LIMITED
Cash Flow Statement
for the year ended 31st March, 2016

	Rupees For the year ended 31st March, 2016	Rupees For the year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	84,821,900	55,603,775
Adjustment for		
i) Depreciation	13,589,264	13,376,035
ii) (Profit)/Loss on sale of Obsolescence of assets	(2,437)	32,188
iii) Write Back of Liabilities	(535,157)	(200,291)
iv) Dividend Income	(3,084,259)	(1,511,254)
v) Interest Income	(3,959,623)	(3,682,791)
vi) Finance Cost	778,137	796,537
vii) Provision for Doubtful Debts	269,802	806,494
	<u>7,055,727</u>	<u>9,616,918</u>
Operating Profit/(Loss) before Working Capital changes	91,877,627	65,220,693
Adjustments for (increase)/decrease in operating assets		
i) Trade and Other receivables	(62,485,973)	1,910,043
ii) Inventories	(10,307,715)	(23,150,267)
iii) Trade payable and other liabilities	55,771,978	33,680,742
	<u>(17,021,710)</u>	<u>12,440,518</u>
Cash Generated from Operation	74,855,917	77,661,211
Direct taxes paid	(23,298,517)	(21,186,744)
Net cash from Operating Activities	51,557,400	56,474,467
B. CASH FLOW FROM INVESTING ACTIVITIES		
i) Purchase of Fixed Assets including CWIP	(2,949,052)	(16,209,810)
ii) Sale of fixed assets	93,045	575,150
iii) Sale of Investments	76,915,741	110,000,000
iv) Purchases of Investments	(112,000,000)	(144,511,255)
v) Fixed deposits made	3,748,573	(12,340,313)
vi) Fixed deposits realized	(10,590,313)	7,953,052
vii) Dividend received	3,084,259	1,511,254
viii) Interest received	2,027,312	1,709,416
Net Cash used in Investing Activities	(39,670,435)	(51,312,506)
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Interest Paid	(778,137)	(796,537)
ii) Dividend paid	(4,500,000)	(4,500,000)
iii) Tax on Proposed Dividend	(916,094)	(76,775)
Net Cash used in Financing Activities	(6,194,231)	(6,061,312)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,692,734	(899,351)
OPENING CASH AND CASH EQUIVALENTS	38,587,910	39,487,261
CLOSING CASH AND CASH EQUIVALENTS	44,280,644	38,587,910

Note 1 Includes cash on hand and balance in current accounts with banks
2 Figures in brackets represent outflows.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay

Partner

Jamshedpur,

April, 2016



V. Natarajan

Chief of Finance & Accounts
Cum Company Secretary

For and on behalf of the Board of Directors

Sunil Bhaskaran

Sunil Bhaskaran
Chairman

Shubhenjit Chaudhuri

Managing Director

THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

1) General Corporate Information

The Tata Pigments Limited is one of the largest manufacturer of Synthetic Iron Oxide Manufacturers in India producing as per ISI specifications. Its range of products include flooring colours in five colours under the brand name of Tata Red, Tata Black, Tata Yellow, Tata Green, Tata Blue. The Tata Pigments Limited also manufacturer dry cement paint under brand name of Cemplus and Ecoem, water based emulsion paints, distemper, primer, Wallplus Putty, etc. through BPO route over the past decade. It has diversified in to Industrial Decorative and Coating services and has been mainly catering to Tata Steel group of companies.

2) Significant Accounting Policies

2.01 Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The accounts presentation in accordance with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.02 The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.03 DEPRECIATION / AMORTIZATION

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Intangible asset are amortised over the estimated useful life of 10 years.

2.04 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.05 INVENTORIES

Finished goods are valued at lower of weighted average cost and realizable value. Cost comprises all direct and indirect costs other than interest, corporate expenses and selling and distribution M.S. Scrap, Caustic Soda and other raw materials purchased by the company are carried at lower of cost and net realisable value and is computed on FIFO (First-in-First-out) basis. Stores and spares are valued at cost comprising of purchase price, freight and handling, taxes, duties and other attributable costs and is computed on FIFO basis. Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items. Loose tools are valued at cost and depreciated @ 10% per annum on written down value.

2.06 Revenue Recognition

i) Sale of goods

The Company recognises revenue on sale of products when the products are delivered to the carriers for Ex-Works Sales and in case of sale from depots when the products are delivered to the dealer/customer which is when risks and rewards of ownership pass to the dealer/customer. Sales comprises sale of goods, net of trade discount and includes excise duty, sales tax recovered is excluded.

ii) Income form Services

The company recognises revenue from service transactions that are completed and incase of partialy completed contract the expenss incurred are treated as work-in-progress.

iii) Dividend and Interest

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.07 FIXED ASSETS

The cost of assets comprises its purchases price and all attributable cost of bringing the assets to its working condition for the intended use and includes financial costs relating to borrowed funds attributable to construction or acquisition up to date the assets is put to use. The building and plant and machinery are situated on land leased from Tata Steel Limited. The legal formalities relating to the lease are yet to be completed.

a) Tangible Assets: Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any.

b) Intangible Assets: Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible assets is recognised if it is probable that the expected future economic benefit that are attributable to the assets will flow to the company and its cost can be measured reliably.



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Note 1: Accounting Policies (Contd.)

