

**The Tata Pigments Limited**  
**Balance Sheet as at 31st March 2021**

	Notes	Amount in Rs. Lakhs	
		As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	3	1,175.22	1,224.07
(b) Capital work-in-progress		0.02	10.67
(c) Intangible assets	4	62.15	77.97
(d) Financial assets			
(i) Non current investments	6	-	-
(ii) Trade receivables	7	218.27	201.20
(iii) Other Balances with bank	10	1.02	1.02
(iv) Other financial assets	8	20.00	20.00
(e) Other assets	9	222.64	191.24
(f) Deferred Tax Assets (net)	12	24.73	3.70
(g) Non current tax asset	12 A	51.45	87.56
		<b>1,775.50</b>	<b>1,817.43</b>
<b>Current Assets</b>			
(a) Inventories	5	748.17	1,319.53
(b) Financial assets			
(i) Current investments	6	1,502.33	3,026.59
(ii) Trade receivables	7	1,983.22	1,849.57
(iii) Cash and Cash equivalents	10	237.78	65.21
(iv) Other Balances with bank	10	3,250.53	501.97
(v) Other Financial Assets	8	322.25	309.65
(c) Other Assets	9	208.76	341.12
		<b>8,253.04</b>	<b>7,413.64</b>
		<b>10,028.54</b>	<b>9,231.07</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	75.00	75.00
(b) Other Equity		6,178.72	5,717.75
		<b>6,253.72</b>	<b>5,792.75</b>
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables			
a) total outstanding dues of micro and small enterprises	13	17.76	-
b) total outstanding dues other than (i) (a) above	13	117.89	55.67
(ii) Other financial liabilities	14	125.34	129.34
(b) Retirement benefit obligations	15	602.23	645.33
		<b>863.22</b>	<b>830.34</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables			
a) total outstanding dues of micro and small enterprises	13	103.73	90.33
b) total outstanding dues other than (i) (a) above	13	2,449.50	2,129.32
(ii) Other Financial Liabilities	14	101.76	98.64
(b) Retirement benefit obligations	15	140.28	99.89
(c) Other non financial liabilities	16	116.33	189.80
		<b>2,911.60</b>	<b>2,607.98</b>
		<b>10,028.54</b>	<b>9,231.07</b>
<b>Total Equity and Liabilities</b>			

See accompanying notes forming part of the financial statements

This is the Balance Sheet referred to in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 304026E/E300009

**For and on behalf of the Board of Directors**

sd/-

**Amit Jain**

Partner

Membership No 098053

Place: Faridabad

Date: April 27, 2021

sd/-

**Dinesh Agarwal**

Chief of Finance & Accounts

sd/-

**Sanjiv Paul**

Chairman

(DIN: 00086974)

sd/-

**Umesh Kumar Singh**

Managing Director

(DIN:08708676)

Place: Jamshedpur

Date: April 27, 2021

**The Tata Pigments Limited**
**Statement of Profit and Loss for the year ended 31st March 2021**

Amount in Rs. Lakhs

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from Operations	17	12,014.38	12,230.64
II Other Income	18	193.42	246.59
<b>III Total Income (I + II)</b>		<b>12,207.80</b>	<b>12,477.23</b>
<b>IV EXPENSES</b>			
(a) Raw materials consumed	19	2,137.43	2,466.02
(b) Purchases of finished, semi-finished and other products	20	1,063.44	1,551.17
(c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	21	573.75	(292.76)
(d) Expenses on Service Contract		3,974.69	3,734.56
(e) Employee benefit expense	22	1,442.02	1,363.10
(f) Finance costs	23	8.05	8.37
(g) Depreciation and amortisation expense	4(a)	141.94	143.05
(h) Other expenses	24	2,181.52	2,792.56
<b>Total Expenses (IV)</b>		<b>11,522.84</b>	<b>11,766.07</b>
<b>V Profit before tax (III-IV)</b>		<b>684.96</b>	<b>711.16</b>
<b>VI Tax Expense</b>	12		
(1) Current tax		196.00	241.53
(i) Current tax		196.00	241.66
(ii) Current tax relating to previous years		-	(0.13)
(2) Deferred tax		(21.03)	(62.02)
<b>Total tax expense (VI)</b>		<b>174.97</b>	<b>179.51</b>
<b>VII Profit for the year (V - VI)</b>		<b>509.99</b>	<b>531.65</b>
<b>VIII Other comprehensive income</b>			
<b>A)</b> (i) Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurement gain/(losses) on post employment defined benefit plans		34.72	(66.51)
(ii) Income tax on items that will not be reclassified subsequently to the statement of profit or loss		(8.74)	16.74
<b>B)</b> (i) Items that will be reclassified subsequently to the statement of profit or loss		-	-
(ii) Income tax on items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income</b>		<b>25.98</b>	<b>(49.77)</b>
<b>IX Total comprehensive income for the year (VII +VIII)</b>		<b>535.97</b>	<b>481.88</b>
<b>X Earnings per Equity share</b>	31		
(1) Basic (Rs.)		<b>679.99</b>	<b>708.87</b>
(2) Diluted (Rs.)		<b>679.99</b>	<b>708.87</b>

See accompanying notes forming part of the financial statements

This is the statement of Profit and Loss referred to in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 304026E/E300009

**For and on behalf of the Board of Directors**

sd/-

**Amit Jain**

Partner

Membership No 098053

Place: Faridabad

Date: April 27, 2021

sd/-

**Dinesh Agarwal**

Chief of Finance &amp; Accounts

sd/-

**Sanjiv Paul**

Chairman

(DIN: 00086974)

sd/-

**Umesh Kumar Singh**

Managing Director

(DIN : 08708676)

Place: Jamshedpur

Date: April 27, 2021

**The Tata Pigments Limited**

**Statement of changes in Equity for the year ended March 31,2021**

(a) Equity Amount in Rs. Lakhs

Balance as at April 1,2020	Changes during the year	Balance as at March 31, 2021
75.00	-	75.00

Balance as at April 1,2019	Changes during the year	Balance as at March 31, 2020
75.00	-	75.00

(b) Other Equity Amount in Rs. Lakhs

	Retained Earning	General Reserve	Capital Reserve	Other Comprehensive Income	Total
<b>Balance as at March 31, 2020</b>	<b>4,488.36</b>	<b>1,449.77</b>	<b>0.17</b>	<b>(220.55)</b>	<b>5,717.75</b>
Profit for the year	509.99	-	-	-	509.99
Re-measurement Gain/(losses)	-	-	-	25.98	25.98
Dividend paid	(75.00)	-	-	-	(75.00)
<b>Balance as at March 31, 2021</b>	<b>4,923.35</b>	<b>1,449.77</b>	<b>0.17</b>	<b>(194.57)</b>	<b>6,178.72</b>
<b>Balance as at March 31, 2019</b>	<b>4,047.13</b>	<b>1,449.77</b>	<b>0.17</b>	<b>(170.78)</b>	<b>5,326.29</b>
Profit for the year	531.65	-	-	-	531.65
Re-measurement Gain/(losses)	-	-	-	(49.77)	(49.77)
Dividend paid	(75.00)	-	-	-	(75.00)
Tax on Dividend	(15.42)	-	-	-	(15.42)
<b>Balance as at March 31, 2020</b>	<b>4,488.36</b>	<b>1,449.77</b>	<b>0.17</b>	<b>(220.55)</b>	<b>5,717.75</b>

This is the statement of changes in Equity referred to in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants  
Firm Registration Number: 304026E/E300009

**For and on behalf of the Board of Directors**

sd/-  
**Amit Jain**  
Partner  
Membership No 098053

Place: Faridabad  
Date: April 27, 2021

sd/-  
**Dinesh Agarwal**  
Chief of Finance & Accounts

sd/-  
**Sanjiv Paul**  
Chairman  
(DIN: 00086974)

sd/-  
**Umesh Kumar Singh**  
Managing Director  
(DIN : 08708676)

