

13th May, 2016

The Manager
Listing Department
National Stock Exchange of India Ltd,
Exchange Plaza,
Plot No. C -1, G Block,
Bandra – Kurla Complex,
Bandra (East),
Mumbai – 400051

Dear Sir,

Sub:- Outcome of the Board Meeting held on 13th May, 2016 in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at their meeting held today i.e. 13th May, 2016, has, inter alia, approved the following:-

1. The Audited Standalone and Consolidated Financial Results for the Quarter and Financial Year ended 31st March, 2016 along with the Statement of Assets and Liabilities as at 31st March, 2016. (enclosed herewith marked as “Annexure – A”).
2. **Audit Report** along with **Form – A** (for audit report with unmodified opinion) in respect of the Audited Standalone and Consolidated Financial Results for the Financial Year ended 31st March, 2016 (enclosed herewith marked as “Annexure – B”).
3. Recommendation of dividend of 25% i.e. of Rs. 2.50/- per share for the Financial Year ended 31st March, 2016, subject to the approval of the Members of the Company.
4. Recommendation of appointment of Mr. Paras K Chowdhary as an Independent Directors to the Members for approval at the ensuing Annual General Meeting of the Company.

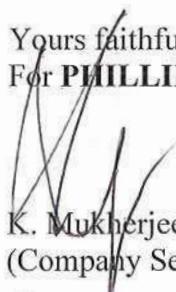
It shall be mentioned here that he qualifies to be an Independent Director as defined in Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.



The Meeting of the Board of Directors commenced at 11:30 A.M. and concluded at 9:00 P.M. Besides, all the afore - mentioned information have also been duly hosted on the website of the Company: www.pcblltd.com .

Kindly take the above information in records and oblige.

Yours faithfully,
For **PHILLIPS CARBON BLACK LIMITED**



K. Mukherjee
(Company Secretary)

Encl: As above

Particulars	Standalone					Consolidated	
	Quarter ended			Year ended		Year ended	
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
1. Income from Operations							
(a) Net Sales/ Income from Operations (Net of Excise Duty)	455.22	455.93	591.88	1,892.65	2,467.24	1,892.65	2,467.24
(b) Other Operating Income	0.76	0.23	0.48	2.07	2.95	2.07	2.95
Total Income from Operations (net)	455.98	456.16	592.36	1,894.72	2,470.19	1,894.72	2,470.19
2. Expenses							
(a) Cost of Materials Consumed	280.30	324.46	395.55	1,291.46	1,864.41	1,291.46	1,864.41
(b) Purchases of Stock in Trade	17.48	-	32.94	17.48	32.94	17.48	32.94
(c) Changes in inventories of finished goods	14.29	(10.31)	48.82	35.61	43.09	35.61	43.09
(d) Employee benefits expense	14.02	18.44	15.64	73.35	70.16	73.53	70.36
(e) Foreign Exchange Fluctuation Loss (net) / hedging cost	12.47	11.75	13.40	35.95	52.35	35.82	52.71
(f) Selling Expenditure	18.21	16.26	16.26	68.66	73.27	68.66	73.27
(g) Depreciation and amortisation expense	10.25	14.97	11.77	54.97	57.53	55.81	58.36
(h) Other Expenditure	61.80	54.75	47.72	207.24	181.73	208.16	182.37
Total Expenses	428.82	430.32	582.10	1,784.72	2,375.48	1,786.53	2,377.51
3. Profit/(Loss) from operations before Other Income, Finance Cost (1-2)	27.16	25.84	10.26	110.00	94.71	108.19	92.68
4. Other Income	5.35	7.43	6.38	17.95	14.42	18.33	14.20
5. Profit/(Loss) from ordinary activities before Finance Cost (3+4)	32.51	33.27	16.64	127.95	109.13	126.52	106.88
6. Finance Costs	12.48	14.07	21.07	70.91	94.80	71.19	94.80
7. Profit/(Loss) from ordinary activities after Finance Cost (5-6)	20.03	19.20	(4.43)	57.04	14.33	55.33	12.08
8. Tax Expenses / (Release)	13.22	10.90	(4.90)	34.18	1.69	34.31	1.70
9. Net Profit/(Loss) for the period (7-8)	6.81	8.30	0.47	22.86	12.64	21.02	10.38
10. Minority Interest	-	-	-	-	-	0.41	0.29
11. Net Profit / (Loss) after taxes, minority interest (9-10)	6.81	8.30	0.47	22.86	12.64	21.43	10.67
12. Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	34.47	34.47	34.47	34.47	34.47	34.47	34.47
13. Reserves excluding Revaluation Reserve				488.30	475.81	495.00	472.70
14. Earning/(Loss) per share(of Rs 10/- each) (Basic & Diluted) (not annualised) :	1.98	2.41	0.14	6.63	3.67	6.22	3.09