2.08 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially recognised in reporting currency i.e. Indian Rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are remeasured at the rates of exchange prevailing at the balance sheet date.

The exchange differences arising on the settlement of transactions and remeasurement are recognised in the Statement of Profit and Loss. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the Statement of Profit and Loss over the period of the contract. Profit/(loss) on cancellation of forward exchange contracts are recognised as income or as expense in the statement of Profit and Loss.

2.09 INVESTMENTS

Long-term investments are valued at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary. Current investments are carried at lower of cost and fair value.

2.10 EMPLOYEES BENEFITS

(i) Short-term Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

(ii) Post Employment Benefit Plans

Defined Contribution Plans

Defined contribution plans are those plans where the Company pays fixed contributions to a fund managed by independent trust. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Company provides Provident Fund facility to all employees and Superannuation benefits to selected employees.

Defined Benefit Plans

The present value of these defined benefit obligations are ascertained by an independent actuarial valuation using Projected Unit Credit Method as per the requirement of Accounting Standard 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. All actuarial gains and losses are recognised in the Statement of Profit and Loss in full in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

(iii) Other Long-term Employment Benefits (unfunded)

The present value of obligation against long-term employee benefits is ascertained by an independent actuarial valuation using Projected Unit Credit Method as per the requirement of Accounting Standards 15 - Employee Benefits. All actuarial gains and losses and past service cost are recognised in the Statement of Profit and Loss in full in the year in which they occur.

2.11 BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets till such time the assets is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the profit and loss account in the period in which they are incurred.

2.12 SEGMENT REPORTING

The Company identifies primary segments based on the nature of risks and returns, organisational structure and internal performance reporting systems. The accounting policies adopted for the segment reporting are in line Accounting standard (AS) 17. Segment revenue, segment expenses, segment assets and liabilities are allocated to segments on the basis of their relationship to the operating activities of the segment.



2.13 EARNING PER SHARE

The Company reports basic and diluted earning per share in accordance with Accounting standard (AS) 20- Earning per Share. Basic earnings per Equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Diluted earning during the year adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

2.14 TAXES ON INCOME

i) Current Tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961.

ii) Deferred tax

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

iii) Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2.15 IMPAIRMENT OF ASSETS

The carrying amount of fixed assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

2.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Note 5(A): Share Capital

Rupees

	As at 31st March, 2016	As at 31st March, 2015
(1) Authorized:		
1,00,000 Ordinary Shares of Rs. 100 each (31.03.2015: 1,00,000 Ordinary Shares of Rs. 100 each)	10,000,000	10,000,000
Total	10,000,000	10,000,000
(2) Issued & Subscribed and fully-paid up:		
(a) 75,000 Ordinary Shares of Rs. 100 each <i>2,500 Ordinary Shares were allotted a fully paid up pursuant to a contract without payments being received in cash (Previous year: 2,500 Ordinary Shares were allotted a fully paid up)</i>	7,500,000	7,500,000
(b) 5,000 Ordinary Share were issued as fully paid bonus shares by utilisation of Rs. 5,00,000 from General Reserve (Previous year: 5,000 Ordinary Shares were allotted a fully paid up) All the above Ordinary Shares are held by Tata Steel Limited, Holding Company		
Total Share Capital	7,500,000	7,500,000

	<u>% of Share</u>	<u>Number of Shares held</u>
i) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
Tata Steel Ltd (Previous year : 75,000 shares of Rs. 100 each)	100	75,000

ii) Share Capital Reconciliation of Shares

Equity share capital with face value of Rs 100 each	No. of shares			As at 31st March, 2016
	As at 31st March, 2015	Addition	Deletion	
a) Authorized share capital	100,000	-	-	100,000
b) Issued share capital	75,000	-	-	75,000
c) Subscribed and fully paid-up	75,000	-	-	75,000
d) Subscribed and not fully paid-up	-	-	-	-

iii) Rights, preferences and restrictions attached to shares

Equity shares

The company has one class of equity shares having a par value of Rs.100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, 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 to their shareholding.



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Note 3(B): Reserves & Surplus

	Rupees	
	As at 31st March, 2016	As at 31st March, 2015
(1) Capital Reserve		
Balance as per last account	17,083	17,083
	17,083	17,083
(2) General Reserve		
Balance as per last account	139,335,328	135,628,346
Add: Transferred from Profit and Loss Account	5,642,111	3,706,982
	144,977,439	139,335,328
(3) Surplus		
Balance as per the last account	212,485,364	185,579,141
Less: Adjustment arising on account of adoption of Schedule II of the Companies Act, 2013 (Net of taxes)	-	1,040,519
Add: Credit balance of profit & Loss Account	56,421,110	37,069,818
	268,906,474	221,608,440
Less: Proposed Dividend	7,500,000	4,500,000
Less: Tax on Proposed Dividend	1,526,825	916,094
Less: Amount transferred to General Reserve	5,642,111	3,706,982
	254,237,538	212,485,364
Total Reserves and Surplus	399,232,060	351,837,775



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Note4: Other Long Term Liabilities