Place : Jamshedpur  
Date: April 27, 2021

**The Tata Pigments Limited**  
**Statement of Cash Flow for the year ended March 31, 2021**

Amount in Rs. Lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit before taxes</b>	684.96	711.16
Adjustments for:		
Depreciation and amortisation expense	141.94	143.05
(Gain)/loss on sale of tangible assets (net)	(1.94)	-
Interest income	(156.25)	(38.61)
Gain on sale of investments	(26.43)	(150.11)
Change in fair value of Investments	11.69	(14.03)
Finance Costs	8.05	8.37
Bad debts	8.33	2.20
Allowance for doubtful debts	-	21.93
Inventories write-down	9.55	7.85
Liability no longer required written back	-	(43.84)
<b>Operating Profit before changes in current/non current assets and liabilities</b>	<b>679.90</b>	<b>647.97</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Inventories	561.81	(269.35)
Trade receivables	(159.05)	35.79
Other Balances with bank	(2,748.56)	(32.13)
Other Financial Assets current	39.13	(293.24)
Other Financial Assets non current	-	(9.50)
Other Assets current	132.36	(89.16)
Other Assets non current	(15.46)	1.51
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Trade Payables	413.57	312.43
Other Financial Liabilities current	3.12	12.03
Other Financial Liabilities non current	(4.00)	(2.50)
Retirement benefit obligations current	40.39	45.40
Retirement benefit obligations non-current	(8.39)	16.63
Other non financial liabilities	(73.47)	19.66
<b>Cash Generated from Operations</b>	<b>(1,138.65)</b>	<b>395.54</b>
Income tax paid	(168.62)	(250.13)
<b>Net Cash Flows from/(used in) Operating Activities</b>	<b>(1,307.27)</b>	<b>145.41</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of property, plant and equipment	(93.90)	(79.59)
Proceeds from sale of property, plant and equipment	13.28	-
Purchase of Current Investments	(2,900.00)	(13,990.00)
Proceeds from sale of Current Investments	4,439.00	13,620.40
Interest income received	104.51	42.52
<b>Net Cash Flow from/(used in) investing activities</b>	<b>1,562.89</b>	<b>(406.67)</b>
<b>C. Cash Flows from Financing Activities:</b>		
Interest and other borrowing costs paid	(8.05)	(8.37)
Dividend Paid	(75.00)	(75.00)
Tax on dividend paid	-	(15.42)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>(83.05)</b>	<b>(98.79)</b>
<b>Net increase in Cash or Cash Equivalents</b>	<b>172.57</b>	<b>(360.05)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>65.21</b>	<b>425.26</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>237.78</b>	<b>65.21</b>
<b>Reconciliation of cash and cash equivalents as per</b>		
Cash in Hand	0.27	0.34
In Deposit Account	-	-
In Current Account	237.51	64.87
Cash and cash equivalents as per note 10	<b>237.78</b>	<b>65.21</b>

See accompanying notes forming part of the financial statements  
This is the statement of cash flow referred to in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**  
Chartered Accountants  
Firm Registration Number: 304026E/E300009

**For and on behalf of the Board of Directors**

sd/-  
**Amit Jain**  
Partner  
Membership No 098053  
Place: Faridabad  
Date: April 27, 2021

sd/-  
**Dinesh Agarwal**  
Chief of Finance & Accounts

sd/-  
**Sanjiv Paul**  
Chairman  
(DIN: 00086974)

sd/-  
**Umesh Kumar Singh**  
Managing Director  
(DIN : 08708676)  
Place: Jamshedpur  
Date: April 27, 2021

# **The Tata Pigments Limited**

## **Notes to the financial statements**

### **1. Company Information**

The Tata Pigments Limited (“the Company”) is a public limited Company incorporated in India with its registered office in Jamshedpur, Jharkhand, India.

The Company is one of the largest manufacturers of Synthetic Iron Oxide in India. Its range of products include flooring colours in five colours under the brand name of Tata Red, Tata Black, Tata Yellow, Tata Green and Tata Blue. The Company also manufactures dry cement paint under brand name of Cemplus and Ecocem, 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 and Waste Management Business to Tata Steel.

The functional and presentation currency of the Company is Indian Rupee (“INR”) which is the currency of the primary economic environment in which the Company operates.

As on March 31, 2021, Tata Steel Limited, owns 100% of the Ordinary shares of The Tata Pigments Limited, and has the ability to control the Company’s operations. Subsequent to the year end, the shares held by Tata Steel Limited have been transferred in favour of Tata Steel Utilities and Infrastructure Services Limited.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on April 27, 2021.

### **2. Significant accounting policies**

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

#### **2.01 Statement of Compliance**

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

#### **2.02 Basis of preparation and presentation**

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date.

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 Directors of the Company have assessed its liquidity position (including the impact of COVID-19) and its possible sources of funds. The Board of Directors are confident of the Company’s ability to meet its obligations in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis.

# The Tata Pigments Limited

## Notes to the financial statements

### 2.03 Use of estimates and critical accounting judgement

In the preparation of financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

#### Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

#### Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

#### Retirement benefit obligations

The Company's retirement benefit obligation are subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice.

### 2.04 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment is stated at cost/deemed cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset. The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

**The Tata Pigments Limited**  
**Notes to the financial statements**

**2.05 Intangible assets**

Software costs are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortised on a straight line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the statement of profit and loss as and when incurred.

**2.06 Depreciation and amortization of property, plant and equipment and intangible assets**

Depreciation or amortisation is provided so as to write off, on a straight line basis, the cost / deemed cost of property, plant and equipment and intangible assets, to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use. The estimated useful lives for main categories of property, plant and equipment and intangible assets are:

<b>Class of Asset</b>	<b>Estimated Useful Life</b>
<b>Freehold building</b> Factory Building Other than Factory Building with RCC frame structure Other than Factory Building without RCC frame structure Fences, Walls, etc.	30 years 60 years 30 years 5 years
<b>Plant and Machinery</b> Plant and Machinery used in manufacture of Synthetic Iron Oxide Pigments – Reactors Other Machinery	20 years 5 to 15 years
<b>Office Equipment</b> Computers and data processing units Others	3 years 3 to 5 years
<b>Furniture and Fixtures</b>	10 years
<b>Vehicles</b> Motor Cycles Other Heavy Vehicles	10 years 8 years
<b>Intangible Assets</b> Computer software	10 years

**2.07 Impairment**

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any.

**2.08 Leases**

Effective April 1, 2019, the Company had applied Ind AS 116 which establishes a comprehensive framework for determining whether, how much and when lease is to be recognised. Ind AS 116 replaces Ind AS 17 Leases. The Company has adopted Ind AS 116 using the modified retrospective approach. The adoption of the new standard did not have a material impact on the Company.

**The Company as lessee**

From April 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-

## **The Tata Pigments Limited**

### **Notes to the financial statements**

lease components. The Company allocates consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the company under residual value guarantees
- The exercise price of a purchase option if the company is reasonable certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Payments associated with short-term lease equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### **2.09 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

##### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

##### **Financial assets**

Cash and bank balances

Cash and bank balances consist of:

- (i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the reporting date. These balances with banks are unrestricted for withdrawal and usage.
- (ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.



# **The Tata Pigments Limited**

## **Notes to the financial statements**

### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long term strategic purpose.

Financial assets not measured at amortised cost or at fair value through other comprehensive income, are carried at fair value through profit and loss.

### **Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk of the financial asset has significantly increased since initial recognition.

### **De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

### **Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

# **The Tata Pigments Limited**

## **Notes to the financial statements**

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceed received, net of direct issue costs.

### **Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

### **De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

## **2.10 Employee benefits**

### **Defined contribution plans**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

### **Defined benefit plans**

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is recognised as an expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value of plan assets.

### **Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

## **2.11 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Stores and spare parts are carried at lower of cost and net realisable value.

## **The Tata Pigments Limited**

### **Notes to the financial statements**

Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a product.

#### **2.12 Provisions**

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;
- (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

#### **2.13 Onerous contracts**

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

#### **2.14 Income taxes**

Tax expense for the period comprises current and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

## **The Tata Pigments Limited**

### **Notes to the financial statements**

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

#### **2.15 Revenue**

The Company recognise revenue from transfer of goods at point of time. The Company manufactures and sells a range of paints products in domestic market. Sale are recognised when the control of products are transferred, being when the products are delivered to customers and at the consideration to which the entity expects to be entitled to in exchange for goods or services.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a credit term of 30/60 days, which is consistent with market practice.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. The customer pays the fixed amount based on completion of the related services on a monthly basis. If the services rendered exceed the payment, a contract asset (unbilled revenue) is recognised. If the payments exceed the services rendered, a contract liability is recognised. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Revenue is measured at the fair value of consideration received or receivable net of discount, taking in to account contractually defined terms and excluding taxes and duties collected on behalf of the government.

#### **Dividend and Interest income**

Dividend income from investment is recognised within other income when the Company's right to receive dividend is established.

Interest income from financial assets at fair value through profit and loss is recognised under other income when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis taking into account the amount outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that assets net carrying amount on initial recognition.

#### **2.16 Foreign currency transactions and translations**

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction.

## **The Tata Pigments Limited**

### **Notes to the financial statements**

At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

#### **2.17 Borrowing costs**

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss.

#### **2.18 Earning per share**

Basic earnings per share has been computed by dividing profit or loss for the year by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

#### **2.19 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.

#### **2.20 Segment Reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organisation, management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company.

