



REF. STOCK. EXG/ AS/ 2018-19

11<sup>th</sup> July, 2019

The Corporate Relationship  
Department  
Bombay Stock Exchange  
Limited,  
1<sup>st</sup> Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001

The Listing Department  
National Stock Exchange  
of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.-C/1, 'G' Block,  
Bandra- Kurla Complex,  
Bandra (E)  
Mumbai – 400051

Listing Department  
The Calcutta Stock Exchange  
Ltd.  
7 Lyons Range,  
Kolkata-700001

Dear Sirs,

Sub : **Annual Report for the Financial Year 2018-19 along with  
the Notice convening the 95<sup>th</sup> Annual General Meeting**

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed Notice convening the 95<sup>th</sup> AGM and the Annual Report of the Company for the financial year 2018-19. The AGM of the Company will be held on Monday, 5<sup>th</sup> August, 2019, at 11.00 a.m. at Kalamandir, 48, Shakespeare Sarani, Kolkata-700017.

The Notice of 95<sup>th</sup> AGM along with the Annual Report for the financial year 2018-19 is also being made available on the website of the Company at: <https://www.bergerpaints.com/investors/annual-reports.html>

This is for your information and record.

Thanking You.

Yours faithfully,  
For **BERGER PAINTS INDIA LIMITED**

  
Rajib De  
**Deputy Company Secretary**

Encl.: a/a

**BERGER PAINTS INDIA LIMITED**



**ANNUAL REPORT  
2018-19**


# EXPANDING HORIZONS

**BERGER PAINTS INDIA LIMITED**



PERHAPS THE NEW DAWN  
WILL COME FROM THIS HORIZON,  
FROM THE EAST WHERE THE SUN RISES.

- Rabindranath Tagore



Industries in the interconnected world have a new frontier to face – the exceedingly complex and challenging landscape created by the juxtaposition of innovative technology and awareness borne out of the fast paced globalization. Berger's key to staying on the top of the game lies in expanding its strategic horizons, strengthened by innovation, speed and the effective use of information.

For over 90 years, Berger Paints has been pushing the envelope and exploiting opportunities to maintain the organisation's dominance in the marketplace. As a customer-centric company, Berger consistently strives to implement systems that inspire new ideas that focus on the betterment of the business and add value to stakeholders beyond just incremental new product development initiatives.

Three broad areas that the Company is working on to achieve greater operational efficiency along with better product innovations and optimized customer services are :

- 1. Tapping new segments and verticals through new product development in all lines of business**
- 2. Expanding footprints through acquisitions and mergers**
- 3. Serving The Community Through CSR Initiatives.**

Berger today, looks forward to a greater diversity of experience and faster acquisition of information through technology to sustain its drive forward in the ever-changing competitive landscape.

BERGER PAINTS  
we stand apart  
BERGER PAINTS

One of the top **15** paint companies in the world

One of the top **5** paint companies in Asia

**2<sup>nd</sup>** largest paint company in India

Present in **8** countries

Consolidated revenue ₹ 6062 crore

Market capitalisation as on 31st March 2019

₹ 31438 crore

20 paint manufacturing factories worldwide



# AWARDS & ACCOLADES



Indian Chamber of Commerce National Occupational Health and Safety award, 2019 won by the VVN Plant



Indian Chamber of Commerce National Occupational Health and Safety award, 2019 won by the Jammu Plant

Berger Paints India Limited has been consistently featuring on the Forbes India Super 50 Companies list in 2015, 2016, 2017 and 2018.

The Company ranks 14th among the global manufacturers of paints and coatings as per Coating World, 2018 report.

On the list of Top Indian Brands in Millward Brown BRANDZ Top 50, Berger Paints has been a regular from 2014 - 2017 and continues to feature in the revised list of BRANDZ Top 75 Most Valuable Indian Brands 2018.

Featured in the 26th position in the Business World Most Respected Companies in India list, ahead of big names in the country.



VVN plant, Gujarat has bagged the prestigious National Energy Efficiency Award 2019 for the Best Managed Electrical System, Safety and Power Quality from the CII, BEE Ministry of Power, Govt. of India and UNIDO (United Nations Industrial Development Organization). This is the second year in a row. Last year, it bagged the award for Best Energy Efficient Organisation



VVN plant won the CII – ITC sustainability award 2018 for excellence in Environment Management.



Greentech Safety Award 2018 won by Jammu & VVN Plants







Research and Development is the mainstay of development and growth of Berger Paints. It is our task to anticipate the future needs of our customers, convert these needs into innovative products and expand our base.

In a business where sky is the limit, our activities focus on the futuristic technologies and upcoming trends, including waste recycling, dispersion technology and optimization of raw materials. A number of new products and intermediaries were introduced during the year which included emulsions and resins, eco-friendly water-based paints, new finishes, solvent-based paints, wood coatings including water-based wood coatings, colourants, numerous protective, industrial and automotive coating systems with unique properties such as high heat resistance, low VOC, quick curing for various applications. Many other indigenous products that are under development are expected to hit the market in the immediate future.



## R&D - FACILITATING FUTURE PRODUCT DEVELOPMENTS



### RANGE OF INNOVATIVE PRODUCTS

#### Decorative Paints

Paint consumption by Indian household is undergoing a paradigm shift in terms of preference. Earlier, painting used to be more about budget and colours. Today, with rise in disposable income, it has become a statement of luxury and identity, especially in the urban sectors. Rural areas are also graduating from low - cost paints to performance oriented paints that provide premium look to the interiors.

Berger's aim has always been geared toward customers' needs and aspirations. As markets have evolved, the Company has improvised, bringing unique products and services to the marketplace. **Express Painting division enhances faster, cleaner and a better way to paint homes using automatic tools.** The R&D team through their innovations are helping in expanding the product range and offerings, while the marketing teams are helping to close product gaps and identifying new openings through market research.



**Berger**  
**SILK GLAMOR**  
 LUXURY INTERIOR EMULSION

Deewarein Nahin Yaadein Hai

CRYSTAL REFLECTIVE TECHNOLOGY

**Berger**  
**SILK GLAMOR**

A woman with long dark hair, wearing a white floral dress, stands next to a bucket of Berger Silk Glamor paint. The background is a solid red color.

## WEATHERCOAT ANTI DUSTT

– A new dust repellent coating for exterior. The paint has been developed for dry, dusty regions of India where rainfall is sparse. Painting the exterior with WeatherCoat Anti Dustt helps in reducing dust accumulation on the walls, reducing painting frequency and making the building look new for a longer period.



**FLORENTINA** – A popular range of European textures and special finishes brought by Berger for interior and exterior décor.



# INTERIOR & EXTERIOR DECORATIVE PAINTS

## Ghar ki beauty ka insurance



### WEATHERCOAT LONG LIFE

– The newest offering for exterior surfaces, particularly high-rise buildings. As repainting high-rises is considered a challenging job, WeatherCoat Long Life has unique properties of fortified polyurethane, which makes the paint extremely durable. This solves the hassles of frequent re-painting.

## Easy Clean Fresh

Jo kare daag or badbu ki chhutti



### EASY CLEAN FRESH – A

variant of Easy Clean interior emulsion, the gold standard in stain resistance with a fresh fragrance. The paint has the ability to absorb offensive odours such as cigarette smoke, musty carpets smells etc. It has low VOC and has been certified by Singapore Environment Council as environmentally friendly paint. Easy Clean Fresh has also been awarded the GREEN LABEL certificate by the authority.



# CONSTRUCTION CHEMICALS AND WATERPROOFING PRODUCTS

**WALL SHIELD 2K** – A high-performance waterproof undercoat for interior and exterior walls. It comprises water insoluble crystalline micro - structures which impart water impermeability within the matrix of the cementitious wall, thereby preventing moisture passing through the gaps and preventing dampness.



## HOME SHIELD CONCRETE MOISTURE METER

– Berger Home Shield Moisture Meter is a specially designed device to measure moisture content in the wall. It can detect trapped moisture in concrete floors, walls and ceilings, which could be due to leaking roofs, damaged pipes, rain water or underground seepage. Moisture Meter's scientific and accurate diagnosis helps to evaluate the damage caused by dampness and take appropriate steps towards a waterproof home.

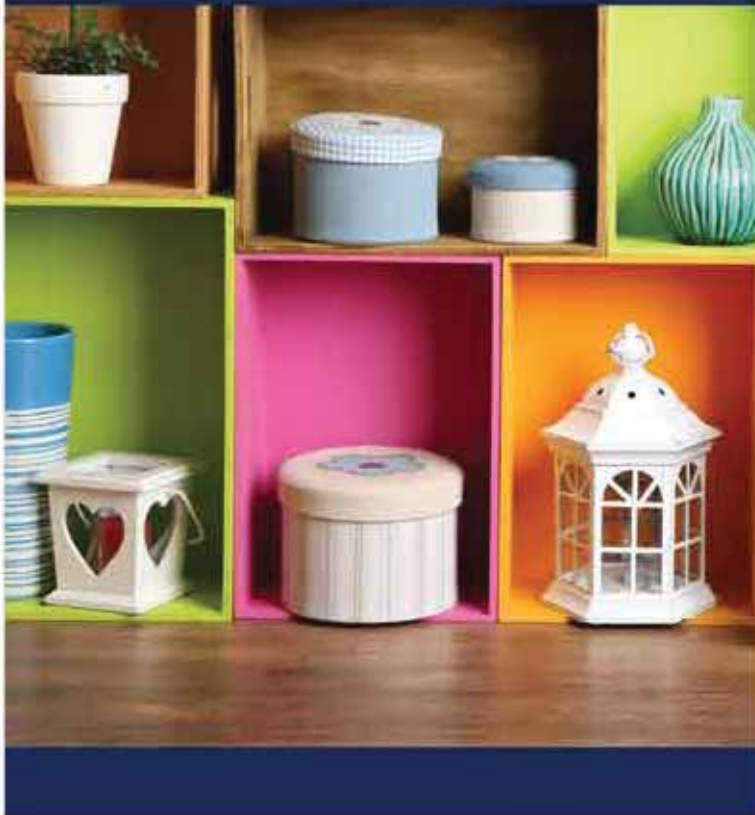


**PU ROOFKOAAT** – A high-efficient liquid waterproof coating specially developed to check leaking roofs. It forms an elastic membrane that bridges cracks uniformly, UV resistant and even resists yellowing and weathering. The coating's reflective properties improves energy efficiency of the building and acts a waterproofing barrier on verticals walls.



**10 YEARS WARRANTY**

**SATIN RANGE OF ENAMELS** – A new tinting system introduced in the market to address the demand for solvent-based paints.



Introducing **BERGER HOME SHIELD WATERPROOF PUTTY** and **DAMPSTOP**. Apply them on your exterior and interior walls. Get freedom from damages caused by dampness and keep your walls looking like new for a longer time.



**ROLLERS** — Three varieties of rollers are available to get the best out of painting project. All the rollers are suitable for emulsions and enamel painting for interiors.

For example -

- 1) Silk Interior Rollers are 9" acrylic fibre rollers built with advanced twin lock system. It has better balance and provides excellent result during continuous and fine rolling.
- 2) Interior Rollers are also 9" acrylic fibre rollers and come at value for money price.
- 3) Foam Rollers are 6" made with HD PU foam and used for both oil and water-based paints.





## PROTECTON

Berger Protecton is a high performance protective coating catering as a solution to different types of environmental and industrial corrosion. The product is an innovation from Berger Paints' in-house R&D cell and manufactured in earlier technical collaborations with reputed international players and current alliances with CSIR labs (CECRI & CBRI) and also supplies fire proof coatings which is a result of a collaboration with Promat International Limited NV of Belgium (Fireproof Coatings) and marine coatings in terms of a MOU with Chugoku Marine Paints, Ltd of Japan (Marine Coatings). The product line is on an expansion mode with upcoming newer categories for universal primers, marine pipeline and fireproofing under Make in India program, with an aim to reduce import costs and delivering high quality products. Currently, Protecton has a substantial turnover and is an undisputable market leader in its segment with presence across the country through most of its stock points supplying to almost all market segments.