Rupees

	As at 31st March. 2016	As at 31st March. 2015
Other Long Term Liabilities		
Security Deposits (from C&F, Distributors & Processor)	11,259,208	10,993,208
	<u>11,259,208</u>	<u>10,993,208</u>

page 9



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

	Rupees					
	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Provision for employee benefits						
(a) Post-employment Defined Benefits						
(i) Retiring Gratuity	270,530		270,530	4,551,670	-	4,551,670
(ii) Pension Obligations	25,114,604	1,744,660	26,859,264	10,695,660	842,750	11,538,410
(iii) Post retirement medical benefits	4,212,342	481,630	4,693,972	1,914,927	240,790	2,155,717
(b) Other Post-employment Benefits						
(i) Leave benefit scheme	14,726,179	669,390	15,395,569	13,926,392	2,240,620	16,167,012
Provision for employee separation compensation	1,048,708	480,420	1,529,128	-	62,590	62,590
Provision for superannuation fund		73,227	73,227			
Provision for current tax	-	5,178,789	5,178,789	-	1,546,783	1,546,783
Provision for fringe benefit tax	-	62,297	62,297	-	62,297	62,297
Proposed Dividend	-	7,500,000	7,500,000	-	4,500,000	4,500,000
Provision for Tax on Proposed Dividend	-	1,526,825	1,526,825	-	916,094	916,094
Total Provisions	45,372,363	17,717,238	63,089,601	31,088,649	10,411,924	41,500,573



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Note 6

	As at 31st March. 2016	Rupees As at 31st March. 2015
Note 6(A): Trade Payables		
(a) Creditors for supplies / services	183,306,039	139,172,085
(b) Creditors for accrued wages and salaries	17,522,056	16,766,783
	200,828,095	155,938,868
Note 6(B): Other Current Liabilities		
(a) Advances received from customers	3,985,179	2,945,988
(b) Other liabilities	13,024,085	18,327,974
	17,009,264	21,273,962



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Note 7: Fixed Assets

	Cost at beginning of the year	Additions	Disposals / Adjustments	Cost at end of the period	Depreciation at beginning of the year	* Depreciation charged to retained earnings	Charge for the period	Disposals / Adjustments	Depreciation at end of the period	Net book value at end of the period
Freehold Buildings	64,971,594 (62,869,219)	- (2,102,375)	-	64,971,594 (64,971,594)	5,577,536 (3,341,631)	- (159,086)	2,146,330 (2,076,819)	-	7,723,866 (5,577,536)	57,247,728 (59,394,058)
Plant and Machinery	189,301,355 (184,149,027)	239,029 (5,152,328)	36,000	189,504,384 (189,301,355)	83,714,281 (74,571,536)	- (684,645)	8,392,836 (8,458,100)	36,000	92,071,117 (83,714,281)	97,433,267 (105,587,074)
Furniture & Fixtures	1,964,883 (1,896,597)	186,661 (68,286)	62,044	2,089,500 (1,964,883)	1,304,637 (1,180,684)	- (7,636)	116,669 (116,317)	29,376	1,391,930 (1,304,637)	697,570 (660,246)
Office Equipment's	6,332,000 (5,257,111)	2,473,313 (1,074,889)	236,220	8,569,093 (6,332,000)	4,554,043 (3,097,846)	- (688,889)	817,688 (767,308)	178,280	5,193,451 (4,554,043)	3,375,642 (1,777,957)
Vehicles	7,136,459 (7,368,510)	50,048 (1,297,699)	- (1,529,750)	7,186,507 (7,136,459)	2,851,594 (3,058,959)	-	803,436 (715,049)	- (922,414)	3,655,030 (2,851,594)	3,531,477 (4,284,865)
Total Tangible Assets	269,706,291 (261,540,464)	2,949,051 (9,695,577)	334,264 (1,529,750)	272,321,078 (269,706,291)	98,002,091 (85,250,656)	- (1,540,256)	12,276,959 (12,133,593)	243,656 (922,414)	110,035,394 (98,002,091)	162,285,684 (171,704,200)
Computer Software	13,123,049	- (13,123,049)	-	13,123,049 (13,123,049)	1,242,442	-	1,312,305 (1,242,442)	-	2,554,747 (1,242,442)	10,568,302 (11,880,607)
Total Intangible Assets	13,123,049	- (13,123,049)	-	13,123,049 (13,123,049)	1,242,442	-	1,312,305 (1,242,442)	-	2,554,747 (1,242,442)	10,568,302 (11,880,607)
Total Assets	282,829,340 (261,540,464)	2,949,051 (22,818,626)	334,264 (1,529,750)	285,444,127 (282,829,340)	99,244,533 (85,250,656)	- (1,540,256)	13,589,264 (13,376,035)	243,656 (922,414)	112,590,141 (99,244,533)	172,853,986 (183,584,807)

Note: 1. The buildings and plant and machinery are situated on land leased from Tata Steel Limited.
2. The legal formalities relating to the lease are yet to be completed.
3. * Amount adjusted on account of adoption of Schedule II of Companies Act 2013
4. Figures in the brackets are in respect of figures as at 31.03.2015.