#### **2.21 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **2.22 Recent Accounting Pronouncements**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2020 on 24 July 2020 which are applicable for the periods beginning April 1, 2020. The amendments to Ind AS and the impact on the financial statements of the Company are summarised below:

**The Tata Pigments Limited**  
**Notes to the financial statements**

Accounting Standard	Nature of amendment	Impact on the financial statements
Ind AS 116, Leases	As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments.	There are no such concessions availed by the Company.
Ind AS 103, Business Combinations	Change in definition of a business: The application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. Accordingly, these amendments revises the definition of a business. An entity shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period.	The Company has not undertaken any such transactions during the year.
Ind AS 107, Financial Instruments: Disclosures and Ind AS 109, Financial Instruments	Interest rate benchmark reform: These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.	The Company has not undertaken any such transaction during the year.
Ind AS 1, Presentation of Financial Statements, Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and consequential amendments to other Ind AS	The amendments clarify the definition of material and make Ind ASs more consistent.	There is no significant impact on the financial statements.

**The Tata Pigments Limited**  
**Notes to the financial statements**

**3 Property, Plant And Equipments**

Amount in Rs. Lakhs

As at March 31, 2021	Buildings	Owned Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicle	Total Tangible Assets
Cost as at April 1, 2020	593.94	1,104.32	20.21	76.53	48.85	1,843.85
Additions	6.00	66.38	1.56	14.67	-	88.61
Disposals/discard	-	(0.81)	(0.58)	(6.02)	(39.46)	(46.87)
<b>Cost as at March 31, 2021</b>	<b>599.94</b>	<b>1,169.89</b>	<b>21.19</b>	<b>85.18</b>	<b>9.39</b>	<b>1,885.59</b>
Accumulated Depreciation as at April 1, 2020	107.26	414.68	7.52	57.77	32.55	619.78
Charge for the year	22.72	85.00	2.12	12.88	3.40	126.12
Disposals/discard	-	(0.81)	(0.24)	(4.94)	(29.54)	(35.53)
<b>Accumulated Depreciation as at March 31, 2021</b>	<b>129.98</b>	<b>498.87</b>	<b>9.40</b>	<b>65.71</b>	<b>6.41</b>	<b>710.37</b>
<b>Net book value as at March 31, 2021</b>	<b>469.96</b>	<b>671.02</b>	<b>11.79</b>	<b>19.47</b>	<b>2.98</b>	<b>1,175.22</b>

As at March 31, 2020	Buildings	Owned Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicle	Total Tangible Assets
Cost as at April 1, 2019	593.94	1,075.32	16.85	66.07	48.85	1,801.03
Additions	-	29.00	3.36	10.46	-	42.82
Disposals/discard	-	-	-	-	-	-
<b>Cost as at March 31, 2020</b>	<b>593.94</b>	<b>1,104.32</b>	<b>20.21</b>	<b>76.53</b>	<b>48.85</b>	<b>1,843.85</b>
Accumulated Depreciation as at April 1, 2019	85.84	330.57	5.68	43.62	26.39	492.10
Charge for the year	21.42	84.11	1.84	14.15	6.16	127.68
Disposals/discard	-	-	-	-	-	-
<b>Accumulated Depreciation as at March 31, 2020</b>	<b>107.26</b>	<b>414.68</b>	<b>7.52</b>	<b>57.77</b>	<b>32.55</b>	<b>619.78</b>
<b>Net book value as at March 31, 2020</b>	<b>486.68</b>	<b>689.64</b>	<b>12.69</b>	<b>18.76</b>	<b>16.30</b>	<b>1,224.07</b>

Note: a) In respect of immovable property of self-constructed building on leasehold land, the land lease agreement is in the name of the Company, where the Company is the lessee in the agreement.

**4 Intangible assets**

	March 31, 2021	March 31, 2020
Cost as at beginning of the year	145.82	118.81
Additions	-	27.01
Disposals	-	-
<b>Cost as at end of the year</b>	<b>145.82</b>	<b>145.82</b>
Accumulated Amortisation at beginning of the year	67.85	52.48
Charge for the year	15.82	15.37
Disposals	-	-
<b>Accumulated Amortisation at end of the year</b>	<b>83.67</b>	<b>67.85</b>
<b>Net book value as at end of the year</b>	<b>62.15</b>	<b>77.97</b>

**4.a. Depreciation and amortisation for the year**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation - Property, Plant and Equipment	126.12	127.68
Amortisation - Intangible	15.82	15.37
<b>Total</b>	<b>141.94</b>	<b>143.05</b>

**The Tata Pigments Limited**
**Notes to the financial statements**

Amount in Rs. Lakhs

	As at March 31, 2021	As at March 31, 2020
<b>5 Inventories</b>		
(Refer note 2.11 for accounting policy for valuation of inventories)		
(a) Raw materials	166.38	163.61
(b) Semi Finished	42.19	209.42
(c) Finished goods	233.32	586.48
(d) Stock in trade	100.46	153.82
(e) Stores and spares	205.82	206.20
	<b>748.17</b>	<b>1,319.53</b>

Value of inventories above is stated after provisions (net of reversal) Rs. 9.55 Lakhs (March 31, 2020: Rs. 7.85 Lakhs) for write downs to net realisable value and provision for slow-moving and obsolete items and has been charged to Changes in Inventories of finished goods, work-in-progress and stock-in-trade.

**6 Investment**
**Financial assets measured at Fair value through other comprehensive income (FVTOCI)**
**Unquoted Equity Investment**

(March 31, 2020 : 10,000 Equity shares of Rs. 10 each in Nicco Jubilee Park Limited fully paid up)\*

**Classified as:**

Non current\*

Current

\* Amount lower than the rounding off norm adopted by the company.

**Financial assets carried at fair value through profit and loss (FVTPL)**
**Unquoted Mutual Funds**

Tata Liquid Fund	100.09	100.68
Axis Liquid Fund	-	202.78
Aditya Birla Sun Life Liquid Fund	200.65	102.35
HDFC Mutual Fund	200.16	-
LIC MF Liquid Fund	-	207.73
L & T Mutual Fund	100.08	102.43
Nippon India Liquid Fund (Formerly Reliance Liquid Fund)	-	201.17
SBI Liquid Fund	200.33	103.85
DSP Mutual Fund	100.15	100.65
Franklin Templeton Mutual Fund	-	201.87
Baroda Liquid Fund	-	201.67
UTI Liquid Fund	300.67	-
IDFC Cash Liquid Fund	300.20	-
Tata Overnight Fund	-	1,501.41
	<b>1,502.33</b>	<b>3,026.59</b>
<b>Classified as:</b>		
Non current	-	-
Current	1,502.33	3,026.59
	<b>1,502.33</b>	<b>3,026.59</b>



**The Tata Pigments Limited**
**Notes to the financial statements**

Amount in Rs. Lakhs

	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
<b>7 Trade Receivables</b>				
Trade receivables	44.32	631.12	38.36	733.08
Receivables from related parties (refer note 34)	173.95	1,400.95	162.84	1,165.34
Less: Loss allowance	-	(48.85)	-	(48.85)
<b>Total trade receivables</b>	<b>218.27</b>	<b>1,983.22</b>	<b>201.20</b>	<b>1,849.57</b>
	<b>Non current</b>	<b>Current</b>	<b>Non current</b>	<b>Current</b>
Secured, considered good *	-	12.62	-	10.68
Unsecured, considered good	218.27	1,970.60	201.20	1,838.89
Doubtful	-	48.85	-	48.85
<b>Total</b>	<b>218.27</b>	<b>2,032.07</b>	<b>201.20</b>	<b>1,898.42</b>
Less: Loss allowance	-	(48.85)	-	(48.85)
<b>Total trade receivables</b>	<b>218.27</b>	<b>1,983.22</b>	<b>201.20</b>	<b>1,849.57</b>

\* Security deposits received from distributors.

**Ageing of trade receivables is as below:**

Age of Receivable				
Amounts not yet due	218.27	1,153.66	201.20	840.22
One month overdue	-	385.57	-	494.56
Two months overdue	-	169.14	-	127.04
Three months overdue	-	59.94	-	120.18
Between three to six months overdue	-	65.13	-	174.83
Greater than six months overdue	-	198.63	-	141.59
	<b>218.27</b>	<b>2,032.07</b>	<b>201.20</b>	<b>1,898.42</b>

**Information about major customers**

Before accepting any new customer, the Company assesses the potential customers' credit quality and defines credit limit by customer. The limits and scoring attributes to customer are reviewed twice a year. Trade receivable balance as at March 31, 2021 of Rs.1120.69 Lakhs (as at March 31, 2020 of Rs.1052.54 Lakhs) is due from Tata Steel Limited, being the Company's largest customer. There are no other customers who represents more than 10% of the total balance of trade receivables.