## AUTO REFINISH COATINGS

Berger's automotive coating sector is backed by innovative technologies and deep knowledge of industrial trends. BERGER ROCK PAINTS PVT. LTD. ('Berger Rock') has been recently incorporated. It is the Company's collaboration with Rock Paint Co., Ltd. of Japan and is its latest reach out, internationally. Rock Paint Co., Ltd. is a leading manufacturer of automotive refinish paints in Japan and is well known in the industry for the quality and utility of its products. Berger Rock will benefit from the market knowledge and infrastructural strength of the Company in India and the technical expertise and high end products from Rock Paint Co., Ltd. Berger Rock has started selling superior automotive refinish paints.

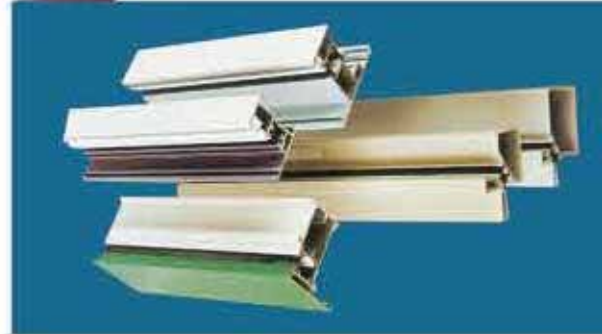


# AUTOMOTIVE & GENERAL INDUSTRIAL

New technologies explored by Berger R&D team has brought about products that are not only environment friendly, but they also have higher productivity and better value for money. For example, an Isocyanate-free base coat developed for two-wheeler industries offered ease of operation, less health hazards and better economy. The Monocoat Painting System developed for auto ancillaries in place of the two-coat system offers higher productivity and lower environmental threat.







## POWDER COATINGS

Powder Coatings division offers a wide range of products with different finishes and chemistries. With a broad spectrum of products, it serves all segments where powder coatings are being used. With new innovations, Berger is valued as a reliable and consistent supplier of powder coatings, not only in India but also abroad.





British Paints, Nalbari



VVN Plant, Administrative Block

Expansion of current facilities, shoring up of effective capacity and additions of new lines at the manufacturing units continue, as a regular activity, to cater to the demand, meet customer requirement and expand our horizon. The units at Rishra, Jejuri, Hindupur saw such up-gradations and additions. Storage systems at most units are being revamped with automatic systems to enhance storage capacities. The upcoming Sandila manufacturing unit in UP, now at the project stage, is the latest and is slated to be commissioned in 2021.



The upcoming manufacturing facility for water and solvent-based decorative paints, industrial and protective coatings, resin, putty, emulsion and construction chemicals at Sandila Industrial Area in Uttar Pradesh is on track.



## ACQUISITIONS & EXPANSIONS



### SABOO COATINGS

Saboo Coatings Pvt. Ltd (SCPL) became a wholly owned subsidiary of the Company in the recent past engaged in the business of manufacturing specialty liquid coatings used in agricultural and construction equipment, electronics, general industrial, elevators and home finishes, hardware, automotive parts and specially the clear coatings used by industrial dealers for substrates such as metal, glass and fibre-reinforced plastics. The business and the expertise of SCPL will gainfully supplement the Company's industrial coating business where both entities can support each other in various matters thus resulting in mutual benefit. Saboo Coatings Pvt. Ltd has been renamed as SBL Specialty Coatings Pvt. Ltd.

### SABOO HESSE WOOD COATINGS

The Company recently acquired 51% of equity shares of Saboo Hesse Wood Coatings Private Limited ( SHWCPL) for which it is a subsidiary of the Company now. It manufactures, imports and sells a wide variety of wood coatings, including alkyd PU, pigmented PU, UV coatings, water based wood coatings, among others. The business and expertise of SHWCPL aims to expand and supplement the Company's existing wood coatings business.





## THE DIGITAL EFFECT



The advertisement features a stylized illustration of a woman's face on the left, with a blue background and a green silhouette of a temple at the bottom. The Berger logo is in the top right corner. The main text reads: "Share creative ways of celebrating Holi without wasting water and stand a chance to Win prizes this Holi! Powered by BERGER (HOME) SHIELD Complete Waterproofing Solutions".

Share creative ways of celebrating Holi without wasting water and stand a chance to

**Win prizes this Holi!**

Powered by

**BERGER (HOME) SHIELD**  
Complete Waterproofing Solutions

Berger Home Shield Holi Contest urged the participants to play Holi creatively without wasting water by using dry gulal and flowers. Total impression collected via Twitter came to 89.4K

Berger Smart Mom Awards Contest in May 2018 reached 4.87 Million viewers through Facebook, Twitter and Instagram whereas total impression garnered by Berger XP Dad Xperience Father's Day Contest was 148 Million via Twitter only; continuously trending throughout the day on the platform during the contest period.

### #BergerSmartMomAwards

- 1 *Tag a mom*  
**WHO DOES THINGS THE SMART WAY**
- 2 *Give us an example of*  
**SOMETHING SHE DID**
- 3 **WIN BIG TOGETHER!**

powered by Berger Easy Clean

Berger Paints' presence on social media has been improving in line with the expansion of digital on mobile. Today, mobile is the first source of information for many in India. Berger is well – represented by event-based interactive digital campaigns, where customers are invited to engage with our brands in a fun - filled and collaborative manner. Events are designed as contests, blogging activities and Click & Win formats offering exciting gifts to winners. Customers are allowed to get a ringside view to some of our exciting products videos, TVCs and on - ground activities during their participation — ensuing that we engage effectively with them and remain the brand of choice when it comes to painting.

In addition to that, Berger released a digital video which was created on an auspicious occasion with the central theme of #PaintYourImagination and Berger Silk Glamour as the product in focus. The underlying theme of the film took inspiration from the payoff line - 'Paint Your Imagination' and urged participants to explore their hidden talents and envision a bright future, despite having limited resources and opportunities. The video's popularity when appraised came to a whopping 6 Million+ people across India in addition to hundreds of entries for the contest.



#PaintYourImagination



Easy Clean Mother's Day Blogger Activity invited Mommy Bloggers to write about their experiences when their children scribble on the walls. Here Berger Easy Clean was the brand in focus. Tips to smart moms were provided on how to anticipate problems of stains on the wall and how to prevent them with Berger Easy Clean washable paint. Total hits to the Easy Clean landing page during the activity soared to 31000+, while the campaign reached out to an audience of over 8.5 lakh women.







AIIMS, DELHI

Landmark and heritage buildings represent the history and culture of a nation. They constitute the architectural heritage of a country and possess historical values in correlation with social and political events that occurred at that time. However, such buildings go through degradation with time. Which is why, their conservation is important as it provides a sense of identity and continuity in a fast changing world for future generations. Berger has expanded its horizon in this arena too.



PRAGATHI BHAVAN, HYDERABAD

HOWRAH STATION



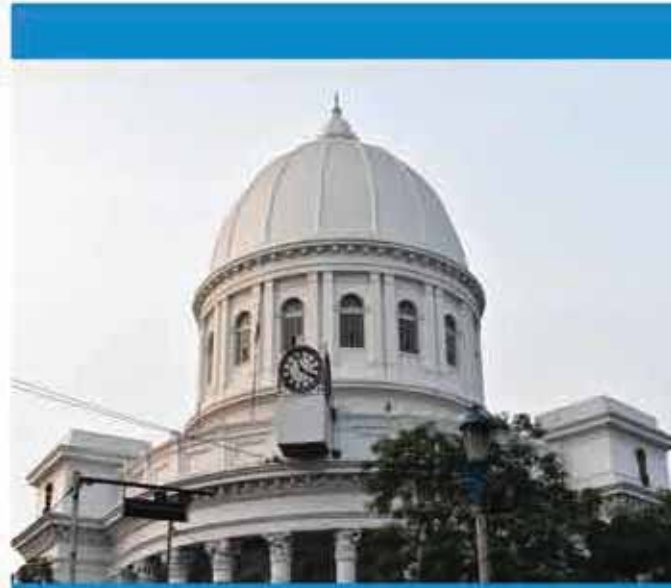
## LANDMARKS



CITY CENTRAL LIBRARY  
CUBBON PARK,  
BANGALORE



CHENNAI CENTRAL  
RAILWAY STATION



GENERAL POST OFFICE, KOLKATA



THE NATIONAL LIBRARY, KOLKATA



NEW DELHI RAILWAY STATION



# CSR ACTIVITY - MOBILE iTrains





Berger Paints launched the Mobile iTrain Centres as a CSR activity for training unskilled and semi-skilled persons in painting. Each Mobile iTrain Centre, even in far-flung areas, comes fully equipped with all the required tools for training and focuses on upskilling fresh and existing painters to make them more employable.

As part of the training curriculum, painters are introduced to new products, processes and techniques, in addition to soft skills and customer handling for better efficiency and to make positive impact on their earnings.

Painters with enhanced skills are encouraged to become entrepreneurs and employ other painters under them. This way, Berger supports painters to implement an all-round betterment in their profession.

Details of CSR activities can be referred to in the CSR report.



# iTrain

A skill-development initiative of Berger Paints India Limited



# BOARD OF DIRECTORS



**Mr Kuldip Singh Dhingra**  
Chairman, Non Executive



**Mr Gurbachan Singh Dhingra**  
Vice Chairman, Non Executive



**Mr Abhijit Roy**  
Managing Director & CEO



**Mrs Sonu Halan Bhasin**  
Independent Director, Non Executive



**Mr Kamal Ranjan Das**  
Independent Director, Non Executive



**Ms Rishma Kaur**  
Executive Director



**Mr Kanwardip Singh Dhingra**  
Executive Director



**Mr Naresh Gujral**  
Independent Director, Non Executive



**Mr Anoop Hoon**  
Independent Director, Non Executive



**Mr Gopal Krishna Pillai**  
Independent Director, Non Executive



**Mr Pulak Chandan Prasad**  
Independent Director, Non Executive



## Board Committees

### Audit

Mrs Sonu Halan Bhasin  
Mr Gurbachan Singh Dhingra  
Mr Kamal Ranjan Das  
Mr Pulak Chandan Prasad  
Mr Gopal Krishna Pillai

### Compensation & Nomination & Remuneration

Mr Kamal Ranjan Das  
Mr Kuldip Singh Dhingra  
Mr Pulak Chandan Prasad  
Mr Anoop Hoon

### Business Process & Risk Management

Mr Gurbachan Singh Dhingra  
Mr Kamal Ranjan Das  
Mr Abhijit Roy  
Mr Srijit Dasgupta  
Ms Rishma Kaur  
Mr Kanwardip Singh Dhingra  
Mr Anoop Hoon  
Mr Anil Bhalla

### Share Transfer

Mr Abhijit Roy  
Mr Kamal Ranjan Das  
Mr Srijit Dasgupta  
Mr Aniruddha Sen

### Stakeholders' Relationship & Investor Grievance

Mr Gurbachan Singh Dhingra  
Mr Kamal Ranjan Das  
Mr Abhijit Roy

### Corporate Social Responsibility

Mr Kuldip Singh Dhingra  
Mr Kamal Ranjan Das  
Mr Kanwardip Singh Dhingra  
Ms Rishma Kaur  
Mr Abhijit Roy  
Mr Srijit Dasgupta  
Mr Anil Bhalla  
Mr Aniruddha Sen

## Key Managerial Personnel

Managing Director & Chief Executive Officer

Mr. Abhijit Roy

Director- Finance & Chief Financial Officer

Mr Srijit Dasgupta

Sr Vice President & Company Secretary

Mr Aniruddha Sen

## Investor Service Centre

1. Registrars & Share Transfer Agent  
C B Management Services (P) Ltd  
P-22 Bondel Road, Kolkata 700 019  
Phone : 033 4011 6700/6725  
Fax : 033 4011 6739  
Email : rta@cbmsl.com

2. Secretarial Department  
Berger Paints India Limited  
129 Park Street, Kolkata 700 017  
Telephone: 033 2229 9724-28  
Fax: 033 2227 7288  
Email: consumerfeedback@bergerindia.com

## Statutory Auditors

S R Batliboi & Co LLP  
22 Camac Street,  
Block C, 3rd floor,  
Kolkata - 700 016

## Secretarial Auditor

Messrs. Anjan Kumar Roy & Co.  
Company Secretaries,  
GR 1, Gouri Bhaban, 28A,  
Gurupada Halder Road,  
Kolkata - 700026

## Consortium Banks

Standard Chartered Bank  
HSBC Ltd.  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
State Bank of India  
Kotak Mahindra Bank Ltd.  
Axis Bank Ltd.  
DBS Bank Ltd.  
Yes Bank Ltd.  
JP Morgan Chase Bank, N.A.  
MUFG Bank, Ltd.  
BNP Paribas  
IDFC Bank Ltd.  
IndusInd Bank Ltd.  
Federal Bank Ltd.