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Rupees

Note 8: Investments

	No. of shares/ units fully paid up	As at 31st March, 2016			As at 31st March, 2015		
		Non-current	Current	Total	Non-current	Current	Total
Trade Investment							
Unquoted Investment Investment in Units of Mutual Funds (At lower of cost and fair value)		-	74,867,113	74,867,113	-	39,782,854	39,782,854
Other Investment							
Shares and Debentures in Associates & Subsidiaries							
Unquoted Nicco Jubilee Park Limited (Equity shares of Rs.10 each fully paid up) (Net of diminution)	10,000	1	-	1	1	-	1
Total Investments in Shares and Debentures		1	74,867,113	74,867,114	1	39,782,854	39,782,855
Investments by type:							
Investments in Equity Instruments Investments in Mutual Funds	10,000	1	74,867,113	74,867,113	1	39,782,854	39,782,854
Total Investments		1	74,867,113	74,867,114	1	39,782,854	39,782,855
Additional Details:							
Carrying value of Unquoted Investments		1	74,867,113	74,867,114	1	39,782,854	39,782,855



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Rupees

Note 9 (A): Loans and Advances

	As at 31st March, 2016			As at 31st March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Loans and advances						
(a) Security Deposits	-	429,861	429,861	-	429,861	429,861
(b) Advance with public bodies	704,936	20,388,632	21,093,568	6,995,299	6,422,206	13,417,505
(c) Advance to related parties	-	1,837,426	1,837,426	-	1,198,656	1,198,656
(d) Advance to Suppliers	-	3,461,660	3,461,660	-	3,207,655	3,207,655
(e) Other loans and advances	447,919	2,874,429	3,322,348	494,411	2,386,262	2,880,673
(f) Advance payment against taxes	17,336,250	-	17,336,250	17,809,037	-	17,809,037
(g) Advance payment against fringe benefit taxes	156,312	-	156,312	156,312	-	156,312
Total Loans and advances	18,645,417	28,992,008	47,637,425	25,455,059	13,644,640	39,099,699
Classification of loans and advances						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	18,645,417	28,992,008	47,637,425	25,455,059	13,644,640	39,099,699
Doubtful	-	-	-	-	-	-
Total Loans and advances	18,645,417	28,992,008	47,637,425	25,455,059	13,644,640	39,099,699

Note 9(B): Other Non Current Assets

	As at 31st March, 2016	As at 31st March, 2015
(a) Interest accrued on deposits, loans and advances	4,644,051	183,713
(b) Balance with bank (Represent bank deposits not due for realisation within 12 months of the balance sheet date.)	21,058,861	10,468,548
	25,702,912	10,652,261

Note 9(C): Other Current Assets

	As at 31st March, 2016	As at 31st March, 2015
Interest accrued on deposits, loans and advances	573,805	3,101,832
	573,805	3,101,832



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Note 10(A): Inventories

	As at 31st March, 2016	As at 31st March, 2015
		Rupees
(a) Raw materials (at lower of cost and realizable value)	10,706,048	9,100,133
(b) Semi-finished goods (at lower of cost and realizable value)	33,862,759	30,587,872
(c) Finished goods (at lower of cost and realizable value)	44,532,106	39,555,815
(d) Stock-in-Trade (in respect of goods acquired for trading (at lower of cost and realizable value)	6,457,893	6,415,339
(e) Stores and spares (at cost less write off for obsolescence)	12,821,714	12,406,737
(f) Loose tools	62,172	69,081
Total Inventories	108,442,692	98,134,977

Note 10(B): Trade Receivables

	As at 31st March, 2016	As at 31st March, 2015
		Rupees
(a) Trade Receivables		
(i) More than six months	9,419,684	6,150,542
(ii) Others	211,604,125	162,267,690
Gross Trade Receivables	221,023,809	168,418,232
Less: Provision for bad and doubtful debts	979,781	1,579,862
Net Trade Receivables	220,044,028	166,838,370

Classification of Trade Receivables

Secured, considered good	2,958,107	2,808,338
Unsecured, considered good	217,085,921	164,030,032
Doubtful	979,781	1,579,862
Gross Trade Receivables	221,023,809	168,418,232



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

Note 11 - Cash and Bank Balances	As at 31st March, 2016	As at 31st March, 2015
		Rupees
(A) Cash and cash equivalents		
(a) Cash in hand	17,504	20,788
(b) Cheques, draft on hand	2,250,821	-
(c) Current Account with banks	36,133,700	25,444,095
(d) Bank Deposits with up to 3 months maturity	5,878,619	13,123,027
	<u>44,280,644</u>	<u>38,587,910</u>
(B) Other bank balances (with more than 3 months but less than 12 months maturity)		
Bank deposits	13,916,740	17,665,313
	<u>13,916,740</u>	<u>17,665,313</u>
Total cash and bank balances	58,197,384	56,253,223



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
for the year ended 31st March, 2016

Note 12(A) - Revenue from operations

	Rupees	
	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
(1) Sale of products	903,592,106	818,145,908
(2) Sale of services	247,031,031	203,677,011
Gross Revenue from Operations	1,150,623,137	1,021,822,919
(3) Less: Excise duty recovered on sales	88,586,567	90,095,723
	1,062,036,570	931,727,196
(4) Other Income		
(i) Sundry income	2,342,058	2,237,702
(ii) Write back of liabilities no longer required	535,157	200,291
	2,877,215	2,437,993
Total Revenue from Operations	1,064,913,785	934,165,189