	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
<b>8 Other financial Assets</b>				
(a) Security deposits	-	8.86	-	13.86
(b) Interest accrued on deposits	-	60.45	-	8.71
(c) Bank deposit with maturity more than twelve months	20.00	-	20.00	-
(d) Unbilled Revenue	-	252.94	-	287.08
	<b>20.00</b>	<b>322.25</b>	<b>20.00</b>	<b>309.65</b>
Less: Loss allowance	-	-	-	-
	<b>20.00</b>	<b>322.25</b>	<b>20.00</b>	<b>309.65</b>
<b>Classification of other financial assets:</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	20.00	322.25	20.00	309.65
Doubtful	-	-	-	-
	<b>20.00</b>	<b>322.25</b>	<b>20.00</b>	<b>309.65</b>

**The Tata Pigments Limited**  
**Notes to the financial statements**

Amount in Rs. Lakhs

	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
<b>9 Other Non financial Assets</b>				
(a) Capital advances	32.17	-	-	16.23
(b) Advance with public bodies	172.56	86.08	171.46	211.99
(c) Advance to related parties	-	53.07	-	17.87
(d) Other advances and prepayments	17.91	69.61	19.78	95.03
	<b>222.64</b>	<b>208.76</b>	<b>191.24</b>	<b>341.12</b>

**Classification of other non financial assets:**

Secured, considered good	-	-	-	-
Unsecured, considered good	222.64	208.76	191.24	341.12
Provision for Doubtful Advances	-	-	-	-
	<b>222.64</b>	<b>208.76</b>	<b>191.24</b>	<b>341.12</b>

	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
<b>10 Cash and Bank balances</b>				
Cash and cash equivalents :				
(a) Unrestricted Balances with banks				
(i) In Current Account	-	237.51	-	64.87
(b) Cash in hand	-	0.27	-	0.34
	-	<b>237.78</b>	-	<b>65.21</b>
Other Balance with bank :				
(c) Unrestricted Balances with banks				
(i) In Deposit with original maturity of more than three months and upto twelve months	-	3,238.00	-	490.25
(d) Earmarked Balance with scheduled banks				
(i) In Deposit Account	1.02	12.53	1.02	11.72
	<b>1.02</b>	<b>3,250.53</b>	<b>1.02</b>	<b>501.97</b>

**The Tata Pigments Limited**

**Notes to the financial statements**

Amount in Rs. Lakhs

**11 Equity Share Capital**

	As at March 31, 2021	As at March 31, 2020
<b>Authorised:</b>		
<b>100,000 Ordinary Shares of Rs. 100 each</b> (March 31, 2020: 100,000 Equity Shares of Rs. 100 each)	100.00	100.00
	<b>100.00</b>	<b>100.00</b>
<b>Issued:</b>		
<b>75,000 Ordinary Shares of Rs. 100 each</b> (March 31, 2020: 75,000 Equity Shares of Rs. 100 each)	75.00	75.00
	<b>75.00</b>	<b>75.00</b>
<b>Subscribed and fully paid up:</b>		
<b>75,000 Ordinary Shares of Rs. 100 each</b> (March 31, 2020: 75,000 Equity Shares of Rs. 100 each)	75.00	75.00
	<b>75.00</b>	<b>75.00</b>

**Details of shares held by holding company or its subsidiaries**

**Equity Shares :**

Tata Steel Limited - Holding Company and its nominees

No. of Shares	75,000	75,000
Percentage	100%	100%

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

**Equity Shares :**

Tata Steel Limited - Holding Company and its nominees

No. of Shares	75,000	75,000
Percentage	100%	100%

**Rights 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, if any, 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, in proportion to their shareholding.

The Tata Pigments Limited  
Notes to the financial statements

		Amount in Rs. Lakhs				
		As at March 31, 2021	Charge/ (Credit) to the Statement of Profit and Loss	As at March 31, 2020	Charge/ (Credit) to the Statement of Profit and Loss	As at March 31, 2019
<b>12</b>	<b>Deferred tax liabilities (Net)</b>					
	<b>Deferred tax liabilities</b>					
	(a) Property, Plant and equipment and intangible assets	129.38	(5.70)	135.08	(19.35)	154.43
	(b) Change in fair value of Investment	(2.94)	(6.47)	3.53	3.53	-
		<b>126.44</b>	<b>(12.17)</b>	<b>138.61</b>	<b>(15.82)</b>	<b>154.43</b>
	<b>Deferred tax assets</b>					
	(a) Others - 43B item	59.97	3.57	56.40	45.05	11.35
	(b) Others (Provision for warranty, inventory & doubtful debts)	36.04	2.80	33.24	3.26	29.98
	(c) Compensated Absences (leave)	55.16	2.49	52.67	(2.11)	54.78
		<b>151.17</b>	<b>8.86</b>	<b>142.31</b>	<b>46.20</b>	<b>96.11</b>
	<b>Net deferred tax assets / (liabilities)</b>	<b>24.73</b>	<b>21.03</b>	<b>3.70</b>	<b>(62.02)</b>	<b>(58.32)</b>
<b>12.1</b>	<b>The Income tax expenses for the year can be reconciled to the accounting profit as follows</b>				<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Profit from continuing operations before income tax expenses				684.96	711.13
	Tax rate of 25.17% (year ended March 31, 2020 - 25.17%)				<b>172.39</b>	<b>178.98</b>
	Tax effects of amount which are not deductible (taxable) in calculating taxable income:					
	Corporate Social Responsibility expenses				3.65	3.63
	Interest on MSME				1.11	-
	Adjustment for current tax of prior periods				-	(0.13)
	Impact of change in statutory tax rate				-	(2.97)
	Other				(2.18)	-
	<b>Total tax expenses as per Statement of Profit and Loss</b>				<b>174.97</b>	<b>179.51</b>
	Recognised as - Current tax				196.00	241.53
	- Deferred tax (credit)				(21.03)	(62.02)
<b>12 A</b>	<b>Income Tax Assets</b>					
	(a) Advance payment against taxes [ Net of provision of Rs. 1,395.95 lakhs ; year ended March 31, 2020 Rs. 1,191.22 lakhs]				49.89	86.00
	(b) Advance payment against fringe benefit taxes				1.56	1.56
					<b>51.45</b>	<b>87.56</b>

**The Tata Pigments Limited**  
**Notes to the financial statements**

**13 Trade payables**

Amount in Rs. Lakhs

	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
(a) Creditors for supplies and services - Dues to Micro & Small Enterprises (Refer note no.-32)	17.76	103.73	-	90.33
(b) Creditors for supplies and services - other than Micro & Small Enterprises	117.89	2,235.70	55.67	1,810.16
(c) Creditors for accrued wages and salaries	-	213.80	-	319.16
	<b>135.65</b>	<b>2,553.23</b>	<b>55.67</b>	<b>2,219.65</b>

**14 Other financial liabilities**

	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
(a) Creditors for other liabilities				
(i) Security deposits	125.34	-	129.34	-
(ii) Provisions and Other credit balances	-	101.76	-	98.64
	<b>125.34</b>	<b>101.76</b>	<b>129.34</b>	<b>98.64</b>

**15 Retirement benefit obligations**

	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
(a) Provision for employee benefits				
(1) Post-employment Defined Benefits				
i) Retiring Gratuity	18.01	-	52.12	-
ii) Pension Obligation	341.48	23.76	362.88	23.28
iii) Post retirement medical benefits	40.46	4.75	42.01	4.76
iv) Other post retirement benefits (Leave)	201.71	17.43	185.55	23.70
v) Other long term employee benefits *	-	92.13	-	22.12
(2) Other Employee Benefits				
i) Provision for employees separation scheme	0.57	2.21	2.77	2.21
ii) Other long term employee benefits	-	-	-	23.82
* Shortfall in interest on Provident Fund based on actuarial valuation				
	<b>602.23</b>	<b>140.28</b>	<b>645.33</b>	<b>99.89</b>

**16 Other non financial liabilities**

	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
(a) Advances received from customers	-	84.66	-	112.61
(b) Employee recoveries and employer contributions	-	8.12	-	11.68
(c) Statutory Dues (GST, Excise duty, service tax, sales tax, TDS etc.)	-	23.55	-	65.51
	<b>-</b>	<b>116.33</b>	<b>-</b>	<b>189.80</b>