## Registered Office

Berger House, 129 Park Street,  
Kolkata 700 017  
Phone: 033 2229 9724-28  
Fax: 033 2227 7288

## Corporate Website

[www.bergerpaints.com](http://www.bergerpaints.com)

## Feedback

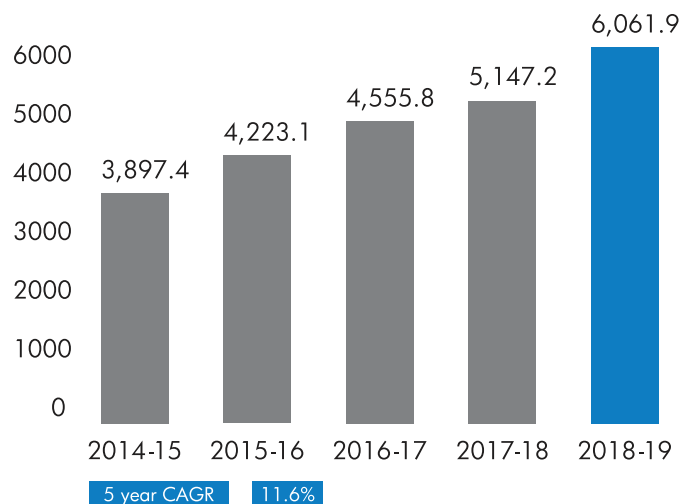
[consumerfeedback@bergerindia.com](mailto:consumerfeedback@bergerindia.com)

## CIN

L51434WB1923PLC004793

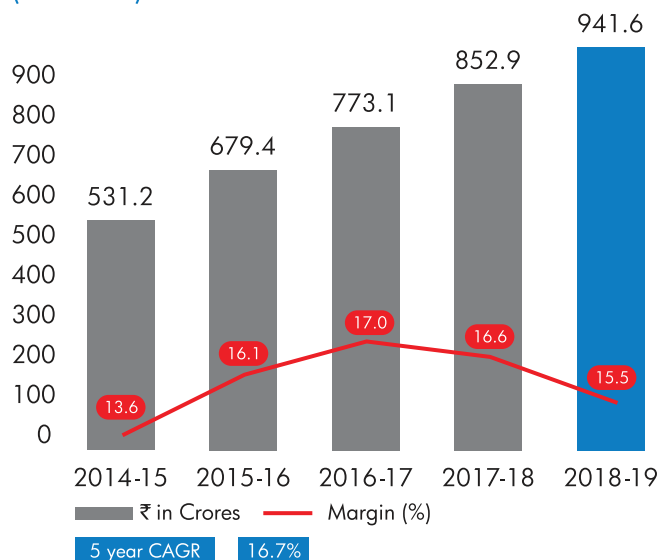
## Revenue from Operations - Consolidated

(₹ in crore)



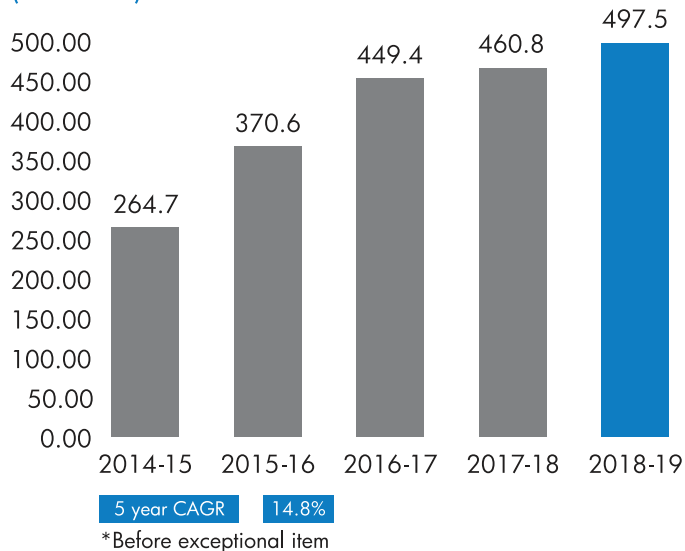
## Operating Profit - EBITDA - Consolidated

(₹ in crore)

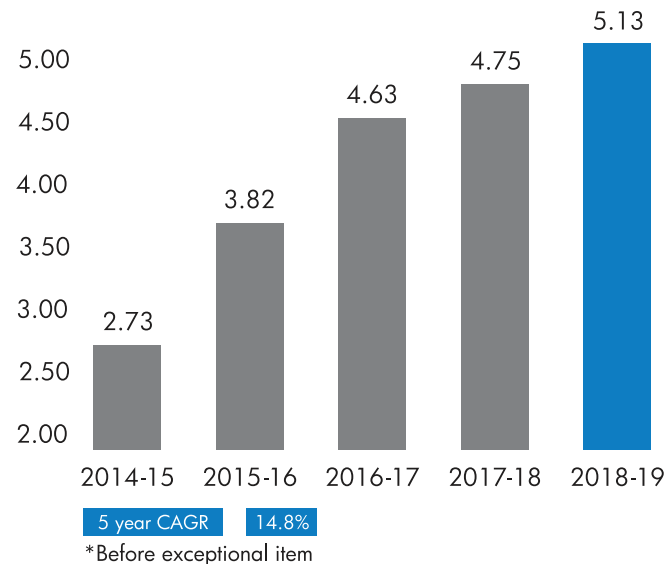


## Profit after Tax - Consolidated

(₹ in crore)\*

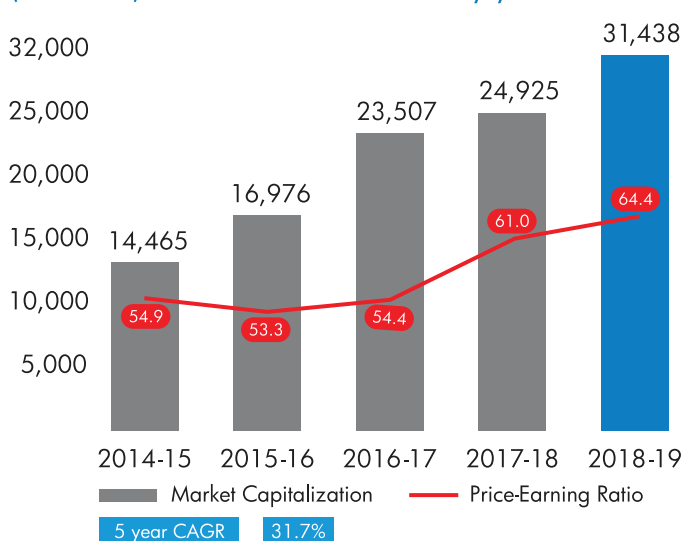


## Earning Per Share (₹)\*

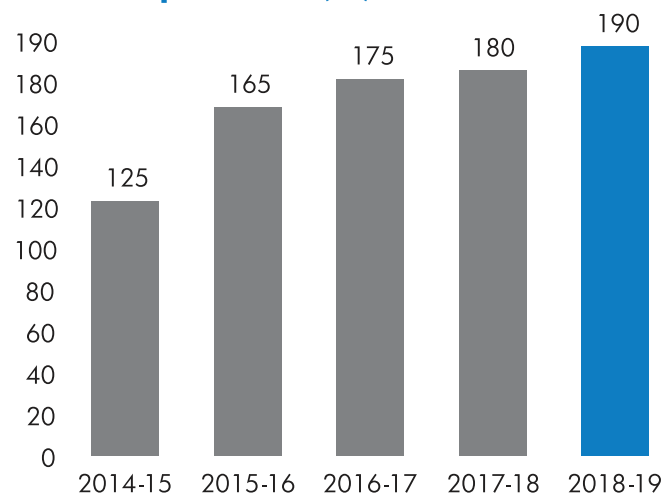


## Market Capitalisation

(₹ in crore) as on March 31st of every year



## Dividend per share (%)





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## BERGER PAINTS INDIA LIMITED

(CIN: L51434WB1923PLC004793)

Registered Office: Berger House, 129, Park Street, Kolkata 700 017

Phone Nos: 91 33 2229 9724 -28; Fax No: 91 33 2227 7288

Website: www.bergerpaints.com

Email: consumerfeedback@bergerindia.com

### NOTICE

Notice is hereby given that the Ninety-fifth Annual General Meeting of Berger Paints India Limited will be held at Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017 on 5th August, 2019, Monday at 11 a.m. to transact the following business:-

#### ORDINARY BUSINESS:

To consider and, if thought fit, to pass, the following resolutions as ordinary resolutions:

1. “RESOLVED THAT the audited financial statements (including the audited consolidated financial statements) for the year ended 31st March, 2019, the Reports of the Board of Directors and the Auditors be and are hereby received, considered and adopted.”
2. “RESOLVED THAT a dividend of ₹1.90 (190%) per share on the paid up equity shares of ₹1/- each of the Company for the year ended 31st March, 2019, be and is hereby declared to be paid to the Members of the Company holding shares in the physical form and whose names appear in the Register of Members on 5th August, 2019 and, holding shares in the electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 29th July, 2019.”
3. “RESOLVED THAT Mr Kuldip Singh Dhingra (DIN: 00048406), Director of the Company, who retires by rotation at this meeting and, being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”
4. “RESOLVED THAT Mr Gurbachan Singh Dhingra (DIN: 00048465), Director of the Company, who retires by rotation at this meeting and, being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

#### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Regulations”), Mr Naresh Gujral (DIN: 00028444), Independent Director of the Company whose period of office would expire on 19th August, 2019, on completion of the first five consecutive years of appointment within the meaning of Section 149(10) of the Act, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and Regulation 16 of the Regulations and who is eligible for re-appointment for a second term under the provisions of the Act, Rules made thereunder and the Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Act and as recommended by Compensation and Nomination and Remuneration Committee, be and is hereby re-appointed as Non-executive, Independent Director of the Company, not liable to retire by rotation with effect from 20th August, 2019 to 19th August, 2024.



RESOLVED FURTHER THAT the Board of Directors including a committee thereof and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Anoop Hoon (DIN: 00686289), who was appointed as an Additional Director in the capacity of a Non-executive, Independent Director of the Company by the Board of Directors effective 1st February, 2019 and who holds office up to the date of the Annual General Meeting in terms of Section 161 of the Act and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and Regulation 16 of the Regulations and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and pursuant to the recommendation of the Compensation and Nomination and Remuneration Committee, be and is hereby appointed as a Non-executive, Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from 1st February, 2019 to 31st January, 2024.

RESOLVED FURTHER THAT the Board of Directors including a committee thereof and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

7. To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs Sonu Halan Bhasin (DIN: 02878434), who was appointed as an Additional Director in the capacity of a Non-executive Independent Director of the Company by the Board of Directors effective 1st February, 2019 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Act and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act, and Regulation 16 of the Regulations and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director and pursuant to the recommendation of the Compensation and Nomination and Remuneration Committee, be and is hereby appointed as a Non-executive, Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from 1st February, 2019 to 31st January, 2024.