Particulars	Standalone					Consolidated	
	Quarter ended			Year ended		Year ended	
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
1. Segment Revenue :							
(a) Carbon Black	433.93	439.15	576.96	1,818.40	2,401.06	1,818.40	2,401.06
(b) Power	41.84	27.51	28.25	129.68	118.30	129.68	118.30
Total	475.77	466.66	605.21	1,948.08	2,519.36	1,948.08	2,519.36
Less : Inter Segment Revenue	19.79	10.50	12.85	53.36	49.17	53.36	49.17
Net Sales / Income from Operations	455.98	456.16	592.36	1,894.72	2,470.19	1,894.72	2,470.19
2. Segment Profit Before Interest and Tax :							
(a) Carbon Black	10.67	31.17	8.11	92.70	73.06	91.40	72.09
(b) Power	31.36	17.94	17.73	90.13	77.96	90.13	77.96
Total	42.03	49.11	25.84	182.83	151.02	181.53	150.05
Less : (i) Interest	12.02	13.79	21.60	65.65	91.79	65.92	91.79
(ii) Other Un-allocable Expenditure net off Un-allocable Income	9.98	16.12	8.67	60.14	44.90	60.28	46.18
Total Profit Before Tax	20.03	19.20	(4.43)	57.04	14.33	55.33	12.08
3. Segment Capital Employed :							
(a) Carbon Black	1,014.15	984.35	1,299.96	1,014.15	1,299.96	1,052.03	1,337.12
(b) Power	302.36	309.33	311.08	302.36	311.08	302.36	311.08

RS:

Statement of Assets and Liabilities as at 31st March, 2016

(₹ in Crores)

Particulars	Standalone		Consolidated	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
A. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS				
(a) Share capital	34.47	34.47	34.47	34.47
(b) Reserves and surplus	488.30	475.81	484.63	472.70
	522.77	510.28	519.10	507.17
(2) MINORITY INTEREST	-	-	6.67	6.88
(3) NON-CURRENT LIABILITIES				
(a) Long-term borrowings	204.93	327.44	204.93	327.44
(b) Deferred tax liabilities (Net)	49.09	27.80	49.09	27.80
(c) Other Long term liabilities	0.59	0.59	0.59	0.59
(d) Long-term provisions	4.22	3.66	4.22	3.65
	258.83	359.49	258.83	359.48
(4) CURRENT LIABILITIES				
(a) Short-term borrowings	703.99	775.86	705.77	775.86
(b) Trade payables	281.15	146.94	281.46	147.24
(c) Other current liabilities	141.69	157.96	185.30	202.46
(d) Short-term provisions	20.10	12.39	20.23	12.39
	1,146.93	1,093.15	1,192.76	1,137.95
EQUITY AND LIABILITIES	1,928.53	1,962.92	1,977.36	2,011.48
B. ASSETS				
(1) NON-CURRENT ASSETS				
(a) Fixed assets	872.83	893.92	910.22	931.11
(b) Non-current investments	72.37	72.37	85.76	85.57
(c) Long-term loans and advances	24.35	29.33	18.16	23.14
(d) Other non-current assets	53.89	53.89	53.89	53.89
	1,023.44	1,049.51	1,068.03	1,093.71
(2) CURRENT ASSETS				
(a) Current Investments	98.00	-	98.00	-
(b) Inventories	244.22	296.84	244.22	296.84
(c) Trade receivables	438.99	521.42	438.99	521.42
(d) Cash and Bank Balances	50.61	11.50	51.86	12.85
(e) Short-term loans and advances	65.68	67.77	68.24	70.39
(f) Other current assets	7.59	15.88	8.02	16.27
	905.09	913.41	909.33	917.77
ASSETS	1,928.53	1,962.92	1,977.36	2,011.48

- The Board of Directors of the Company have recommended dividend of 25% i.e. Rs.2.50 per share for the year ended 31 March 2016, subject to the approval of the members of the Company.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13th May, 2016.
- The figures for the quarter ended 31st March, 2016 and 31st March, 2015 are the balancing figures between audited figures in respect of the full financial year and the published year to-date figures upto the nine month of the relevant financial year.
- Figures of the prior year/periods have been regrouped and/or reclassified wherever considered necessary.



**RP - Sanjiv Goenka
Group**
Growing Legacies

Kolkata
13th May, 2016

Kaushik Roy
Kaushik Roy
Managing Director
DIN : 06513489

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PHILLIPS CARBON BLACK LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Phillips Carbon Black Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Price Waterhouse, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar,
Kolkata - 700 091

T: +91 (33) 2357 9260, +91 (33) 2357 7600, F: +91 (33) 2357 7496



Price Waterhouse

Chartered Accountants
INDEPENDENT AUDITORS' REPORT
To the Members of Phillips Carbon Black Limited
Report on the Financial Statements
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Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 31 to the financial statements;
 - ii. The Company has long-term contracts and derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.