**The Tata Pigments Limited**  
**Notes to the financial statements**

	For the year ended March 31, 2021	Amount in Rs. Lakhs For the year ended March 31, 2020
<b>17 Revenue from Operations</b>		
(a) Sale of Goods		
Sale of Products	5,899.62	6,055.21
Sale of Traded goods	1,426.61	1,913.29
(b) Sale of Services	4,567.61	4,222.00
(c) Other operating revenue		
Others	120.54	40.14
	<b>12,014.38</b>	<b>12,230.64</b>
<b>Note:</b>		
(a) Customers who contributed 10% or more to the Company's revenue:		
Tata Steel Limited	3,470.33	3,109.53
(b) Refer note 33 on revenue from contracts with customers disaggregated on the basis of geographical regions and major business.		
<b>18 Other Income</b>		
(a) Interest received on sundry advances and deposits	156.25	38.61
(b) Gain on sale of investments (current)	26.43	150.11
(c) Change in fair value of Investment	-	14.03
(d) Liability no longer required	-	43.84
(e) Insurance Claim Received	8.80	-
(f) Gain/(loss) on sale of fixed assets	1.94	-
	<b>193.42</b>	<b>246.59</b>
<b>19 Cost of Materials Consumed</b>		
<b>Raw Material Consumed</b>		
(i) Opening Stock	163.61	191.45
(ii) Add: Purchases	2,140.20	2,438.18
	<b>2,303.81</b>	<b>2,629.63</b>
(iii) Less: Closing Stock	166.38	163.61
	<b>2,137.43</b>	<b>2,466.02</b>
<b>Raw Material Consumed</b>	<b>2,137.43</b>	<b>2,466.02</b>
<b>20 Purchase of Traded Goods</b>		
(a) Oxide of Iron	270.49	327.53
(b) Decorative Products	792.95	1,223.64
	<b>1,063.44</b>	<b>1,551.17</b>
<b>21 Changes in Inventories of finished goods, stock in trade and Semi Finished</b>		
<b>Stock at the beginning of the year</b>		
(a) Finished goods	586.48	499.82
(b) Semi Finished	209.42	43.40
(c) Stock in trade	153.82	113.74
	<b>949.72</b>	<b>656.96</b>
<b>Stock at the end of the year</b>		
(a) Finished goods	233.32	586.48
(b) Semi Finished	42.19	209.42
(c) Stock in trade	100.46	153.82
	<b>375.97</b>	<b>949.72</b>
<b>Changes in Inventories</b>	<b>573.75</b>	<b>(292.76)</b>

**The Tata Pigments Limited**  
**Notes to the financial statements**

Amount in Rs. Lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>22 Employee benefits expense:</b>		
(a) Salaries and wages, including bonus	1,065.75	1,071.79
(b) Contribution to provident and other funds	190.51	145.25
(c) Staff welfare expenses	185.76	146.06
	<b>1,442.02</b>	<b>1,363.10</b>
<b>23 Finance Costs</b>		
(a) Interest expense	8.05	8.37
	<b>8.05</b>	<b>8.37</b>
<b>24 Other Expenses</b>		
(a) Consumption of stores and spares	341.89	391.71
(b) Repairs to buildings	3.61	17.52
(c) Repairs to machinery	65.62	108.58
(d) Fuel oil consumed	196.04	339.11
(e) Purchase of power	194.69	262.65
(f) Conversion Charges	270.92	317.52
(g) Freight and handling charges	453.00	566.32
(h) Rent	20.59	14.19
(i) Brand Equity	30.03	30.18
(j) Rates and taxes	50.08	56.50
(k) Insurance charges	11.85	5.83
(l) Commission and Discounts	109.78	110.69
(m) Bad debts	8.33	2.20
(n) Provision for doubtful debts and advances	0.00	21.93
(o) Other expenses	425.09	547.63
(p) Loss on foreign currency transactions	0.47	0.82
(q) Auditors remuneration and out-of-pocket expenses (Refer Note ii below)		
As Auditors	1.80	1.18
For Other services	0.40	0.40
Auditors out-of-pocket expenses	0.53	0.90
(r) Legal and other professional costs	56.53	72.33
(s) Advertisement, promotion and selling expenses	77.82	149.10
(t) Travelling expenses	23.57	64.59
(u) Change in fair value of Investment	11.69	-
(v) Other general expenses	252.28	258.31
	<b>2,181.52</b>	<b>2,792.56</b>

Note i Other general expenses includes expenditure charged to Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities - Refer Note 26.

Note ii Auditor Remuneration and out of pocket expenses excludes GST of Rs 0.43 lakhs for the year ended March 31,2021 ( Rs 0.45 lakhs for the year ended March 31,2020).

**The Tata Pigments Limited**  
**Notes to the financial Statements**

**25 Employee Benefits**

**25.01 Defined Contribution Plans:**

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior month's contributions that were not due to be paid until after the end of the reporting period.

The Company has recognised, in the Statement of Profit and Loss for the year ended March 31, 2021, an amount of Rs. 56.69 Lakhs (March 31, 2020 Rs. 59.34 Lakhs) as expenses under the following defined contribution plan.

**Superannuation fund:**

The Company has a superannuation plan. Employees who are members of the superannuation plan are entitled to benefits depending on the years of service and salary drawn. Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% or 150,000, whichever is lower, of the eligible employee's salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

**Defined Contribution expenses recognised in the statement of Profit and loss**

Particulars	For the year ended March 31, 2021 (Rs Lakhs)	For the year ended March 31, 2020 (Rs Lakhs)
Superannuation Fund	31.67	34.22
Employee Pension Scheme	23.57	23.73
EDLI (Employee Deposit Link Insurance)	1.45	1.39
<b>Total</b>	<b>56.69</b>	<b>59.34</b>

**Benefits to key management personnel -**

Particulars	For the year ended March 31, 2021 (Rs Lakhs)	For the year ended March 31, 2020 (Rs Lakhs)
Superannuation Fund	2.56	7.50

**25.02 Defined benefit plans:**

The Company sponsors funded defined benefit plans for certain qualified employees. The defined benefit plans are administered by a separate fund that is legally separate from the Company. The board of the fund is required by law and by the articles of association to act in the interest of the fund and relevant state holder in the scheme. The board of the fund is responsible for the investment policy with regard to the assets of the fund.

**The Company operates following post-employment / other long term defined benefits plans:**



## The Tata Pigments Limited

### Notes to the financial Statements

#### Funded

- i. **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employee at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of 5 years of service. The Company accounts for the liability for gratuity benefit payable in the future based an actuarial valuation.
- ii. **Provident Fund:** Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Company to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Company is obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit and loss under employee benefits expense.

In accordance with an actuarial valuation of provident fund liabilities based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is was a diminution in the carrying value of plan assets and also a deficiency in the interest cost as the present value of the expected future earnings of the fund is lesser than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

#### Unfunded

- i. **Post-Retirement Medical Benefit (PRMB)- Ex MD** – Under the unfunded scheme the Managing Director receive medical benefit. The Company accounts for the liabilities post-retirement medical scheme based an actuarial valuation.
- ii. **Compensated absences:** Compensated absence which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on an actuarial valuation at the present value of the obligations as on the reporting date.
- iii. **Other Retirement Benefit (ORB)- Ex-MD Pension** – Other benefits provide under Unfunded Scheme include pension payable to Managing Directors of the Company on their retirement and obligation is determined based on an actuarial valuation.

**The Company is exposed to number of risk the most significant of which are detailed below:**

#### a) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields. If the return on plan asset is below the rate, it will create a plan deficit.

#### b) Interest risk

A decrease in the bond interest rate will increase the plan liability however, this will be partially offset by an increase in the return on the plan's debt investment.

#### c) Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment and increase in the life expectancy of the plan participants will increase the plan liability.

**The Tata Pigments Limited**  
**Notes to the financial Statements**

**d) Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Details of the Retiring Gratuity Benefit are as follows:**

The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan.

		<b>Amount in Rs. Lakhs</b>	
<b>Description</b>		<b>Year ended March 31,2021</b>	<b>Year ended March 31,2020</b>
<b>A.</b>	<b>Reconciliation of Opening and Closing Balances of Present Value of Obligation</b>		
	a.DBO at beginning of the year	<b>467.49</b>	428.64
	b. Current Service Cost	26.29	23.87
	c. Interest cost	27.67	29.87
	d. Actuarial loss/ (gain) Experience	(2.68)	16.26
	e. Actuarial loss/ ( gain) Financial assumption	(3.32)	29.57
	f. Benefits paid	(83.65)	(60.72)
	g. DBO at end of the year	<b>431.80</b>	467.49
<b>B.</b>	<b>Change in Fair value of Assets</b>		
	a. Fair Value of plan assets at beginning of the year	<b>415.37</b>	411.85
	b. Interest income on plan assets	25.97	29.24
	c. Return on plan assets greater/ (lesser) than discount rate	3.98	18.21
	d. Contribution by the employer	52.12	16.79
	e. Benefits Paid	(83.65)	(60.72)
	f. Fair Value of plan assets at end of the year	<b>413.79</b>	415.37
<b>C.</b>	<b>Reconciliation of fair value of plan assets and present value of defined benefit obligation</b>		
	a. Fair Value of plan assets at the end of the year	413.79	415.37
	b. Present Value of the Obligation at the end of the year	(431.80)	(467.49)
	c. Amount recognised in the balance sheet (Retirement benefit obligation –Current)	-	-
	d. Amount recognised in the balance sheet (Retirement benefit obligation – Non Current)	(18.01)	(52.12)
<b>Description</b>		<b>Year ended March 31,2021</b>	<b>Year ended March 31,2020</b>
<b>Gratuity</b>			
<b>D1.</b>	<b>Expenses recognised</b>		
	a. Current Service Cost	26.29	23.87
	b. Net interest on net defined benefit liability/ (assets)	1.70	0.63
	Total (a+b) recognised under employee benefit expense	<b>27.99</b>	<b>24.50</b>