RESOLVED FURTHER THAT the Board of Directors including a committee thereof and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

8. To consider and, if thought fit, to pass, the following resolution as ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196 and 197 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“Rules”) (including any statutory modification(s) and re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded for re-appointment of Ms Rishma Kaur (DIN: 00043154) (“Ms Kaur”) as a Whole Time Director designated as Executive Director of the Company for a period of 5 years, i.e from 3rd August, 2019 to 2nd August, 2024, not liable to retire by rotation, on the following terms:



- (a) Remuneration including perquisites, commission and contributions for retirement benefits: Maximum ₹1,00,00,000 (Rupees one crore) per annum;
- (b) Ms Kaur will perform her duties as such with regard to all work of the Company and she will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board. Ms Kaur will act in accordance with the Articles of Association of the Company, abide by the provisions contained in the applicable Sections of the Act with regard to duties of directors and will adhere to the Company's applicable codes of conduct and other applicable policies;
- (c) The office of the Executive Director may be terminated by any of the Company or the Executive Director by giving the other three months' prior notice in writing;
- (d) Where in any financial year during the currency of her tenure, the Company has no profits or inadequate profits, Ms Kaur shall be paid minimum remuneration as may be determined by the Board of Directors (which shall be deemed to include any Committee thereof including the Compensation and Nomination and Remuneration Committee) which shall also have the authority to decide on the quantum, composition and periodicity of payment of such minimum remuneration subject to the applicable provisions of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196 and 197 of the Act read with Schedule V to the Act and the Rules (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and in partial modification of the ordinary resolution adopted by the members at the Annual General Meeting held on 3rd August, 2015, consent be and is hereby accorded to payment of remuneration of an amount not exceeding ₹46,00,000 (Rupees forty-six lakhs only) per annum to Ms Kaur and her re-designation as Executive Director with effect from 1st April, 2018.

RESOLVED FURTHER THAT the Board of Directors/Compensation and Nomination and Remuneration Committee be and is hereby authorised to finalise the remuneration to be received by Ms Kaur every year within the aforesaid limit.

RESOLVED FURTHER THAT the Board of Directors (which shall be deemed to include any Committee thereof including the Compensation and Nomination and Remuneration Committee) and/or the Company Secretary be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

9. To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Rules (including any statutory modification(s) and re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded for re-appointment of Mr Kanwardip Singh Dhingra (DIN: 02696670) ("Mr Dhingra"), Whole Time Director, designated as Executive Director of the Company for a period of 5 years, i.e from 3rd August, 2019 to 2nd August, 2024, not liable to retire by rotation, on the following terms:

- (a) Remuneration including perquisites, commission and contributions for retirement benefits: Maximum ₹1,00,00,000 (Rupees one crore) per annum;
- (b) Mr Dhingra will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board. Mr Dhingra will act in accordance with the Articles of Association of the Company, abide by the provisions contained in the applicable Sections of the Act with regard to duties of directors and will adhere to the Company's applicable codes of conduct and other applicable policies;



- (c) The office of the Executive Director may be terminated by any of the Company or the Executive Director by giving the other three months' prior notice in writing;
- (d) Where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, Mr Dhingra shall be paid minimum remuneration as may be determined by the Board of Directors (which shall be deemed to include any Committee thereof including the Compensation and Nomination and Remuneration Committee) which shall also have the authority to decide on the quantum, composition and periodicity of payment of such minimum remuneration subject to the applicable provisions of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196 and 197 of the Act, read with Schedule V to the Act and the Rules (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and in partial modification of the ordinary resolution adopted by the members at the Annual General Meeting held on 3rd August, 2015, consent be and is hereby accorded to payment of remuneration of an amount not exceeding ₹46,00,000 (Rupees forty-six lakhs only) per annum to Mr Dhingra and his re-designation as Executive Director with effect from 1st April, 2018.

RESOLVED FURTHER THAT the Board of Directors/Compensation and Nomination and Remuneration Committee be and is hereby authorised to finalise the remuneration to be received by Mr Dhingra every year within the aforesaid limit.

RESOLVED FURTHER THAT the Board of Directors (which shall be deemed to include any Committee thereof including the Compensation and Nomination and Remuneration Committee) and/or the Company Secretary be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

10. To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, M/s N. Radhakrishnan & Co., Cost Auditors, be paid a remuneration of ₹40,000/- (Rupees forty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for each cost audit/certification engagement for the year 2019-20 for the Company's factories at Howrah and Rishra in West Bengal, factories at Goa and Puducherry and ₹30,000/- (Rupees thirty thousand only) each plus applicable tax and reimbursement of travel and other out-of-pocket expenses for cost audit/certification engagements for the year 2019-20 for the Company's factories at Jejuri and Naltali and the Hindupur factory of the British Paints division of the Company and ₹20,000/- (Rupees twenty thousand only) plus other out-of-pocket expenses for cost audit/certification engagement for the year 2019-20 for the Company's British Paints division factory at Nalbari and ₹25,000/- (Rupees twenty five thousand only) for filing a single report in accordance with relevant guidelines and M/s Shome and Banerjee, Cost Auditors, be paid ₹45,000/- (Rupees forty five thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for each cost audit/certification engagement for the year 2019-20 for the Company's British Paints division factory at Sikandrabad in Uttar Pradesh and two factories at Jammu (including a factory of the Company's British Paints division) and ₹30,000/- (Rupees thirty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for the Company's British Paints division factory at Surajpur in Uttar Pradesh.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Place: Kolkata  
Dated: 30th May, 2019

By Order of the Board  
**Aniruddha Sen** (A13917)  
Sr. Vice President & Company Secretary

**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) shall be entitled to appoint another person as proxy to attend and vote at the meeting on his behalf. A proxy shall not have the right to speak at the aforesaid meeting and shall not be entitled to vote except on a poll. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not later than 48 hours before the commencement of the aforesaid meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of not more than fifty members and holding in the aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not be entitled to act as proxy for any other person or Member.
2. Corporate Members are requested to send to the Company/Registrar & Share Transfer Agent, a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote at the AGM.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 30th July, 2019 to 5th August, 2019 both days inclusive.
4. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
5. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID numbers for easy identification at the Meeting.
6. Dividend on Equity Shares as recommended by the Board, if declared at the Meeting, will be paid to the Members of the Company, holding shares in the physical form and whose names appear in the Register of Members as on 5th August, 2019 and, holding shares in electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 29th July, 2019.
7. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore requested to submit their PAN and Bank Account Details to M/s C. B Management Services (P) Ltd., Registrars and Share Transfer Agent of the Company by sending a duly signed letter along with self-attested copy of PAN card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In alternative, Members are requested to submit a copy of bank passbook/statement attested by the bank along with a cancelled cheque if the name of account holder does not appear on the cheque. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
8. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
9. The Certificate from the Statutory Auditors of the Company as required under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the implementation of the Company's new ESOP Scheme in accordance with the resolution passed at the Annual General Meeting held on 3rd August, 2016 shall be placed at the ensuing Annual General Meeting for inspection by the Members.
10. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent of the Company.
11. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting.



12. Members are requested to notify any change in their address immediately to M/s C B Management Services (P) Limited, P-22, Bondel Road, Kolkata 700 019, the Registrar & Share Transfer Agent of the Company for shares held in physical form. Members who hold their shares in dematerialised form may lodge their requests for change of address, if any, with their respective Depository Participants.
13. Members holding shares of the Company in physical form through multiple folios are requested to consolidate their shareholding into single folio, by sending their original share certificates along with a request letter to consolidate their shareholding into one single folio, to the Registrar & Share Transfer Agent of the Company.
14. In all correspondence with the Company/Registrar & Share Transfer Agent, Members are requested to quote their Folio Number and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID numbers.
15. Members are reminded to send their dividend warrants, which have not been encashed, to the Company, for revalidation. As per the provisions of Section 124(6) of the Companies Act, 2013, unclaimed dividend is liable to be transferred to the Investor Education and Protection Fund of the Central Government after expiry of seven years from the date they become due for payment.
16. The Ministry of Corporate Affairs (MCA) vide notification No. S.O.2866 (E) dated 5th September, 2017 enforced sections 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund [IEPF] (Accounting, Audit, Transfer and Refund) Rules, 2016, which requires companies to transfer the underlying shares to the IEPF, in respect of which the dividends have remained unclaimed for a consecutive period of seven years. **Accordingly, shareholders are requested to apply for unclaimed dividends immediately to the Company/Registrars & Share Transfer Agents [C B Management Services (P) Limited].** During the year under review, the Company had transferred 2,95,496 equity shares (0.03% of paid up capital) to IEPF on 25th April, 2018.
17. As per current SEBI Regulations, dividend is required to be credited to Members' respective bank accounts through Electronic Clearing Service (ECS), wherever the facility is available and the requisite details/mandates have been provided by the Members. Members desirous of availing this facility may send the details of their bank accounts with addresses and MICR Codes of their banks to their Depository Participants (in case of shares held in dematerialised form) or to C B Management Services (P) Limited (in case of shares held in physical form) at the earliest.
18. Members interested in nomination in respect of shares held by them may write to M/s C B Management Services (P) Limited at the address as mentioned in paragraph (12), for the prescribed form. Alternatively, the said form can be downloaded from the Company's website [www.bergerpaints.com](http://www.bergerpaints.com) under 'Investor Services' section.
19. Members may note that the Notice of the 95th AGM and the Annual Report for 2018-19 will be available on the Company's website [www.bergerpaints.com](http://www.bergerpaints.com). Members who require communication in physical form in addition to e-communication, may write to the Company at [consumerfeedback@bergerindia.com](mailto:consumerfeedback@bergerindia.com).
20. Members are to inform of their current email ID to the Company in compliance of Green Initiative as per Ministry of Corporate Affairs circular on this subject.
21. Pursuant to amendment of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated 8th June, 2018, w.e.f. 1st April, 2019 except in case of transmission or transposition of securities, transfer of securities would be carried out in dematerialised form only. Hence, Members are requested to initiate action to get their shares dematerialised since trading of shares is done compulsorily in the dematerialised mode. Dematerialisation not only provides easy liquidity, but also safeguards from any possible physical loss.
22. As on 31st March, 2019, 9,54,035 equity shares of ₹1/- each fully paid up have remained unclaimed by 297 number of shareholders. During the year, the Company had received 17 requests from the Members for transfer of their unclaimed shares from the Company's unclaimed demat suspense account i.e. 'M/s Berger Paints India Limited – Unclaimed Demat Suspense Account' and accordingly the Company has transferred those unclaimed shares from its unclaimed demat suspense account and 2,12,755 equity shares of ₹1/-each were transferred from unclaimed suspense account to IEPF Account on 25th April, 2018. The details are given in Annexure C of Corporate Governance Report.



23. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the provisions of the Companies (Management & Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the Members with the facility to cast their vote electronically from a location other than the venue of the Annual General Meeting (“Remote e-voting”). The Company has engaged National Securities Depository Limited (“NSDL”) to provide to the Members the e-voting platform and services for casting their vote through remote e-voting on all resolutions set forth in this Notice.