Note 12(B) - Other Income

	Rupees	
	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
(1) Dividend Income From Current investments	3,084,259	1,511,254
(2) Interest received on sundry advances, deposits, customers' balances etc.	3,959,623	3,682,791
(3) Profit/(Loss) on Sale of capital assets	2,437	(32,188)
Total Other Income	7,046,319	5,161,857



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
for the year ended 31st March, 2016

Note 13(A) - Employee Benefit Expense

Rupees

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(1) Salaries and wages, including bonus	81,184,143	81,954,401
(2) Contribution to provident and other funds	9,781,349	21,616,371
(3) Staff welfare expenses	11,182,996	13,225,623
Total Employee Benefit Expense	102,148,488	116,796,395

Note 13(B) - Finance cost

	For the year ended 31st March, 2016	For the period ended 31st March, 2015
(a) Interest expense		
Interest on Others	778,137	796,537
Total finance costs	778,137	796,537



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
for the year ended 31st March, 2016

Note 14 - Other Expenses

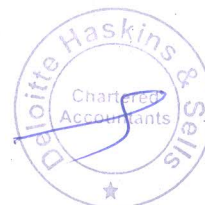
Rupees

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(1) Stores and spares consumed	38,030,019	41,463,494
(2) Repairs to buildings	3,404,044	1,424,830
(3) Repairs to machinery	14,364,461	11,315,140
(4) Fuel oil consumed	18,230,961	19,252,272
(5) Purchase of power	19,216,020	18,068,319
(6) Conversion charges	35,490,258	34,561,665
(7) Freight and handling charges	65,483,145	52,395,310
(8) Rent	2,109,881	1,927,004
(9) Brand Equity	2,662,169	1,854,861
(10) Rates and taxes	10,235,861	6,384,745
(11) Insurance charges	1,025,449	504,211
(12) Commission and Discounts	29,764,621	26,806,433
(13) Provision for doubtful debts and advances	269,802	806,494
(14) Excise duties	4,916,872	3,205,761
(15) Net loss / (gain) on foreign currency transactions	186,588	19,697
(16) Other expenses	35,549,472	31,802,960
(a) Auditors remuneration		
(i) As auditors	198,000	165,000
(ii) For other services	141,600	118,001
(b) Legal and other professional costs	4,263,172	3,092,651
(c) Advertisement, Promotion & Selling Expenses	5,793,193	7,811,651
(d) Travelling Expenses	5,631,642	7,569,651
(e) Other General Expenses	19,521,865	13,046,006
Total Other Expenses	280,939,623	251,793,196

Note 14.01 - Expenditure incurred for Corporate Social Responsibility (CSR)

Company has incurred expenditure towards, CSR during the financial year u/s 135 of the Companies Act 2013.

(a) Gross amount required to be spent by the company during the year	1,249,000
(b) Amount spent during the year on :	
(i) Construction/acquisition of any assets	Nil
(ii) On purpose other than (i) above	1,436,946



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

	<u>As at 31.03.2016</u> Rupees	<u>As at 31.03.2015</u> Rupees
15.01 : Contingent liabilities not provided for :-		
a. Sales Tax demands against which appeals are pending	11,751,839	11,327,549
b. Claim by ex C & F Agent	1,427,463	1,427,463
c. Entry Tax demands	14,389,798	12,391,147
d. Employees State Insurance matters	7,368,183	7,368,183
e. Other amounts for which the company is contingently liable	439,383	439,383
f. Service Tax	4,826,108	4,826,108
	<u>40,202,774</u>	<u>37,779,833</u>

15.02 : Estimated amount of contracts remaining to be executed on capital account and not provided for.	29,890	26,000
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	<u>As at 31.03.2016</u> Rupees	<u>As at 31.03.2015</u> Rupees
15.03 : Sundry Creditors includes dues in respect of Micro, Small and Medium Enterprises Development Act 2006 under Section 22		
a) Principal Amount	Nil	Nil
b) Interest due and Payable	Nil	Nil

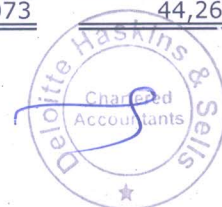
Interest is reckoned as due from the date of receipt of bill by the Company from the Vendor who has sent intimation of registration under the Act.



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

15.04 Information regarding Opening Stock, Purchase, Turnover and Closing Stock :

	2015 - 2016		2014 - 2015	
	Quantity (MT/KL)	Value Rupees	Quantity (MT/KL)	Value Rupees
a. OPENING STOCK				
Oxides of Iron	495	25,091,561	548	25,591,188
Dry Cement Paint (Manufacture)	289	5,439,724	188	3,358,133
Exterior Emulsion Paint	40	3,142,205	39	2,539,826
Acrylic Distemper	43	1,536,124	43	1,128,660
Wall Plus Putty	144	2,671,616	131	2,373,627
Water Base Primer	24	1,438,734	18	825,496
Synthetic Enamel	16	2,352,647	15	2,090,026
Metal Primer	22	2,589,823	6	473,485
	1,073	44,262,434	988	38,380,441
b. TURNOVER				
Oxides of Iron	6,553	480,569,745	6,103	423,192,973
Dry Cement Paint	4,726	100,523,115	4,377	91,042,770
Exterior Emulsion Paint	152	14,486,162	152	14,567,632
Acrylic Distemper	127	4,003,872	148	4,708,277
Wall Plus Putty	8,737	133,251,611	7,229	111,475,890
Water Base Primer	383	23,379,145	434	26,135,016
Synthetic Enamel	375	55,959,827	190	23,887,990
Metal Primer	26	2,832,062	269	33,039,638
	21,079	815,005,539	18902	728,050,185
c. CLOSING STOCK				
Oxides of Iron	646	29,727,736	495	25,091,561
Dry Cement Paint	389	6,195,495	289	5,439,724
Exterior Emulsion Paint	45	3,149,072	40	3,142,205
Acrylic Distemper	53	1,639,894	43	1,536,124
Wall Plus Putty	138	2,598,107	144	2,671,616
Water Base Primer	42	1,860,681	24	1,438,734
Synthetic Enamel	16	2,599,669	16	2,352,647
Metal Primer	10	969,647	22	2,589,823
	1,339	48,740,301	1073	44,262,434