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**Notes to the financial Statements**

<b>D2</b>	<b>Expenses recognised in the statement of other Comprehensive income</b>		
	c. Actuarial loss/ (gain) due to DBO experience	(2.68)	16.26
	d. Actuarial loss/ (gain) due to DBO assumption changes	(3.32)	29.57
	e. Return on plan assets (greater)/ less than discount rate	(3.98)	(18.21)
	Total (c+d+e) recognized under OCI	(9.98)	27.62
	Total expense recognised in the statement of profit and loss during the year (a+b+c+d+e)	18.01	52.12

**25.03 Investment Details of Plan Assets (Gratuity)**

Particulars	%age invested Year ended March 31, 2021	%age invested Year ended March 31, 2020
a. GOI and State Government Securities	55%	55%
b. Public Sector and Private Sector Unit Bonds	32%	32%
c. Cash including Special Deposit Schemes	9%	9%
d. Property	0%	0%
e. Equity Shares of listed companies	4%	4%
f. Others (including assets under schemes of insurance)	0%	0%

**25.04 Assumptions:** The key assumption used in accounting for gratuity is as below :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate (per annum) (%)	6.6%	6.5%
Rate of escalation in salary: Officer / Executive (%)	7%	7%
Rate of escalation in salary: Unionized (%)	7%	7%
Remaining average working Life (in Years)	8 years	7 years
Method Used	Projected unit credit method	Projected unit credit method

The table below outlines the effect on obligation in the event of a decrease/increase in the assumption used.

Assumption As at March 31, 2021	Change in Assumption	Impact on Scheme Liabilities
Discount Rate	Increase by 1%, decrease by 1%	Decrease by Rs. 30.76 Lakhs / Increase by Rs. 35.43 Lakhs
Salary escalation	Increase by 1%, decrease by 1%	Increase by Rs.34.95 Lakhs / Decrease by Rs. 30.93 Lakhs
<b>Assumption As at March 31, 2020</b>		
Discount Rate	Increase by 1%, decrease by 1%	Decrease by Rs. 29.57 Lakhs/ Increase by Rs. 34.04 Lakhs
Salary escalation	Increase by 1%, decrease by 1%	Increase by Rs. 33.55 Lakhs/ Decrease by Rs. 29.71 Lakhs

**The Tata Pigments Limited**  
**Notes to the financial Statements**

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**A. Expected Benefits payments for the year ending**

**Amount in Rs. Lakhs**

	<b>Year ended March 31,2021</b>	<b>Year ended March 31,2020</b>
1) March 31, 2021	-	24.72
2) March 31, 2022	36.54	60.91
3) March 31, 2023	48.63	46.11
4) March 31, 2024	46.94	44.53
5) March 31, 2025	43.92	41.46
6) March 31, 2026	44.72	291.09
7) March 31, 2027 to March 31, 2031	236.59	

**B.** Expected employer contributions for the period ending 31 March' 2022 Rs. 18.01 Lakhs (March 31, 2021 Rs. 38.18 Lakhs).

**C.** Weighted average duration of defined benefit obligation 8 years (March 31, 2020: 7 years)

**Details of Provident fund benefit plans are as follow:**

The following table set out the amount recognised in financial statement in respect of provident fund benefit plan.

	<b>Amount in Rs. Lakhs</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Projected benefit obligation:		
a) Total fair value of assets (including interest income)	<b>1518.79</b>	1535.01
b) Total PF obligation (including interest cost)	<b>(1610.92)</b>	(1557.13)
Net liability (shortfall in contribution)	<b>(92.13)</b>	(22.12)
Expenses recognised in Statement of Profit and Loss (including contribution and shortfall as mentioned above)	<b>105.83</b>	61.40

Key assumptions used for actuarial valuation are as below:

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Discount rate	<b>6.6%</b>	6.5%
EPFO return	<b>8.5%</b>	8.5%
Expected rate of return on investment	<b>8.0%</b>	8.5%

**The Tata Pigments Limited**  
**Notes to the financial Statements**

Details of unfunded defined benefits are as follows:

Amount in Rs. Lakhs

Description		Year ended March 31,2021	Year ended March 31,2020	Year ended March 31,2021	Year ended March 31,2020
		PRMB		Other retirement benefit (ORB)	
A	Reconciliation of Opening and Closing Balances of Present Value of Obligation				
	a. DBO at beginning of the year	46.76	44.78	386.16	345.15
	b. Current Service Cost	-	-	-	-
	c. Interest Cost	2.99	3.31	24.34	25.03
	d. Actuarial (gains)/loss – arising from change in financial assumption	(0.30)	3.07	(3.55)	35.86
	e. Actuarial (gains)/loss – arising from change in experience assumption	(2.57)	(3.04)	(18.31)	2.99
	f. Benefits paid	(1.67)	(1.36)	(23.40)	(22.87)
	g. DBO at the end of the year	45.21	46.76	365.24	386.16
B1	Expense recognised under employee benefit expense				
	a. Current Service cost	-	-	-	-
	b. Interest cost	2.99	3.31	24.34	25.03
B2	Expense recognised under OCI				
	c. Actuarial (gain)/ loss	(2.88)	0.03	(21.86)	38.85
	d. Expense recognised in the statement of profit and loss during the year (a+b+c)	0.11	3.34	2.48	63.88

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liabilities.

**PRMB:**

**A. Expected Benefits payments for the year ending**

Amount in Rs. Lakhs

	Year ended March 31,2021	Year ended March 31,2020
1) March 31, 2021	-	4.91
2) March 31, 2022	4.90	4.65
3) March 31, 2023	4.62	4.38
4) March 31, 2024	4.34	4.11
5) March 31, 2025	4.05	3.83
6) March 31, 2026 to March 31, 2030	-	15.00
7) March 31, 2026	3.77	-
8) March 31, 2027 to March 31, 2031	14.61	-
9) Beyond Ten Years	14.93	15.34

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- B. Expected employer contributions for the period ending 31 March' 2022 not applicable (March 31, 2021 not applicable).  
C. Weighted average duration of defined benefit obligation 7 years (March 31, 2020: 7 years)

**Other retirement benefit (ORB):**

**A. Expected Benefits payments for the year ending**

**Amount in Rs. Lakhs**

	<b>Year ended March 31,2021</b>	<b>Year ended March 31,2020</b>
1) March 31, 2021	-	22.93
2) March 31, 2022	24.53	23.23
3) March 31, 2023	24.66	23.44
4) March 31, 2024	24.68	23.54
5) March 31, 2025	24.56	23.50
6) March 31, 2026 to March 31, 2030	-	112.03
7) March 31, 2026	24.29	-
8) March 31, 2027 to March 31, 2031	112.20	-
9) Beyond Ten Years	186.95	207.57

- B. Expected employer contributions for the period ending 31 March' 2022 not applicable (March 31, 2021 not applicable).  
C. Weighted average duration of defined benefit obligation 10 years (March 31, 2020: 10 years)

**Details of compensated absences are as follows:**

**Amount in Rs. Lakhs**

<b>Description</b>		<b>Year ended March 31,2021</b>	<b>Year ended March 31,2020</b>
		<b>Leave Salary</b>	
A.	Reconciliation of Opening and Closing Balances of Present Value of Obligation		
	a. DBO at beginning of the year	<b>209.24</b>	196.88
	b. Current Service Cost	<b>15.29</b>	12.06
	c. Interest Cost	<b>12.54</b>	14.20
	d. Actuarial (gains)/loss	<b>(1.25)</b>	1.11
	e. Benefits paid	<b>(32.44)</b>	(15.01)
	f. DBO at the end of the year	<b>203.38</b>	209.24
B	Expense recognised		
	a. Current Service cost	<b>15.29</b>	12.06
	b. Interest cost	<b>12.54</b>	14.20
	c. Actuarial (gain)/loss	<b>(1.25)</b>	1.11
	d. Expense recognised in the statement of profit and loss during the year (a+b+c)	<b>26.58</b>	27.37

**The Tata Pigments Limited**  
**Notes to the financial Statements**

**25.05 The expenses for the above mentioned benefits have been disclosed under the following line items:**

- i) Compensated Absence and ORB - under Salaries and wages, including bonus.
- ii) Gratuity and Provident Fund - under Contribution to provident and other funds.
- iii) PRMB- under Staff Welfare Expense.