The procedure for remote e-voting is as under:

### Instructions

**Step 1 :** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|--|---|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the email sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.
  - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2 :** How to cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company which is 110885.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to **aklabhcs@gmail.com/aklabh@aklabh.com** with a copy marked to **evoting@nsdl.co.in**.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on **www.evoting.nsdl.com** to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800 222 990 or send a request at **evoting@nsdl.co.in**





4. For Members holding shares in dematerialised form whose e-mail IDs are not registered with the Company/Depository Participants and Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following steps may be noted:
  - A) To refer to the attached instruction sheet for the e-voting particulars viz. initial password along with EVEN (E Voting Event Number) and USER ID.
  - B) Please follow all steps as enumerated above, to cast vote.
24. The remote e-voting period commences on 2nd August, 2019 (at 9:00 a.m.) and ends on 4th August, 2019 (at 5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
25. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital (in case of electronic shareholding) of the Company as on the cut-off date of 29th July, 2019.
26. Only such person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 29th July, 2019 shall be entitled to avail the facility of remote e-voting /tablet based voting at AGM.
27. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date, i.e., 29th July, 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rta@cbmsl.com](mailto:rta@cbmsl.com) or [consumerfeedback@bergerindia.com](mailto:consumerfeedback@bergerindia.com) mentioning his or her folio number/DP ID and Client ID. However, if he is already registered with NSDL for remote e-voting, then he can use his existing user ID and password for casting his vote. If he forgets his password, he can reset his password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
28. The facility for voting through electronic voting system shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through tablets.
29. Pursuant to Regulation 44(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 100 top listed entities determined on the basis of market capitalisation at end of the immediate previous financial year, shall provide one-way live webcast of the proceedings of the annual general meetings. Accordingly, the Company will be providing live webcast of the proceedings of the AGM on the NSDL website. You may access the same at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) by using your remote e-voting credentials. The link will be available in shareholder login where the EVEN of the Company will be displayed.
30. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
31. The Company has engaged the services of National Securities Depository Limited (“NSDL”) as the Agency to provide e-voting facility both for remote e-voting and voting at the AGM venue.
32. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.
33. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Mr A. K. Labh (FCS-4848/CP-3238) of M/s A. K. Labh & Co., Company Secretaries has been appointed as the Scrutiniser to scrutinise the remote e-voting process as well as voting through tablets as aforesaid at the AGM in a fair and transparent manner.
34. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutiniser, through tablet based voting for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

35. The Scrutiniser, after scrutinising the votes cast at the meeting through tablets and remote e-voting, will, not later than forty eight hours of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman/authorised person. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company [www.bergerpaints.com](http://www.bergerpaints.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
36. The results shall simultaneously be communicated to the Stock Exchanges.

**MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT AND ADMISSION SLIP TO THE MEETING.**

## **EXPLANATORY STATEMENT**

**(Pursuant to Section 102 of the Companies Act, 2013)**

### **ITEM NO. 5**

Mr Naresh Gujral [Mr Gujral] (DIN: 00028444) a Non-executive, Independent Director of the Company, was appointed for a period of five years from 20th August, 2014 to 19th August, 2019 pursuant to approval of the Members under the provisions of the Companies Act, 2013 ("the Act") in terms of a resolution passed at the Annual General Meeting held on 3rd August, 2015. Mr Gujral's term of appointment would accordingly expire on 20th August, 2019 on completion of the first five consecutive years of appointment within the meaning of Section 149(10) of the Act.

In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from a member proposing the candidature of Mr Gujral as per the provisions of the Act.

Accordingly, in terms of Section 149 of the Act, read with Schedule IV of the Act, and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("the Regulations") and pursuant to the recommendation of the Compensation and Nomination and Remuneration Committee, the Board of Directors of the Company has approved the re-appointment of Mr Gujral from 20th August, 2019 to 19th August, 2024 based on his skills, experience, knowledge, performance evaluation and contributions made by him, subject to approval of the Members. The Board considers his continuance on the Board will benefit the Company.

Mr Gujral has furnished declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16 of the Regulations and is eligible for re-appointment for second term under the provisions of the Act, Rules made thereunder and the Regulations. In pursuance of Section 149(13) of the Act, Mr Gujral will not be liable to retire by rotation.

Mr Gujral is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company, and shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

As per Section 150 of the Companies Act, 2013, appointment of Directors as Independent Directors requires approval of the Members. Accordingly, approval of the Members is sought for re-appointment of Mr Gujral as Independent Director for a second consecutive term of five years by passing a Special Resolution.

Mr Gujral is a fellow member of the Institute of Chartered Accountants of India and is the founder of the Span India Group, which is one of leading exporters of high-end fashion garments to Europe from India. He is an eminent industrialist and social activist. Mr Gujral was a non-executive Director of the Company from 12th February, 2003 to 25th August, 2011. Mr Gujral was again appointed as Independent Director on 20th August, 2014. Mr. Gujral holds 7,000 equity shares of ₹1/- each of the Company. Mr Gujral is 71 years old.

Copy of the draft letter of appointment of Mr Gujral setting out the terms and conditions of the appointment is available for inspection by the Members at the registered office of the Company.



Mr Gujral may be deemed to be interested and concerned in the Resolution mentioned at item No.5 of the Notice. Other than Mr Gujral, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested financially or otherwise, in the resolution set out at item No.5.

The Board considers it desirable that the Company should avail itself of the services of Mr Gujral and recommends the special resolution set out at Item No. 5 of the Notice for approval of the Members.

#### **ITEMS NO. 6 and 7**

Mr Anoop Hoon (Mr Hoon) and Mrs Sonu Halan Bhasin (Mrs Bhasin) were appointed as Additional Directors of the Company by the Board in the capacity of Non-executive, Independent Directors with effect from 1st February, 2019 pursuant to Section 161 of the Companies Act, 2013 ('the Act'). Mr Hoon and Mrs Bhasin have filed declarations of independence and they are deemed to be independent within the meaning of Section 149 of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").

In terms of Regulation 17(1)(a) of the Regulations, the Board of Directors of the top 500 listed entities should have at least one independent woman director by 1st April, 2019. Accordingly, the Board of Directors at its meeting held on 1st February, 2019 had appointed Mrs Bhasin as an independent woman director in a non-executive position.

In terms of Section 161 of the Act, Mr Hoon and Mrs Bhasin hold office as Additional Directors up to the conclusion of the forthcoming Annual General Meeting and the Company has received notices in writing from two Members proposing the candidatures of Mr Hoon and Mrs Bhasin for appointment as Independent Directors as per the provisions of sections 149, 152 and 160 of the Act.

Based on the recommendations of the Compensation and Nomination and Remuneration Committee and subject to the approval of the Members of the Company, the Board of Directors of the Company has approved the appointment of Mr Hoon and Mrs Bhasin. Such appointment is proposed to be made for a period of five years from 1st February, 2019 to 31st January, 2024. As per Section 150 of the Act, appointment of Directors as Independent Directors requires approval of the members. Accordingly, approval of the members is sought for appointment of Mr Hoon and Mrs Bhasin for five years from the date of their appointments i.e from 1st February, 2019 to 31st January, 2024. In pursuance of Section 149(13) of the Act, Mr Hoon and Mrs Bhasin will not be liable to retire by rotation.

Copies of the draft letters of appointment of Mr Hoon and Mrs Bhasin setting out the terms and conditions of the appointment are available for inspection by the Members at the registered office of the Company.

Mr Hoon is a B.A. in Economics and Post Graduate in IR & PM from XLRI, Jamshedpur. He was associated with Century Plyboards (India) Ltd. as President (Marketing & OD) during the period 2008 to 2015. He was also earlier associated with Bells Control Ltd., BOC Gases Ltd., Fortis Health Care Ltd., The Gramophone Co. of India (HMV) Ltd. (as the CEO), Dunlop Tyres, Asian Paints Limited and others. Mr Hoon has experience in marketing, sales, organisational development, HR, supply chain and branch commercial functions and had served as Business Head of several businesses while in the companies in which he had worked. Mr Hoon is a member of the Business Process and Risk Management Committee and Compensation and Nomination and Remuneration Committee. Mr Hoon does not hold any share of the Company. Mr Hoon is 64 years old.

Mrs Bhasin is a B.Sc. (Hons.) Mathematics from St Stephen's College, Delhi University and MBA – Faculty of Management Studies (FMS), Delhi University. Mrs Bhasin has a vast professional experience and was the Chief Operating Officer of Tata Capital Limited. Before that, she worked with Yes Bank, ING Barings Private Bank and ING Vysya Bank and Tata Administrative Services in senior positions. She is currently an Independent Director of a number of companies and Member of the Advisory Board of Dharma Life and Executive Access India Private Limited. She was the Founder and Managing Partner of FAB – Families and Business and Editor-in-Chief of Families and Business Magazine. She had authored The Inheritors – Stories of Entrepreneurship and Success. Mrs Bhasin is a member of the Audit Committee and has been appointed as Chairman of the said Committee on 30th May, 2019. She does not hold any share of the Company. Mrs Bhasin is 56 years old.



Board considers it beneficial that the Company should avail the services of Mr Hoon and Mrs Bhasin as Independent Directors and accordingly recommends the Resolutions at Items No. 6 and 7 for approval by the Members.

Mr Hoon may be deemed to be interested and concerned in the Resolution mentioned at item No.6 of the Notice. Other than Mr Hoon, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested financially or otherwise, in the resolution set out at item No.6.

Mrs Bhasin may be deemed to be interested and concerned in the Resolution mentioned at item No.7 of the Notice. Other than Mrs Bhasin, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested financially or otherwise, in the resolution set out at item No.7.

#### **ITEMS NOS. 8 and 9**

Ms Rishma Kaur [Ms Kaur] (DIN: 00043154) and Mr Kanwardip Singh Dhingra [Mr Dhingra] (DIN: 02696670) were appointed as Directors in whole-time employment of the Company designated as Director & National Business Development Manager, Retail and Director & National Business Development Manager, Industrial respectively for a period of five years up to 2nd August, 2019 at the Annual General Meeting held on 3rd August, 2015. Ms Kaur and Mr Dhingra were appointed as Directors in whole-time employment as a part of the Company's plans for ensuring succession and continuity of the affairs of the Company. Their terms of appointment would expire on 2nd August, 2019.

Ms Kaur holds a B.Sc. in Business Studies from University of Buckingham, U.K. Ms Kaur has been working with the Company since April, 2011 and has successfully led business development efforts in the Company in respect of Retail Business in addition to providing guidance and handling various other matters such as Marketing and Corporate Affairs. Ms Kaur is a member of the Business Process and Risk Management Committee and CSR Committee of the Board. Ms Kaur holds 6,00,000 equity shares of ₹1/- each of the Company. Ms Kaur is 46 years old.

Mr Dhingra holds a Bachelor's Degree in Chemical Engineering from University of Akron, Akron, Ohio, U.S.A with specialisation in Polymer Engineering and Minor in Chemistry. Prior to joining the Company, Mr Dhingra gathered working experience in the field of paints and specialty coatings in The Rohm & Haas Company, Texas, USA and The Sherwin Williams Company, Ohio, U.S.A. Mr Dhingra has been working with the Company since April, 2011 and has successfully led business development efforts in the Company in respect of Industrial Business in addition to providing guidance and handling various other matters such as Projects and Procurements. Mr Dhingra is a member of the Business Process and Risk Management Committee and CSR Committee of the Board. Mr Dhingra holds 6,00,000 equity shares of ₹1/- each of the Company. Mr Dhingra is 36 years old.

Since 2015, both Ms Kaur and Mr Dhingra had assumed major responsibilities in the business and operations of the Company and had engaged themselves in wide areas of activities. In recognition of their initiatives and in terms of the recommendation made by the Compensation and Nomination and Remuneration Committee, the Board of Directors increased their remuneration to an amount not exceeding ₹46,00,000 per annum with effect from 1st April, 2018 till the date of the next Annual General Meeting, subject to approval of the Members under Section 196 of the Companies Act, 2013 and designated them as Executive Directors.

The said increase in remuneration of Ms Kaur and Mr Dhingra will not fall within the purview of Section 188 of the Act and since their remuneration, individually or taken together with previous transactions during a financial year would not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, they will not qualify as material related party transactions under the provisions of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 ("Regulations").

Upon recommendation of the Compensation and Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, Schedule V and all other relevant provisions of the Companies Act, 2013 and the Regulations, the Board of Directors has re-appointed Ms Kaur and Mr Dhingra as Executive Directors in whole-time employment of the Company for a period of five years with effect from 3rd August, 2019 to 2nd August, 2024, subject to approval of the Members at the forthcoming Annual General Meeting at a remuneration to be fixed by the Compensation and Nomination and Remuneration Committee subject



to a ceiling of ₹1,00,00,000 (Rupees one crore) per annum each. As mentioned earlier, the aforesaid appointment and payment of remuneration will not attract the provisions of Section 188 of the Companies Act, 2013. They will also not qualify as material related party transaction under the provisions of the Regulations as long as their remuneration, individually or taken together with previous transactions during a financial year do not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements.

Board considers it desirable that the Company should avail itself of the services of Ms Kaur and Mr Dhingra as Directors and accordingly recommends the Resolutions at Items No.8 and 9 for approval by the Members.