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Chartered Accountants
INDEPENDENT AUDITORS' REPORT
To the Members of Phillips Carbon Black Limited
Report on the Financial Statements
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iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 13, 2016

Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the standalone financial statements for the year ended March 31, 2016

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Phillips Carbon Black Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the standalone financial statements for the year ended March 31, 2016

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Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 13, 2016

Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of the loans and investments made and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of employees state insurance, income tax, service tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:



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Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the standalone financial statements as of and for the year ended March 31, 2016

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Name of the statute	Nature of dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	212.76	2012-13	Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	9.40	2012-13	Deputy Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Central Sales Tax	61.46	2010-11	Joint Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Central Sales Tax	138.61	2007-08	Senior Joint Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Central Sales Tax	660.68	2003-04, 2004-05, 2005-06, 2006-07, 2008-09, 2009-10, 2010-11 and 2011-12	West Bengal Commercial Taxes Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	190.50	1994-95, 1995-96 and 1999-00	High Court of Calcutta
Central Sales Tax Act, 1956	Central Sales Tax	267.62	2000-01	High Court of Calcutta *
West Bengal Sales Tax Act, 1994	Sales Tax	67.46	2003-04	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Sales Tax Act, 1994	Sales tax	55.43	1994-95, 1995-96, 1999-00 and 2004-05	West Bengal Taxation Tribunal
West Bengal Sales Tax Act, 1994	Sales tax	37.29	2000-01	West Bengal Taxation Tribunal *
West Bengal Value Added Tax Act, 2003	Valued Added Tax	6.83	2012-13	Additional Commissioner
West Bengal Value Added Tax Act, 2003	Valued Added Tax	78.31	2007-08	Senior Joint Commissioner Commercial Taxes
West Bengal Value Added Tax Act, 2003	Value Added Tax	57.60	2006-07, 2009-10, 2010-11 and 2011-12	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax	28.16	2005-06, 2014-15	West Bengal Taxation Tribunal
Gujarat Value Added Tax Act, 2006	Value Added Tax	22.57	2006-07	Gujarat Value Added Tax Tribunal



Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the standalone financial statements as of and for the year ended March 31, 2016

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Gujarat Value Added Tax Act, 2006	Value Added Tax	118.64	2010-11	Joint Commissioner of Commercial Taxes
Central Excise Act, 1944	Excise Duty	485.15	1997-98, 1998-99, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	1222.66	1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	0.77	2004-05	High Court at Kerala
Central Excise Act, 1944	Excise Duty	3.08	2009-10	Ministry of Finance
Customs Act, 1962	Customs Duty	0.67	2012-13	Commissioner (Appeals)
Customs Act, 1962	Customs Duty	38.30	2006-07, 2007-08, 2008-09, 2009-10 and 2010-11	Deputy Commissioner of Customs
Customs Act, 1962	Customs Duty	35.17	2004-05, 2005-06, 2006-07, 2007-08, 2009-10 and 2012-13	Customs Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	11.79	2008-09 and 2009-10	Supreme Court
Finance Act 1994	Service Tax	80.43	2009-10	Customs Excise and Service Tax Appellate Tribunal
Finance Act 1994	Service Tax	100.50	2008-09, 2009-10, 2010-11 and 2011-12	Customs Excise and Service Tax Appellate Tribunal*
Income Tax Act, 1961	Income Tax	38.13	2010-11	Commissioner (Appeals)

*To be filed



Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the standalone financial statements as of and for the year ended March 31, 2016

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- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the monies raised by way of commercial paper and term loans have been applied on an overall basis for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and any other further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act other than remuneration of Rs. 17.73 lakhs for which shareholder's approval by way of special resolution is proposed to be obtained by the Company in the ensuing Annual General Meeting as set out in Note 47 to the financial statements.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the standalone financial statements as of and for the year ended March 31, 2016

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- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Kolkata
May 13, 2016

For Price Waterhouse
Firm Registration Number:301112E
Chartered Accountants



Pinaki Chowdhury
Partner
Membership Number 57572

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Phillips Carbon Black Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Phillips Carbon Black Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); (refer Note 44 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



Price Waterhouse, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar,
Kolkata - 700 091

T: +91 (33) 2357 9260, +91 (33) 2357 7600, F: +91 (33) 2357 7496

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Phillips carbon Black Limited
Report on the Consolidated Financial Statements

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5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements/ financial information of two subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 12,720.64 lakhs and net assets of Rs. 8,136.05 lakhs as at March 31, 2016, total revenue of Rs. 468.92 lakhs, net profit of Rs. 246.71 lakhs and net cash flows amounting to Rs. (10.46) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT
To the Members of Phillips carbon Black Limited
Report on the Consolidated Financial Statements
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Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group— Refer Note 30 to the consolidated financial statements.

ii. The Group had long-term contracts and derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.



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Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Phillips carbon Black Limited
Report on the Consolidated Financial Statements
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iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2016. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended March 31, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 13, 2016

Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the consolidated financial statements for the year ended March 31, 2016

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Phillips Carbon Black Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's and its subsidiary company's, incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the consolidated financial statements for the year ended March 31, 2016

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exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company's, incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the consolidated financial statements for the year ended March 31, 2016

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Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 13, 2016