**25.06** The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumption used.

<b>As at March 31, 2021</b>		
<b>PRMB</b>		
Particulars	Changes in assumption	Impact on Scheme Liabilities
Discount Rate	Increase by 1%, decrease by 1%	Decrease by Rs. 2.87 Lakhs/ Increase by Rs.3.26 Lakhs
<b>Compensated Absence</b>		
Discount Rate	Increase by 1%, decrease by 1%	Decrease by Rs.15.32 Lakhs / Increase by Rs.17.71 Lakhs
Salary escalation	Increase by 1%, decrease by 1%	Increase by Rs.17.47 Lakhs / Decrease by Rs. 15.41 Lakhs
<b>Other Retirement Benefit - Ex Director Pension</b>		
Discount Rate	Increase by 1%, decrease by 1%	Decrease by Rs. 32.63 Lakhs / Increase by Rs.38.24 Lakhs
Pension Escalation	Increase by 1%, decrease by 1%	Increase by Rs. 36.10 Lakhs / Decrease by Rs. 31.47 Lakhs
<b>As at March 31, 2020</b>		
<b>PRMB</b>		
Discount Rate	Increase by 1%, decrease by 1%	Decrease by Rs. 3.07 Lakhs Increase by Rs 3.49 Lakhs
<b>Compensated Absence</b>		
Discount Rate	Increase by 1%, decrease by 1%	Decrease by Rs.14.52 Lakhs/ Increase by Rs.16.76 Lakhs
Salary escalation	Increase by 1%, decrease by 1%	Increase by Rs.16.52 Lakhs/ Decrease by Rs. 14.59 Lakhs
<b>Other Retirement Benefit - Ex Director Pension</b>		
Discount Rate	Increase by 1%, decrease by 1%	Decrease by Rs. 35.86 Lakhs/ Increase by Rs.42.25 Lakhs
Pension Escalation	Increase by 1%, decrease by 1%	Increase by Rs. 39.91 Lakhs/ Decrease by Rs. 34.61 Lakhs

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**26. Corporate Social Responsibility Expenditure**

Other General expenses and Employees Benefit Expenses include amount incurred for Corporate Social Responsibility Expenditure as required under section 135 of the Companies Act, 2013.

<b>Particulars</b>	<b>For the year ended March 31,2021 Rs Lakhs</b>	<b>For the year ended March 31,2020 Rs Lakhs</b>
a) Gross amount required to be spent by the Company during the year	<b>14.32</b>	15.51
b) Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) Donation to Prime Minister Relief Fund	-	-
iii) On purpose other than (i) and (ii) above	<b>14.50</b>	14.41

There is no unspent amount that was required to be incurred as at March 31, 2021 (March 31, 2020 – Rs. 1.10 Lakhs) and the excess expenditure incurred during the year ended March 31, 2021 is not being carried forward to the next financial year.

**27. Financial instruments**

**27.01 Capital Management**

The Company's Capital Management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company. The Company determines the amount of capital required on the basis of annual operating plans. The capital structure of the Company consists of equity contributed by shareholders. The Company does not have borrowed funds.

**27.02 Gearing Ratio**

The gearing ratio at the end of the reporting period was as follows:

<b>Particulars</b>	<b>As at March 31, 2021 (Rs Lakhs)</b>	<b>As at March 31, 2020 (Rs Lakhs)</b>
Debt	-	-
Total Equity	<b>6253.72</b>	5,792.75
Net Debt Equity Ratio	-	-

**27.03 Disclosures on Financial instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial assets, financial liability and equity instrument are disclosed in note 2.09 to the financial statements.

**Financial Assets and Liabilities**

The following table presents carrying amount and fair value of each category of financial assets and liabilities:



**The Tata Pigments Limited**  
**Notes to the financial Statements**

As at March 31, 2021

Amount in Rs. Lakhs

<b>Financial Assets</b>	<b>Amortized Cost</b>	<b>Fair Value through OCI</b>	<b>Fair Value through Profit &amp; Loss (FVTPL)</b>	<b>Total Carrying Value</b>
Investments	-	-	1,502.33	1,502.33
Trade receivables	2,201.49	-	-	2,201.49
Cash and cash equivalents	237.78	-	-	237.78
Other balances with bank	3,250.53	-	-	3,250.53
Other financial assets	342.25	-	-	342.25

As at March 31, 2021

<b>Financial Liabilities</b>	<b>Amortized Cost</b>	<b>Fair Value through OCI</b>	<b>Fair Value through Profit &amp; Loss (FVTPL)</b>	<b>Total Carrying Value</b>
Trade Payable	2,688.88	-	-	2,688.88
Other financial liabilities	227.10	-	-	227.10

As at March 31, 2020

<b>Financial Assets</b>	<b>Amortized Cost</b>	<b>Fair Value through OCI</b>	<b>Fair Value through Profit &amp; Loss (FVTPL)</b>	<b>Total Carrying Value</b>
Investment	-	-	3,026.59	3,026.59
Trade receivables	2,050.77	-	-	2,050.77
Cash and cash equivalents	65.21	-	-	65.21
Other balances with bank	501.97	-	-	501.97
Other financial assets	329.65	-	-	329.65

As at March 31, 2020

<b>Financial Liabilities</b>	<b>Amortized Cost</b>	<b>Fair Value through OCI</b>	<b>Fair Value through Profit &amp; Loss (FVTPL)</b>	<b>Total Carrying Value</b>
Trade Payable	2,275.32	-	-	2,275.32
Other financial liabilities	227.98	-	-	227.98

## The Tata Pigments Limited

### Notes to the financial Statements

#### Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted price in an active market (Level 1):

This level of hierarchy includes financial assets that are measured by reference to quoted price (unadjusted) in active markets for identical assets or liabilities. This category consists quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2):

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3):

This level of hierarchy includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Some of the Company's Financial assets and liabilities are measured at fair value at the end of each reporting period.

Financial Assets	As at		Fair Value hierarchy	Valuation techniques and key inputs
	March 31,2021	March 31,2020		
Investment in Mutual Funds	Rs. 1,502.33 Lakhs	Rs. 3,026.59 Lakhs	Level 1	NAV from mutual fund

Notes:

- i) Current financial assets and liabilities are stated at carrying value which is approximately equal to the fair value.
- ii) Investment carried at their fair value, are generally based on market price quotations. The fair value in respect of the unquoted equity investments cannot be reliably measured.
- iii) Management used its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates.

As such, the fair value of the financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

- iv) There have been no transfers between level 1 and level 2 for the years ended March 31, 2021 and March 31, 2020.

## **The Tata Pigments Limited**

### **Notes to the financial Statements**

#### **27.04 Financial risk management objective**

In the course of its business the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate and credit risks. The risk management policy is approved by the Board of directors. The risk management framework aims to:

- i) Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- ii) Achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

#### **27.05 Market Risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### **27.06 Foreign currency Risk Management**

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss and equity. The Company as per the risk management policy, any weakening of the functional currency may impact the Company's cost of imports. Appreciation/depreciation of foreign currency by 5% with respect to functional currency of the Company would result in decrease/increase in the Company's net income before tax by approximately Rs. Nil (Rs. Nil for the year end March 31, 2020) for financial liabilities.

#### **27.07 Interest rate risk management**

The Company is not exposed to interest rate risk for working capital requirements. The Company does not have any borrowings.

#### **27.08 Credit risk management**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration or creditworthiness as well as concentration risks. Financial instruments that are subject to concentration of credit risk, principally consist of investments, trade receivables, loans and derivatives financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks except as disclosed under note No. 7.

#### **27.09 Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and scheme of mutual funds, which carry no/low mark to market risk.

The table below provides the details regarding the contractual maturities of financial liabilities:-

**The Tata Pigments Limited**  
**Notes to the financial Statements**

**Financial Liabilities as at March 31, 2021**

**Amount in Rs. Lakhs**

	<b>Carrying amount</b>	<b>Contractual Cash flows</b>	<b>Less than 1 year</b>	<b>Between 1-5 year</b>	<b>More than 5 year</b>
Non derivative financial liabilities					
Trade Payable	2,688.88	2,688.88	2,553.23	135.65	-
Other financial liabilities	227.10	227.10	101.76	125.34	-

**Financial Liabilities as at March 31, 2020**

**Amount in Rs. Lakhs**

	<b>Carrying amount</b>	<b>Contractual Cash flows</b>	<b>Less than 1 year</b>	<b>Between 1-5 year</b>	<b>More than 5 year</b>
Non derivative financial liabilities					
Trade Payable	2,275.32	2,275.32	2,219.65	55.67	-
Other financial liabilities	227.98	227.98	98.64	129.34	-

**28. Proposed Dividend**

The dividend declared by the Company is based on profit available for distribution as reported in the financial statement of the Company. On April 16, 2021, the Board of Director have proposed a dividend of Rs. 100 per ordinary share in respect of the year ended March 31, 2021, subject to approval of shareholder at Annual General Meeting.