Ms Kaur and Mr Kuldip Singh Dhingra may be deemed to be interested and concerned in the Resolution mentioned at item No.8 of the Notice. Other than Ms Kaur and Mr Kuldip Singh Dhingra, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested financially or otherwise, in the resolution set out at item No.8.

Mr Dhingra and Mr Gurbachan Singh Dhingra may be deemed to be interested and concerned in the Resolution mentioned at item No.9 of the Notice. Other than Mr Dhingra and Mr Gurbachan Singh Dhingra, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested financially or otherwise, in the resolution set out at item No.9.

#### ITEM NO. 10

The Board, at the recommendation of the Audit Committee, has appointed M/s. N. Radhakrishnan & Co., Cost Auditors as Cost Auditors of the Company at a remuneration of ₹40,000/- (Rupees forty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for each cost audit/certification engagements for the year 2019-20 for the Company's factories at Howrah and Rishra in West Bengal, factories at Goa and Puducherry and ₹30,000/- (Rupees thirty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses each for cost audit/certification engagement for the year 2019-20 for the Company's factories at Jejuri and Naltali and the Hindupur factory of the British Paints division of the Company and ₹20,000 (Rupees twenty thousand only) plus other out-of-pocket expenses for cost audit/certification engagement for the year 2019-20 for the Company's British Paints division factory at Nalbari and ₹25,000/- (Rupees twenty five thousand only) for filing a single report in accordance with relevant guidelines. Similarly, the Board, at the recommendation of the Audit Committee, has appointed M/s Shome and Banerjee, Cost Auditors, as Cost Auditors of the Company at a remuneration of ₹45,000/- (Rupees forty five thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for each cost audit/certification engagement for the year 2019-20 for the Company's British Paints division factory at Sikandrabad in Uttar Pradesh and two factories at Jammu (including a factory of Company's British Paints division) and ₹30,000/- (Rupees thirty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for the Company's British Paints division factory at Surajpur. Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the said remuneration payable to the Cost Auditors requires ratification by the Members.

The Board recommends the Resolution set out under Item No.10 for ratification by the Members.

No Director, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in respect of the said Resolution.

Place: Kolkata

Dated: 30th May, 2019

By Order of the Board

**Aniruddha Sen** (A13917)

Sr. Vice President & Company Secretary

**INFORMATION RELATING TO DIRECTORS PROPOSED TO BE  
RE-APPOINTED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS  
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

|  | <b>Item No. 3</b>  | <b>Item No. 4</b>   | <b>Item No. 5</b>   | <b>Item No. 6</b>  | <b>Item No. 7</b>   | <b>Item No. 8</b>  | <b>Item No. 9</b>  |
|--|--|---|---|--|---|--|--|
| Name of Director                       | Mr Kuldip Singh Dhingra  | Mr Gurbachan Singh Dhingra  | Mr Naresh Gujral  | Mr Anoop Hoon  | Mrs Sonu Halan Bhasin   | Ms Rishma Kaur   | Mr Kanwardip Singh Dhingra   |
| Date of Birth                          | 2nd September, 1947  | 9th April, 1950   | 19th May, 1948  | 15th October, 1955   | 28th September, 1963  | 1st September, 1972  | 28th October, 1982   |
| Date of Appointment                    | 17th July, 1991  | 14th May, 1993  | 20th August, 2014   | 1st February, 2019   | 1st February, 2019  | 1st December, 2014   | 1st December, 2014   |
| Qualification                          | Science Graduate, Hindu College, Delhi University  | Graduate  | Fellow Member of the Institute of Chartered Accountants of India  | B.A. in Economics, Post Graduate in IR & PM from XLRI, Jamshedpur  | B.Sc. (Hons.) Mathematics from St Stephen's College, Delhi University and MBA - Faculty of Management Studies (FMS), Delhi University   | B.Sc. in Business Studies from University of Buckingham, U.K.  | Bachelor's Degree in Chemical Engineering from University of Akron, Akron, Ohio, U.S.A with specialisation in Polymer Engineering and Minor in Chemistry   |
| Expertise in specific functional areas | Mr Kuldip Singh Dhingra is an industrialist and has over 50 years of experience in paint and related industries and his contribution to the paint industry is well known and internationally acclaimed | Mr Gurbachan Singh Dhingra is an industrialist and has long term experience in paint industry, especially in its technical aspects. He has practical experience in building and commissioning of many paint factories | Mr Naresh Gujral is founder of Span India Group, one of the leading exporters of high-end fashion garments to Europe. He is also an eminent industrialist and Social Activist | Mr Anoop Hoon has experience in marketing, sales, organisational development, HR, supply chain and branch commercial functions and had served as Business Head of several businesses while in the companies in which he had worked | Mrs Sonu Halan Bhasin has a wide professional experience and was the Chief Operating Officer of Tata Capital Limited. Before that, she worked with Yes Bank, ING Barings Private Bank and ING Vysya Bank and Tata Administrative Services in senior positions. She is currently an Independent Director of a number of companies and Member of the Advisory Board of Dharma Life and Executive Access India Private Limited. She is the Founder and Managing Partner of FAB – Families and Business and Editor-in-Chief of Families and Business Magazine | Ms Rishma Kaur has been working with the Company since April, 2011 and has successfully led Business Development efforts in the Company in respect of Retail Business in addition to providing guidance and handling various other matters such as Marketing and Corporate Affairs | Mr Kanwardip Singh Dhingra has been working with the Company since April, 2011 and has successfully led business development efforts in the Company in respect of Industrial Business in addition to providing guidance and handling various other matters such as Projects and Procurements. He also has working experience in the field of paints and specialty coatings in The Rohm & Haas Company, Texas, U.S.A and The Sherwin Williams Company, Ohio, U.S.A. |



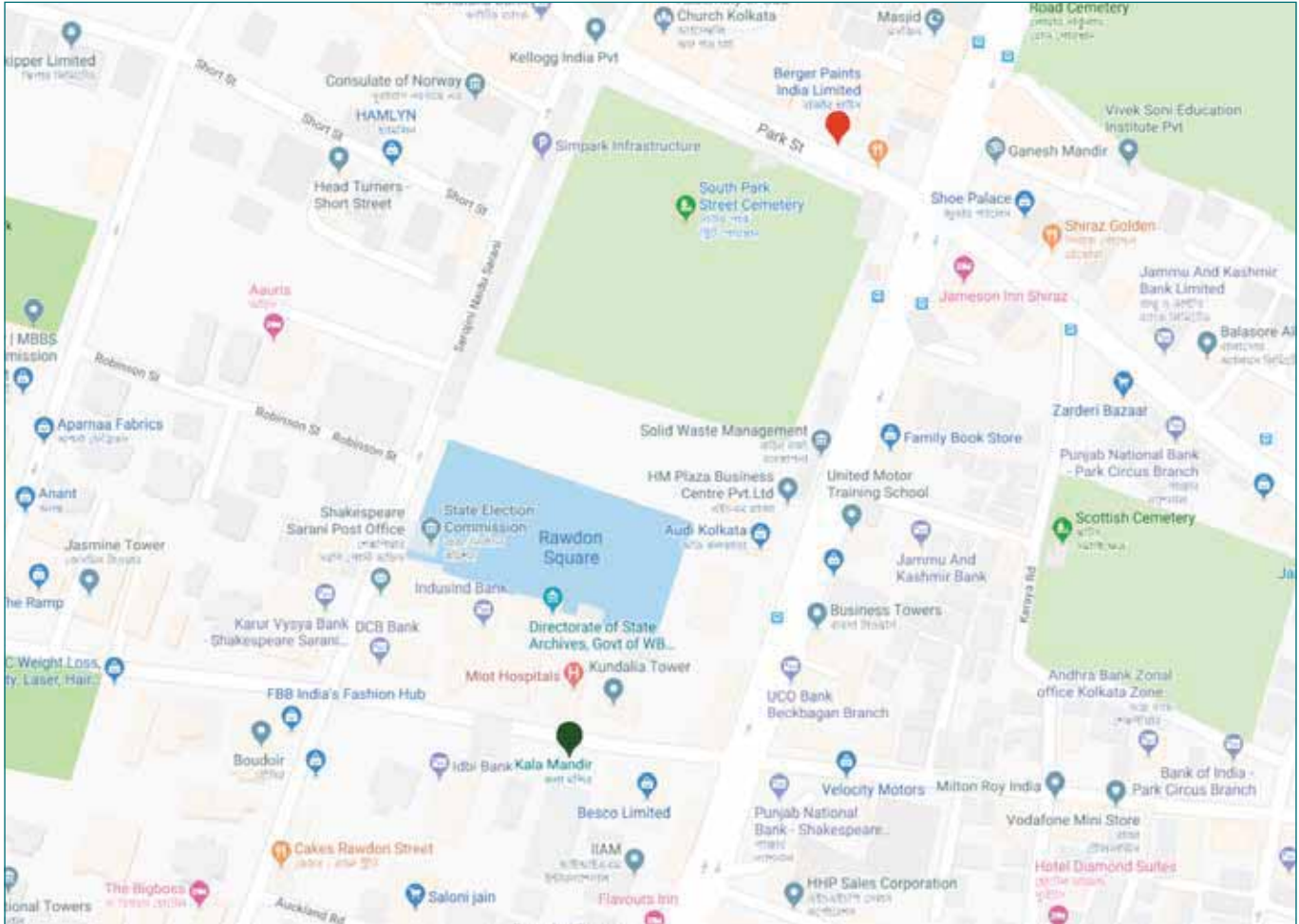


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|   | Item No. 3   | Item No. 4   | Item No. 5                | Item No. 6     | Item No. 7   | Item No. 8  | Item No. 9  |
|---|--|--|---------------------------|----------------|--|---|---|
| Directorship held in other listed entities as on 31st March, 2019   | Nil  | Nil  | Nil                       | Nil            | Sutlej Textiles and Industries Ltd.<br><br>Whirlpool of India Ltd.   | Nil   | Nil   |
| Chairman/ Member of Committees of the Board of the listed entities on which he/she is a Director as on 31st March, 2019   | Nil  | Nil  | Nil                       | Nil            | Whirlpool of India Ltd.- Member of Audit Committee and Member of Nomination and Remuneration Committee<br><br>Sutlej Textiles and Industries Ltd.- Member of Finance & Corporate Affairs Committee and Corporate Social Responsibility Committee | Nil   | Nil   |
| Shareholding in the Company   | 54,88,071 shares of ₹1/- each #  | 24,21,888 shares of ₹1/- each #  | 7,000 shares of ₹1/- each | Nil            | Nil  | 6,00,000 shares of ₹1/- each  | 6,00,000 shares of ₹1/- each  |
| Interse relationship between Directors  | Brother of Mr G.S. Dhingra, Vice Chairman, father of Ms Rishma Kaur, Executive Director and brother of the father of Mr. Kanwardip Singh Dhingra, Executive Director | Brother of Mr K.S. Dhingra, Chairman, father of Mr Kanwardip Singh Dhingra, Executive Director and brother of the father of Ms Rishma Kaur, Executive Director | Not Applicable            | Not Applicable | Not Applicable   | Cousin sister of Mr Kanwardip Singh Dhingra, Executive Director, niece of Mr G.S Dhingra, Vice – Chairman of the Company and daughter of Mr Kuldip Singh Dhingra, Chairman of the Company | Cousin brother of Ms Rishma Kaur, Executive Director, nephew of Mr K.S Dhingra, Chairman of the Company and son of Mr Gurbachan Singh Dhingra, Vice-Chairman of the Company |
| # Does not include shares held by Mr Kuldip Singh Dhingra and Mr Gurbachan Singh Dhingra as Settlor Trustees of KSD Family Trust and GBS Dhingra Family Trust respectively. |  |  |                           |                |  |   |   |

## ROUTE MAP OF THE VENUE OF NINETY FIFTH ANNUAL GENERAL MEETING

Kalamandir, 48, Shakespeare Sarani, Kolkata 700 017 on 5th August, 2019, Monday at 11 a.m.



Map not to scale



## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in presenting the Annual Report of the Company, together with the audited accounts for the financial year ended on 31st March, 2019.