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

15.05 : Raw Materials Consumed

	<u>2015 - 2016</u>		<u>2014 - 2015</u>	
	<u>Quantity (MT/KL)</u>	<u>Value Rupees</u>	<u>Quantity (MT/KL)</u>	<u>Value Rupees</u>
Waste Pickle Liquor (acquired free and hence valued at Rs. Nil)		-		-
White Cement	2,446	28,465,326	2,255	30,054,864
M.S. Scrap	2,443	53,804,022	2,073	60,758,042
Caustic Soda	458	14,350,395	413	13,401,910
Synthetic Red Oxide/Ferric Oxide	1,674	40,331,482	1,479	27,890,590
Extenders for Flooring Colours	463	2,902,924	434	2,624,676
Extenders for Dry Cement Paint	3,335	27,255,265	3,104	23,214,280
Extenders for Ecoplus/Distemper/ Water Base Primer	508	16,216,742	504	16,702,644
Extenders for Wall Plus Putty	5,799	45,781,344	4,823	41,802,743
Others	2,008	15,952,935	2,161	13,389,263
		<u><u>245,060,435</u></u>		<u><u>229,839,012</u></u>



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

	2015 - 2016 Rupees	2014 - 2015 Rupees
15.06 : C.I.F. Value of imports - Raw Material	23,691,931	12,747,181
15.07 : Expenditure in Foreign Currency - Travelling	264,014	121,428

15.08 : Value of imported and indigenous raw materials, stores, spares and components consumed :

	2015 - 2016		2015 - 2016	
	Raw Materials %	Rupees	Stores, Spares & Components %	Rupees
Imported (China)	10 (3)	25,545,804 (7,163,428)	Nil (Nil)	Nil (Nil)
Indigenous	90 (97)	219,514,631 (222,675,584)	100 (100)	39,588,202 (42,880,556)

* (Include Rs. 15,58,183 (Prev Year 2014-15 Rs.14,17,062) consumed on account of Repairs to Machinery & Repairs to Building. Refer Note No. 14)



16 DISCLOSURE RELATING TO EMPLOYEE BENEFITS

THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

(Amount in Rupees)

Details of funded post retirement defined benefit obligations are as follows:

	Gratuity					Pension					Post-retirement Medicare scheme*					
	15-16	14-15	13-14	12-13	11-12	15-16	14-15	13-14	12-13	11-12	15-16	14-15	13-14	12-13	11-12	
i. Components of employer expense																
Current Service cost	2,037,500	1,285,840	1,327,920	1,217,830	1,308,190	-	-	-	-	-	-	-	-	-	-	
Interest cost	2,548,830	2,509,660	2,095,690	2,088,370	1,828,660	864,570	815,570	612,900	651,150	655,860	161,650	183,400	168,600	186,220	185,080	
Expected return on plan assets	(2,895,380)	(2,727,540)	(2,495,640)	(2,405,280)	(2,089,990)	-	-	-	-	-	-	-	-	-	-	
Actuarial Losses/(Gains)	379,580	9,583,710	2,460,990	2,531,610	11,150	16,017,910	2,360,050	1,416,430	207,780	(583,020)	2,575,190	20,310	(186,740)	(144,110)	(294,330)	
Total expense / (income) recognised in the Statement of Profit & Loss Account	2,070,530	10,651,670	3,388,960	3,432,530	1,058,010	16,882,480	3,175,620	2,029,330	858,930	72,840	2,736,840	203,710	(18,140)	42,110	(109,250)	
ii Actual Contribution and Benefit Payments for year ended 31 March 2016																
Actual benefit payments	9,552,040	3,064,140	4,761,060	(2,107,230)	(1,637,500)	(1,561,630)	(908,400)	(838,800)	(699,600)	-	(198,590)	(61,400)	(152,040)	-	(29,970)	
Actual Contributions	6,351,700	7,488,960	2,432,500	2,560,790	2,511,030	1,561,630	908,400	838,800	699,600	-	198,590	61,400	152,040	-	29,970	
iii Net asset/(liability) recognised in balance sheet as at March 31, 2016																
Present Value of Defined Benefit Obligation	32,500,530	37,453,280	28,663,530	28,576,700	25,337,030	26,859,264	11,538,410	9,271,190	(8,080,660)	7,921,330	4,693,972	2,155,690	2,013,380	2,183,560	2,189,300	
Fair value of plan assets	32,230,000	32,901,580	27,274,540	28,144,170	25,776,240	(26,859,264)	(11,538,410)	(9,271,190)	(8,080,660)	(7,921,330)	(4,693,972)	(2,155,690)	(2,013,380)	(2,183,560)	(2,189,300)	
Net asset/(liability) recognised in balance sheet	(270,530)	(4,551,700)	(1,388,990)	(432,530)	(439,210)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)
iv Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2016																
Present Value of DBO at beginning of year	37,453,280	28,663,530	28,576,700	25,337,030	23,677,030	11,538,414	9,271,190	8,080,660	7,921,330	8,548,090	2,155,690	2,013,380	2,183,560	2,189,300	2,328,520	
Current Service cost	2,037,500	1,285,840	1,327,920	1,217,830	1,308,190	-	-	-	-	-	-	-	-	-	-	
Interest cost	2,548,830	2,509,660	2,095,690	2,088,370	1,828,660	864,570	815,570	612,900	651,150	655,860	161,650	183,400	168,600	186,220	185,080	
Actuarial (gains)/losses	12,960	8,058,390	1,424,280	2,040,700	160,650	16,017,910	2,360,050	1,416,430	207,780	(583,020)	2,575,222	20,310	(186,740)	(144,110)	(294,330)	
Benefits paid	(9,552,040)	(3,064,140)	(4,761,060)	(2,107,230)	(1,637,500)	(1,561,630)	(908,400)	(838,800)	(699,600)	(699,600)	(198,590)	(61,400)	(152,040)	(47,850)	(29,970)	
Present Value of DBO at the end of year	32,500,530	37,453,280	28,663,530	28,576,700	25,337,030	26,859,264	11,538,410	9,271,190	8,080,660	7,921,330	4,693,972	2,155,690	2,013,380	2,183,560	2,189,300	
v Change in Fair Value of Assets during the year ended March 31, 2016																
Plan assets at beginning of year	32,901,580	27,274,540	28,144,170	25,776,240	22,663,220	-	-	-	-	-	-	-	-	-	-	
Actual return on plan assets	2,895,380	2,727,540	2,495,640	2,405,280	2,089,990	-	-	-	-	-	-	-	-	-	-	
Actuarial Gains/Losses	(366,620)	(1,525,320)	(1,036,710)	(490,910)	(149,500)	-	-	-	-	-	-	-	-	-	-	
Actual Company contributions	6,351,700	7,488,960	2,432,500	2,560,790	2,511,030	1,561,630	908,400	838,800	699,600	699,600	198,590	61,400	152,040	47,850	29,970	
Benefits paid	(9,552,040)	(3,064,140)	(4,761,060)	(2,107,230)	(1,637,500)	(1,561,630)	(908,400)	(838,800)	(699,600)	(699,600)	(198,590)	(61,400)	(152,040)	(47,850)	(29,970)	
Plan assets at the end of year	32,230,000	32,901,580	27,274,540	28,144,170	25,776,240	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)	(1,980,000)
vi Actuarial Assumptions																
Discount Rate	7.75%	7.80%	9.25%	8.00%	8.60%	7.75%	7.80%	9.25%	8.00%	8.60%	7.75%	7.80%	9.25%	8.00%	8.60%	
Expected Return on plan assets	9.25%	9.25%	9.25%	9.25%	9.25%	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	
Salary escalation	7%	7%	5%	5%	5%	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	
Medical cost inflation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

The expenses relating to Gratuity, Pension and Medical is disclosed in the line items: Payments to & Provisions for Employees (Company's contribution of Gratuity with respect to gratuity & for others under Company's contribution to Provident & other funds)

Defined Contribution Plan
Superannuation: The liability is measured at current cost and is funded within the same financial year. An amount of Rs. 24,11,093 has been recognised as an expense during the current financial year.

Provident Fund: In accordance with Indian law, eligible employee of the Company are entitled to receive benefits under Provident Fund, a defined contribution plan in which both the employer and employee contribute monthly at a determined rate (currently at 12% of employee's salary). An amount of Rs. 26,22,111 has been recognised as an expense during the current period towards Company's contribution to Provident Fund.



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

17: SEGMENT REPORTING

Primary Segment Information (Business Segment)

Particulars	Pigments	Service Contract	Unallocable	Total
Segment revenue				
External revenue	821,844,814 (734,138,781)	247,031,031 (203,677,011)	3,084,259 (1,511,254)	1,071,960,104 (939,327,046)
Inter Segment revenue				
Total revenue	821,844,814 (734,138,781)	247,031,031 (203,677,011)	3,084,259 (1,511,254)	1,071,960,104 (939,327,046)
Segment results before finance costs, exceptional items and tax	64,472,062 (14,054,196)	37,192,366 (40,834,862)	3,084,259 (1,511,254)	104,748,687 (56,400,312)
Less: Finance Cost				778,137 (796,537)
Profit before exceptional items and tax				103,970,550 (55,603,775)
Exceptional items				19,148,650 (-)
Profit before tax				84,821,900 (55,603,775)
Tax expenses				28,400,790 (18,533,957)
Profit after tax				56,421,110 (37,069,818)
Segment Assets	514,478,868 (478,241,318)	101,637,114 (61,614,814)	92,203,364 (57,591,892)	708,319,346 (597,448,024)
Segment Liabilities	259,624,098 (202,151,368)	32,562,070 (27,555,243)	9,401,118 (8,403,638)	301,587,286 (238,110,249)
Capital expenditure	2,949,052 (22,818,626)	-	-	2,949,052 (22,818,626)
Segment depreciation	13,589,264 (13,376,035)	-	-	13,589,264 (13,376,035)