**The Tata Pigments Limited**  
**Notes to the financial statements**

Amount in Rs. Lakhs

	As at March 31, 2021	As at March 31, 2020
<b>29 Contingent Liabilities and commitments</b>		
<b>(a) Contingent Liabilities</b>		
a. Sales Tax demands against which appeals are pending	769.65	760.33
b. GST demands against which appeals are pending	12.38	-
c. Claim by ex C & F Agent	14.27	14.27
d. Entry Tax demands	145.28	145.28
e. Employees State Insurance matters	276.33	264.43
f. Other amounts for which the company is contingently liable	4.39	4.39
g. Service Tax	-	1.67

**(b) Capital Commitments**

Estimated value of contracts in capital account remaining to be executed on capital account and not provide for

- 37.50

**(c)** The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The aforesaid matter is not likely to have a significant impact and accordingly no provision has been made in these financial statements.

**30 The Code on Social Security, 2020**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent on 28th September 2020 and has been published in the Gazette of India. However, the date on which the provisions of the Code and the related rules would come into effect has not been notified.

Accordingly, the Company is not required to account for any impact arising out of the Code in its financial statements.

**31 Earnings per Share**

	Rs. per share	Rs. per share
Basic Earnings per share	679.99	708.87
Diluted Earnings per share	679.99	708.87
The Earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows		
Profit from operation attributable to ordinary shareholders of the Company - for Basic and Diluted EPS (Rs Lakhs)	509.99	531.65
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	Nos.	Nos.
	75,000	75,000

There are no diluted securities issued by the Company.

Amount in Rs. Lakhs

	As at March 31, 2021	As at March 31, 2020
<b>32 Dues to micro and small enterprises</b>		

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows (refer note 13):

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	121.49	90.33
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.43	0.93
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	447.04	380.09
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

**The Tata Pigments Limited**  
**Notes to the financial statements**

**33 SEGMENT REPORTING**

**Primary Segment Information (Business Segment)**

**Amount in Rs. Lakhs**

Particulars	Pigments & Paints	Service Contract	Unallocable	Total
<b>Segment revenue</b>				
External revenue	7,446.77 (8,008.64)	4,567.61 (4,222.00)	193.42 (246.59)	12,207.80 (12,477.23)
Inter Segment revenue	- (-)	- (-)	- (-)	- (-)
Total revenue	7,446.77 (8,008.64)	4,567.61 (4,222.00)	193.42 (246.59)	12,207.80 (12,477.23)
Segment results before finance costs, exceptional items and tax	172.16 (324.37)	327.43 (231.02)	193.42 (164.14)	693.01 (719.53)
Less: Finance Cost				8.05 (8.37)
Profit before tax				684.96 (711.16)
Exceptional items				- -
Profit before tax				684.96 (711.16)
Tax expenses				174.97 (179.51)
Profit after tax				509.99 (531.65)
Segment Assets	6,690.21 (4,630.99)	1,786.11 (1,487.49)	1,552.22 (3,112.59)	10,028.54 (9,231.07)
Segment Liabilities	3,218.54 (2,596.68)	556.28 (841.64)	- -	3,774.82 (3,438.32)
Capital expenditure	77.96 (79.59)	- -	- -	77.96 (79.59)
Segment depreciation	141.94 (143.05)	- -	- -	141.94 (143.05)

Figure in bracket indicate previous year number

<b>Secondary Segment Information (Geographical Segment)</b>		<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Segment Revenue			
Within India		12,140.75	12,450.07
Outside India		67.05	27.16
Capital Expenditure			
Within India		77.96	79.59
Outside India		-	-
Segment Assets			
Within India		10,028.54	9,231.07
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 to the financial statements**

**34 Related Party Transaction :**

**Amount in Rs. Lakhs**

Description of Transaction	Name of the Related Party	Relationship	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Raw Materials	Tata Steel Limited	Holding Company	573.10	5.57
	The Tinplate Company of India Limited	Fellow Subsidiary	41.31	74.94
Purchase of Power	Tata Steel Limited	Holding Company	194.78	262.62
Purchase of Fuel	Tata Steel Limited	Holding Company	196.04	337.82
Purchase of Water	Tata Steel Limited	Holding Company	45.85	48.52
Sale of Products	Tata Steel Limited	Holding Company	36.09	28.46
Receiving of Services :				
Medical Charges	Tata Steel Limited	Holding Company	51.42	43.92
Other Expenses :Municipal Charges	Tata Steel Limited	Holding Company	33.10	41.92
Internal Audit fees	Tata Steel Limited	Holding Company	15.69	14.88
Salary & Wages -Deputation Charges	Tata Steel Limited	Holding Company	144.09	29.41
SAP Maintenance fees	Tata Steel Limited	Holding Company	37.73	90.91
Other Expenses : Rent	Tata Steel Limited	Holding Company	26.16	35.12
Carnival & Other Services	Tata Steel Utilities & Infrastructure Services Ltd .	Fellow Subsidiary	17.23	2.30
Rent for Guest house	Indian Steel & Wire Products Ltd.	Fellow Subsidiary	-	0.36
Sale of of Services - Painting	Tata Steel Limited	Holding Company	3,434.24	3,081.07
	The Tinplate Company of India Limited	Fellow Subsidiary	67.98	27.12
	Tata Steel BSL	Fellow Subsidiary	736.13	323.48
	Tata Steel Utilities & Infrastructure Services Ltd .	Fellow Subsidiary	24.01	27.22
	Tata Steel Long Product Ltd	Fellow Subsidiary	45.46	12.06
	Jamipol Ltd.	Joint Venture of Holding Company	-	2.17
	TRF Ltd.	Associate of Holding Company	25.18	250.19
Angul Energy Ltd	Fellow Subsidiary	82.99	-	
Dividend paid	Tata Steel Limited	Holding Company	75.00	75.00
Managerial Remuneration	Mr. Shubhenjit Chaudhuri	Managing Director (Ex-MD)	9.53	90.15
	Mr. Umesh Kumar Singh	Managing Director	92.69	-
	Mr. Dinesh Agarwal	Chief of Finance & Accounts	31.82	35.52
	Mr. V.Natarajan	Ex-AGM (Corporate Services & Compliance officer) Ex-Cum Company Secretary	-	16.58
<b>Nature of Outstanding</b>	<b>Name of the Related Party</b>	<b>Relationship</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Outstanding Payable	Tata Steel Limited	Holding Company	121.41	161.92
	Tata Steel Utilities & Infrastructure Services Ltd.	Fellow Subsidiary	2.25	0.15
Outstanding Receivable	Tata Steel Limited	Holding Company	1,120.69	1,052.54
	Indian Steel & Wire Products Ltd.	Fellow Subsidiary	1.08	1.08
	Tata Steel Utilities & Infrastructure Services Ltd .	Fellow Subsidiary	44.17	36.31
	TRF Ltd.	Associate of Holding Company	102.02	191.80
	The Tinplate Company of India Limited	Fellow Subsidiary	22.47	16.36
	Tata Steel BSL	Fellow Subsidiary	246.27	15.86
	Tata Steel Long product Ltd	Fellow Subsidiary	3.43	12.06
	Jamipol Ltd.	Joint Venture	-	2.17
Angul Energy Ltd	Fellow Subsidiary	34.77	-	
Advance Paid	Tata Steel Limited	Holding Company	81.03	13.58
	The Tinplate Company of India Limited	Fellow Subsidiary	4.04	4.28

**The Tata Pigments Limited**

**Notes to the financial statements**

- 35** The shareholders in their meeting held on 18th August 2020, had approved the annual remuneration to be paid to the Managing Director of the Company. During the year, the Company has paid/provided an amount of Rs.92.69 lakhs which is in excess of the limit in terms of the provisions of the Companies Act, 2013 by Rs. 8.69 lakhs. The excess remuneration paid/payable aggregating is subject to the approval of the members at the ensuing Annual General Meeting.
- 36** The impact of the Government imposed nation-wide lock down/restrictions imposed in March 2020 and April 2020 due to the Covid-19 pandemic had partially impacted the Company's production, sales and other operations and the Company's operations have gradually returned normalcy. As at the year end, considering the current internal and external factors, the Company has made detailed assessment of its liquidity position/cash flows for the next one year, of the carrying amounts of Property, Plant and Equipment, Intangible assets, trade receivables, inventories, investments and other assets as at the balance sheet date, and concluded that no material adjustments are required in the financial statements. The Company shall continue to monitor the impact of the pandemic on the operations and the financial position.

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 304026E/E300009

**For and on behalf of the Board of Directors**

sd/-

**Amit Jain**

Partner

Membership Number: 098053

Place: Faridabad

Date: April 27, 2021

sd/-

**Dinesh Agarwal**

Chief of Finance & Accounts

sd/-

**Sanjiv Paul**

Chairman

(DIN:00086974)

sd/-

**Umesh Kumar Singh**

Executive Director

(DIN : 08708676)

Place : Jamshedpur

Date : April 27, 2021