### FINANCIAL RESULTS

(₹ in Crore)

| Particulars   | Financial Year ended |         |              |         |
|---|----------------------|---------|--------------|---------|
|   | Standalone           |         | Consolidated |         |
|   | 2018-19              | 2017-18 | 2018-19      | 2017-18 |
| Profit before Exceptional Items, Depreciation, Finance Cost and Tax | 863.82               | 789.93  | 941.60       | 852.86  |
| Add: Exceptional Item   | (28.60)              | -       | -            | -       |
| Add: Share of Profit/Loss from Joint Ventures                       | -                    | -       | (0.90)       | 0.64    |
| Less:   |                      |         |              |         |
| Depreciation and Amortisation Expense                               | 122.17               | 111.92  | 137.77       | 124.21  |
| Finance Cost  | 20.79                | 16.20   | 32.33        | 24.55   |
| Profit Before Tax   | 692.26               | 661.81  | 770.60       | 704.74  |
| Less:   |                      |         |              |         |
| Provision for Taxation  | 253.23               | 229.97  | 273.15       | 243.91  |
| Profit After Taxation   | 439.03               | 431.84  | 497.45       | 460.83  |
| Add:  |                      |         |              |         |
| Other comprehensive income (loss for the year net of tax)           | (2.05)               | 1.16    | (10.73)      | 34.44   |
| Total comprehensive income  | 436.98               | 433.00  | 486.72       | 495.27  |

### FINANCIAL PERFORMANCE

#### Highlights of the Standalone Results:

- Revenue from Operations (excluding GST and excise duty, as applicable) for the year ended 31st March, 2019 was ₹5,515.55 crore (previous year: ₹4,705.09 crore), representing an increase of 17.23%.
- PBDIT (Profit Before Exceptional Items, Depreciation, Interest and Tax) for the year ended 31st March, 2019 was ₹863.82 crore as against ₹789.93 crore in the year 2017-18, representing an increase of 9.35%.
- Net profit for the year ended 31st March, 2019 was ₹439.03 crore as against ₹431.84 crore in the previous year, representing an increase of 1.66%.
- The Exceptional Item in the statement of Profit and Loss for the standalone results above is the impairment adjustment of ₹28.60 crore recognised in the current year towards carrying value of the Company's investment in its wholly owned subsidiary, Berger Paints Cyprus Limited, Cyprus, on account of accumulated losses sustained by the ultimate wholly owned subsidiary, Berger Paints Overseas Limited, Russia due to downturn in the Russian economy. However, this does not have any impact on the consolidated financial results of the Company since year-wise losses have been fully recognised in the respective consolidated financial results in the normal course.

#### Highlights of the Consolidated Results:

- Revenue from operations (excluding GST and excise duty, as applicable) for the year ended 31st March, 2019 was ₹6,061.86 crore (previous year : ₹5,147.16 crore) – an increase of 17.77%.
- PBDIT (Profit Before Exceptional Items, Depreciation, Interest and Tax) for the year ended 31st March, 2019 was ₹941.60 crore as against ₹852.86 crore in the year 2017-18, representing an increase of 10.40%.
- Net profit for the year ended 31st March, 2019 was ₹497.45 crore as against ₹460.83 crore in the previous year, representing an increase of 7.95%.
- It is to be noted that the Company acquired 51% of the paid up equity share capital of Saboo Hesse Wood Coatings Private Limited (“SHWCPL”) after close of business hours on 28th January, 2019. Accordingly, the consolidated financial results incorporate the financial results of SHWCPL for the relevant period.

The Board recommended dividend of ₹1.90 (190%) per equity share of ₹1/- each for the financial year ended 31st March, 2019.



## MANAGEMENT DISCUSSION AND ANALYSIS

### PAINT INDUSTRY STRUCTURE AND DEVELOPMENT

The industry classifies paints into two broad categories. These are decorative or architectural and industrial paints. Decorative paints include higher end acrylic exterior and interior emulsions, medium range exterior and interior paints, low end distempers, wall putty, wood coatings, cement paints, primers and thinners – accounting for almost 80% of the paint market in India. Decorative paints can be either water based or solvent based. Preference for water based paints (or emulsions) is on the rise in India, in line with the global trends, because of superior aesthetics, durability, washability and environmental reasons. Solvent based paints too continue to attract attention in certain traditional market segments.

Industrial paints essentially comprise general industrial, automotive, protective, powder, glass can and pipe coatings. The Company is present in all these areas. In addition, there are niche segments such as coil coatings, automotive refinish coatings and marine coatings and the Company deals with many of these through its subsidiaries, joint ventures and strategic alliances.

During the year under review, the GDP growth is estimated to hover around 7%. The paint industry, particularly the organised sector, as usual, registered a higher growth and during the year with improvements coming mainly from the decorative sector. Effective July 2018, the Goods and Services Tax on paints was reduced from 28% to 18%. The Company fully passed on the benefit to the consumers. The Directors wish to thank the Government for this positive step, making paints more affordable. The Company believes that in the long term, this will increase use of paints, thus providing more protection and adding more life to the country's valuable assets.

In the recent past, there have been major structural changes in the form of demonetisation and introduction of GST and the country, true to its capacity of adaptation, has adjusted to these changes. In so far as the Company is concerned, its network of customers and suppliers have quickly geared themselves up to the new regime. There were some signs of slowing down of the consumption engine in the last six months of the financial year with volumes of fast moving consumer goods, cars, two wheelers, etc., dropping to multi-quarter lows with tighter liquidity and lower investments. The Company believes this to be a passing phase – partly ascribable to a protracted winter and the general elections and the situation will improve, given a stability in policy formulation and implementation, improved liquidity and a good monsoon. The per capita consumption of paints in India, slightly higher than 3 kgs, continues to be much lower in comparison to the developed economies around the world. While the growth in this consumption pattern is slow, it has inched up and with the expected development in the future years, the consumption rate of paints has to improve in urban, semi-urban and rural markets.

The Industrial paints businesses serve various industrial customers including automobiles, utility vehicles such as tractors, general industrial goods, machinery and household equipment such as fans and refrigerators, structures and pipelines, power plants and large factories and installations, steel, glass and every other items of daily use. These largely depend on the growth of the manufacturing and infrastructure sectors. While there has been some deceleration in automotive paints, the impact on other industrial paints have so far not been so pronounced. That said, the country has surged up the ranks of the world's largest economies and is on track to displace the United Kingdom from fifth spot in 2019, according to data from the International Monetary Fund. Only the United States, China, Japan and Germany can boast a larger GDP. The country is currently looking at a GDP of USD 5 trillion by 2025, from USD 2.9 trillion projected for this year. That would allow India to overtake Germany to become the fourth biggest economy. If all goes according to plan, GDP should then rise to USD 10 trillion by 2032, surpassed only by the United States and China. This positive vision for the future of India will only materialize if business and policy-makers pursue an inclusive approach to the country's economic and hence, consumption growth.

Once a new Government takes over and sets in motion the new policies towards these objectives, it is expected that industrial growth will rebound in the long run.

### COMPANY'S OPERATIONS

Over the last five years (FY 14-15 to FY 18-19), the CAGR of EBIDTA was 15.5%. Consistent with the overall distribution pattern in the industry, Decorative paints continue to be the largest business segment for the Company and the largest contributor – both in terms of volume and value sales and EBIDTA. Despite a drag in the market, particularly in the later half, as mentioned earlier, all other Businesses viz., General Industrial and Automotive, Protective and Powder Coatings also posted consistent growth in sales. Margins



came under pressure, particularly in the second half of the year, owing to increasing raw material prices and inability of the OEM's to absorb the same on account of lack of market demand in their respective areas. The Company continued to counter the challenges through new and innovative products, marketing strategies designed to specific sectors and areas, new product lines and service support and specific programmes to identify and address market needs through tailor-made solutions.

The Company's premium Decorative products can be classified into interior wall coatings, exterior wall coatings, metal finishes, wood finishes and undercoats. Among these, the premium exterior emulsions include WeatherCoat Anti Dustt, WeatherCoat Long life, WeatherCoat All Guard and WeatherCoat Smooth. The benefits of WeatherCoat Anti Dustt include superior resistance to dust on account of advanced dust guard technology, long lasting protection against exterior wall issues, absence of stains and black strike marks and a rich soft sheen finish. This is suitable for dusty and dry areas. WeatherCoat Longlife, with a 10 year warranty and also with a high sheen, is suitable for heavy rainfall areas. The Company's interior emulsions include Silk Glamor, Silk Luxury Emulsion, Easy Clean and Easy Clean Fresh. Easy Clean Fresh, with a rich, luxurious finish backed up by cross-linking polymers ensure that stubborn stains can be cleaned easily from the walls. It can absorb harmful formaldehyde smell, purifying the air in the room. It imparts a fresh fragrance to the interior environment and is useful for those who cannot tolerate the smell of coatings when they are applied. This was introduced during the year. All the Company's decorative products including the Luxol line of solvent based paints and wood coatings, performed well. Separate strategies are being pursued for urban, semi-urban and rural markets with encouraging results. Training to all the stakeholders in the Business remain a key objective.

The Company's construction chemicals business continued to grow at a satisfactory pace. The products include waterproofing solutions for substrates having various degrees of moisture, roof coatings and tile grouts. The Company's waterproof putty, with unique hydrophobic properties, received excellent response from the market.

One of the major deterrents for timely painting of homes is the inconvenience involved in painting. Berger Express Painting™ endeavours to make painting a hassle free, end to end solution for the customers. This involves technical evaluation of painting requirements, providing accurate quotation, furniture shifting and covering, painting by specially trained painters with XP automatic tools, site supervision, deployment of dedicated customer executive and customer satisfaction survey. The process is 40 per cent faster than traditional painting and can be carried out at the same cost. More than 90% customers continue to be satisfied with this process – pioneered by the Company. The Company's Prolinks Business aimed towards large housing projects continued to clock satisfactory growth.

While the General Industrial paint business continued to flourish during the year, there was some sluggishness in the Automotive paint business in the second half of the year. Overall, in spite of the difficulties, the Business registered growth in sales though profit margins were under pressure due to escalating raw material prices. The sales growth was made possible through introduction of new customers and new shades and exploratory and developmental work in collaboration with the customers. The Company commenced manufacturing epoxy CED resin and paste at one of its factories at Hindupur, Andhra Pradesh in collaboration with Nippon Paint Automotive Coatings Co., Ltd of Japan ("NPAU"). The CED paste and resin are vital components of automotive coatings, acting as the undercoat for the automotive top coat, applied through electrolytic process. NPAU is known for its quality and the CED paste and resin will be supplied to Berger Nippon Paint Automotive Coatings Private Limited ("BNPA"), the Company's joint venture with NPAU. The Company will also supply the same to its separate automotive customers. The powder coatings business also registered growth and is concentrating on improvements in productivity, higher value added sales, exports and reduction of costs.

The Company continues to be the leader in Protective Coatings business in the country. The Business registered strong growth in sales. The earnings were also satisfactory in the face of escalations in raw material prices and somewhat depressed industrial condition in the second half of the year. The Business serves various sectors which include OEM's, contractors, dealers and fabricators and commands a premium because of its quality and experience in the field. The Business has forayed into various new areas such as pipe coatings and anti-fouling coatings. These involve sophisticated technology and are expected to generate interest among the customers. The Company continues to supply fire proof coatings by itself as well as from Promat International Limited NV of Belgium, with which it has a Memorandum of Understanding ("MOU"). The Company has also started supplying marine coatings in terms of its MOU with Chugoku Marine Paints, Ltd of Japan.