Secondary Segment Information (Geographical Segment)

	31.03.2016	31.03.2015
Segment Revenue		
Within India		
Outside India	1,071,960,104	939,327,046
Capital Expenditure		
Within India	2,949,052	22,818,626
Outside India		
Segment Assets		
Within India	708,319,346	597,448,024
Outside India		

Additional Information :

- 1) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operation predominantly relate to manufacture of Oxide of Iron and Decorative Product and other Service Contract.
- 2) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated. Assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and liabilities respectively.



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

18 : Related Party Transaction :

Description of Transaction	Name of the Related Party	Relationship	2015 - 2016 Rupees	2014 - 2015 Rupees
Purchase of Raw Materials	Tata Steel Limited	Holding Company	48,219,390	45,818,333
	The Tinplate Company of India Limited	Fellow Subsidiary	908,428	-
	Indian Steel & Wire Products Ltd.	Fellow Subsidiary	381,406	17,461
Other Purchases	Tata Steel Limited	Holding Company	47,267,659	37,038,128
Sale of Products	Tata Steel Limited	Holding Company	-	54,720
	Jamshedpur Utilities & Services Company Ltd.	Fellow Subsidiary	2,395,416	1,619,940
	T.S.Alloys Limited	Fellow Subsidiary	179,845	-
	Tata Sponge Iron Limited	Fellow Subsidiary	101,654	-
Purchases of Intangible Assets	Tata Steel Limited	Holding Company	-	6,685,420
Receiving of Services	Tata Steel Limited	Holding Company	11,739,768	7,241,411
	Jamshedpur Utilities & Services Company Ltd.	Fellow Subsidiary	590,390	4,101
	Indian Steel & Wire Products Ltd.	Fellow Subsidiary	12,312	-
Rendereing of Services	Tata Steel Limited	Holding Company	189,740,513	162,338,454
	Indian Steel & Wire Products Ltd.	Fellow Subsidiary	331,314	8,239,788
	Jamshedpur Continuous Annealing & processing Company Pvt. Ltd.	Fellow Subsidiary	737,723	-
Dividend paid	Tata Steel Limited	Holding Company	4,500,000	4,500,000
Managerial Remuneration	Mr. Prakash Sarode	Ex-Managing Director	4,709,741	8,976,258
	Mr. Shubhenjit Chaudhuri	Managing Director	5,986,838	-
Nature of Outstanding	Name of the Related Party	Relationship	Amount As at 31.03.2016 Rupees	Amount As at 31.03.2015 Rupees
Outstanding Payable	Tata Steel Limited	Holding Company	4,537,153	3,213,757
	Indian Steel & Wire Products Ltd.	Fellow Subsidiary	-	17,461
	Jamshedpur Utilities & Services Company Ltd.	Fellow Subsidiary	14,604	-
Outstanding Receivable	Tata Steel Limited	Holding Company	47,536,641	10,392,694
	Indian Steel & Wire Products Ltd.	Fellow Subsidiary	198,791	953,067
	Jamshedpur Utilities & Services Company Ltd.	Fellow Subsidiary	753,107	1,100,925
	T.S.Alloys Limited	Fellow Subsidiary	46,624	-
	Jamshedpur Continuous Annealing & processing Company Pvt. Ltd.	Fellow Subsidiary	737,723	-
	Tata Sponge Iron Limited	Fellow Subsidiary	101,654	-
Advance Paid	Tata Steel Limited	Holding Company	1,435,638	1,173,868
	The Tinplate Company of India Limited	Fellow Subsidiary	8,776	24,788
	Jamshedpur Utilities & Services Company Ltd.	Fellow Subsidiary	393,012	-



THE TATA PIGMENTS LIMITED
Notes forming part of the Financial Statements
as at 31st March, 2016

19: Earnings Per Share :	As at 31.03.2016	As at 31.03.2015
	Rupees	Rupees
Profit after tax	56,421,110	37,069,818
No of equity shares	75,000	75,000
Nominal value of shares	Rs 100 each	Rs 100 each
Basic / diluted EPS	752	494

20: Major components of deferred Tax

Arising on account of timing differences are :	As at 31.03.2016	Charge/(Credit) to the status of profit & Loss	As at 31.03.2015
	Rupees	Rupees	Rupees
Liabilities :			
Depreciation	17,412,071	2,840,474	14,571,597
Assets :			
Leave Salary	(5,659,752)	(414,365)	(5,245,387)
Others	(2,351,201)	(1,428,629)	(922,572)
	9,401,118	997,480	8,403,638

21: Note

Previous Years figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board

Sunil Bhaskaran

Sunil Bhaskaran
Chairman

Shubhenjit Chaudhuri

Shubhenjit Chaudhuri
Managing Director

V. Natarajan

V. Natarajan
AGM Finance & Accounts
Cum Company Secretary

Jamshedpur, April, 2016