The factories of the Company continued to provide adequate support to the Businesses with higher supply from all the factories and improved productivity. This was made possible through upgrading of equipment, process improvement and continuous refinement of

technology, installation of energy management systems and refurbishment of storage facilities allowing higher and more organised storing capacities. Simultaneously, the Company laid stress on training, modern measures for learning and daily communication on the shop floor and implementation of best practices across all the plants. All the factories scored well on the parameters of housekeeping, safety and environment. The Vallabhvidyanagar plant (“VVN”) belonging to Beppee Coatings Private Limited, a wholly owned subsidiary of the Company, received 1st Prize in the National Energy Efficient Circle Competition organised by CII-Centre of Excellence for Competitiveness, New Delhi, Silver Award by Green Tech Foundation for best practices in Environment, Health and Safety and National award in the CII-ITC Sustainability Awards 2018 for its Environmental Management initiatives. The Human Resources team at the VVN plant received the 2nd prize at an HR Convention on the theme : “Perform, Reform and Transform” at QCFL, Vadodara Chapter. The Jammu plant received a Certificate of Appreciation from the National Safety Council of India, Safety Greentech Award – Gold and Environment – Greentech Award from Greentech Foundation and Environment Silver Award from EKDKN (Ek Kaam Desh Ka Naam). The Hindupur water based plant received National award in the CII-ITC Sustainability Awards 2018 for its Environmental Management initiatives and Four star rating for Best EHS practices competition organised by CII.

Crude oil and crude oil linked derivatives, such as monomers and solvents, are key raw materials of the Company. The rise in crude oil in the first half of the year had a cascading effect on the raw material prices. Though it came down somewhat by the second half, at the time of this writing, the prices are on the uptick again. There was a double digit increase in the raw material prices in the year under review. The prices of rutile, key raw material, also increased. The Company could not fully compensate the price increases through corresponding price increases, specially in the industrial area. However, the Company’s efforts to counter the external pressures with vendor development, raw material substitution, long term relation building exercises, employment of intelligent negotiating techniques and cost reduction tools and increased in-house production of emulsions and resins yielded benefits. In the future too, the Company will need to address such market vagaries with creative solutions.

Research and Development is the mainstay of development and growth of any institution and the Company continued to provide due attention to this activity, anchoring on team building, innovation, empowerment and coordination with the Businesses and Raw Materials Department. The activities include getting feedback from the market and the industry, assessment of needs, benchmarking of data and then putting ideas into work – first at the laboratory and then on a larger scale. For the longer horizon, the activities focus on the futuristic technologies and upcoming trends. These include recycling of waste, dispersion technology and optimization of raw materials. A number of fresh products and intermediaries were introduced during the year which included emulsions and resins, eco-friendly water based paints, new finishes, solvent based paints, wood coatings including water based wood coatings, colorants, different protective, industrial and automotive coating systems for various applications. These are catered to specific customer needs and have identified properties such as high heat resistance, low VOC, quick curing, etc. The Company regularly obtains various national and international certificates which are required by the customers for the specialized products. Several ingenious products are under development by the Company and these are expected to be rolled out in the future.

#### **FOCUS AND OUTLOOK FOR 2019 - 20**

In the past years, one distinctive feature of India’s growth has been its ability to grow amid an all-round global declining trend. It has been projected by IMF that world GDP that grew by 3.8% in 2017 and by 3.6 % in 2018 is likely to drop down to 3.3% in the current year, rising to 3.6% in 2020 because of various factors such as escalations of US-China trade tensions, financial tightening in China, economic stress in some countries, growth constraints in auto sector due to compliance to Euro norm in Germany, etc. A look at the projections by ADB indicates that while China has achieved a GDP growth of 6.6% in 2018, it is projected to rise by 6.3% in the current year and marginally decline to 6.1% in 2020. Compared to that, India grew by 7.0% in 2018, slated to rise by around the same number in 2019 and by 7.3% in 2020. ADB has identified poor agricultural growth and slow growth in private consumption to be the primary factors that has somewhat affected GDP growth. Apart from these factors, there are various other short term and long term weaknesses in Indian economy such as lack of investment, particularly in the infrastructure sector, unemployment, etc. But that does not take away the incredible achievement of the country to continue to perform well based on its own initiatives and domestic consumption. The Company believes that once the new Government takes control, it will start tackling these issues.

Under the circumstances, there may be some temporary challenges but in the long run, the needs and the compulsions of the economy will ultimately ensure that the necessary investments are made, the infrastructure is developed, a reasonable income for the rural population is ensured and employment is generated. The Company is of the view that this is the time to consolidate, put in place the right strategies and to adopt measures to increase penetration level in the target markets.





## PROJECTS

As reported in the previous year, the first phase of the emulsion plant with a final capacity of 44,160 MT per annum in Rishra, West Bengal, was completed in May 2018.

The epoxy CED resin and paste project set up with technical support from NPAU, Japan, with a final capacity of 5,640 MT of resin and 840 MT of paste per annum was commissioned at Hindupur in October, 2018.

The effective capacity of the Hindupur water based plant was shored up to 1,09,200 KL per annum.

Work is in progress for expansion of solvent based paint manufacturing facility at Jejuri in Maharashtra finally by 33,600 KL per annum and resin manufacturing facility by 24,000 MT per annum. This will supply paints to the Company's automotive and protective coatings businesses. The powder coating manufacturing capacity at Jejuri is being expanded by 1,800 MT per annum. These are expected to be commissioned in 2019. Facilities were put up for manufacture of sag control resin, an important intermediary at the same place.

The colorant manufacturing facility with a capacity of 2,640 KL per annum is expected to be commissioned at Rishra, West Bengal in 2019. Colorants are vital raw materials of the Company.

The aged water based paint manufacturing facility in Rishra is being modified and is expected to be completed in 2019. This is expected to add a capacity of 24,000 KL per annum.

The installation of water and solvent based decorative, industrial and protective coatings, resin, putty, emulsion and construction chemical manufacturing facility at an estimated investment of ₹250 crore at Sandila Industrial Area in Uttar Pradesh is on track. Subject to the Company obtaining all required consents and approvals in time, the Project is likely to be completed in the year 2021.

The finished goods warehouse at the VVN factory is being revamped with ASRS (Automatic Storage and Retrieval System) for enhancing storage capacity. Apart from these, a number of projects for reducing cost of energy, spares and consumables and enhancing efficiency of equipment were commissioned during the year.

## OPPORTUNITIES AND THREATS

India's consistently high rates of economic growth is driven by a number of positives which include fairly strong institutional infrastructure, favourable demographic profile, skilled workforce, an emerging middle class, a dynamic entrepreneurial culture, rising productivity, a resilient private sector, etc. The country offers an attractive long-term future powered largely by a consuming class that's expected to more than treble, to 89 million households, by 2025.

The trickle-down effect of economic liberalization has lifted millions of Indians from indigence. While much still needs to be done, propelled by popular demand, nutrition, water, sanitation, energy, housing, education and healthcare are receiving and will receive more and more attention of the Government – which will need to engage private sector in these areas also. It is estimated that by 2025, India will have 69 cities with a population of more than one million each. The smart cities will provide major economic opportunities and, at the same time, powerful digital technologies are bound to be engaged, helping to raise productivity, improving efficiency across major sectors of the economy and radically altering the nature of provision of services such as education and healthcare.

The future of consumption in India in 2030 is anchored in rising incomes and a broad-based pattern of growth and benefit sharing. It is anticipated that the growth of the middle class will lift nearly 25 million households out of poverty. In addition, India will have 700 crore millennials and Gen Z consumers, who have grown up in a more open and confident country and are rightly ambitious. The good sign is that they actually vie for education, better standards of living and care for their families rather than frittering away their wealth.

By 2030, 40% of Indians will be urban residents. There will, however, be more than 5,000 small urban towns and more than 50,000 developed rural towns with similar income profiles, where aspirations are fast converging with those of urban India. Nevertheless, physical connectivity, digital connectivity and income are constraining the spending and well-being of rural dwellers, and these "access-barriers" need to be addressed to ensure social and economic inclusion in India over the next decade.

As these open up opportunities for the entire industry – in both domestic and industrial areas, these will continue to attract competition from domestic entrepreneurs and international paint majors. The Company is well prepared to face this challenge with its strategies and plans – which are discussed and approved by the Directors. These include marketing, production, raw material procurement, new products and technologies and futuristic solutions – all the while focusing on reducing costs and increasing shareholders' wealth.

## RISKS AND CONCERNS

The Company has formulated a risk policy approved by the Business Process and Risk Management Committee, Audit Committee and the Board of Directors. The Policy seeks to lay down a mechanism for identification of risks inherent in the business operations of the Company, and devise mitigation methods in a dynamic manner which are periodically reviewed and modified considering the size and complexity of the business and the regulatory requirements. The Risk Management Policy has been renamed as Risk Management & Materiality Policy which can be viewed at the following web link: <https://www.bergerpaints.com/about-us/risk-management-policy.html>

The Business Process and Risk Management Committee of the Company devotes considerable time and attention – not only considering the risk matrix but also discussing every aspect of the risks facing the Company in turns, with the concerned Businesses and departments, making recommendations and monitoring the same such that each of the risks are sufficiently addressed.

As mentioned earlier, there is a pressure on costs on account of rise in prices of some key raw materials. Since it may not be possible to completely pass on the increase to the customers, the Company is always on the lookout for alternate raw materials, new sources and cost effective formulation, without any impact on the quality – which is the keystone of the Company's success in the market. One other cause of concern has been the volatile Indian Rupee rate and any adverse movement would affect the Company's cost of imported raw materials. One other issue that the country must address is uniformity and predictability in policies and regulations at the lowest level. It must not, while growing, succumb to pressures to raise non-tariff barriers such as unnecessary approvals, filling up of forms and prescription of standards – which are contrary to the international standards or are ill formulated. The ease of doing Business has recognizably improved and there has to be continuous curb on the propensity to make regulations difficult.

As nearly 10-12 million working-age people emerge in India over the next decade, the country faces a huge challenge in providing the workforce with the right skills and gainful employment to enable the income growth behind the envisioned consumption of the future. It is estimated that more than one-half of Indian workers will require reskilling by 2022 to meet the talent demands of the future. This is going to be a challenge in the future and the Company is trying to make its own contribution in this space through its iTrain Centres – as a part of its CSR activities.

Demand for paints partly depends on good monsoon and till the time of this writing, it is predicted to be normal this year.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company is committed to ensure that its operations are carried out within a well defined internal control framework. Good governance, well defined systems and processes, risk assessment, a vigilant control function, communication and monitoring and an independent internal audit function are the foundation of the internal control systems. The Company has a well-established internal control system, commensurate with its size and spread, with defined guidelines on compliance, which enable it to run its factories, offices and depots with a reasonable degree of comfort. While risks cannot be completely eliminated, the Company always attempts to minimize and mitigate these. The control environment ensures commitment towards integrity and ethical values and independence of the Board of Directors from the management. The control activities incorporate, among others, continuous monitoring, routine reporting, digital business environment with minimum possible interference, checks and balances, purchase policies, authorization and delegation procedures, audits including compliance audits, which are periodically reviewed by the Audit Committee and the Business Process and Risk Management Committee. The Internal Audit Department maintains a regular surveillance over the entire operations. The data generated is shared with the Board and various committees, evaluated and corrected and recommendations are implemented.

The Company's Enterprise Resource Management Systems with Standard Operating Procedures based on work flows and process flow charts also provide a comfort in this regard. The Company is fully geared to implement any statutory recommendation which may be made in this regard.



### Key Financial Ratios

| Ratios   | Standalone |            | Consolidated |            |
|--|------------|------------|--------------|------------|
|  | FY 2018-19 | FY 2017-18 | FY 2018-19   | FY 2017-18 |
| Debtors Turnover                                       | 9.41       | 8.50       | 8.89         | 8.10       |
| Inventory Turnover<br>(on material cost of goods sold) | 3.27       | 3.04       | 3.30         | 3.10       |
| Interest Coverage Ratio                                | 36         | 42         | 25           | 30         |
| Current Ratio  | 1.65       | 1.62       | 1.69         | 1.68       |
| Debt Equity Ratio #                                    | 0.09       | 0.07       | 0.21         | 0.19       |
| Operating Profit Margin %                              | 15.7       | 16.8       | 15.5         | 16.6       |
| Net Profit Margin                                      | 8.0        | 9.2        | 8.2          | 9.0        |
| Return on Net Worth (RONW) @                           | 19.4       | 21.3       | 21.3         | 22.5       |

# There was a 28.6% change in the Company's standalone debt:equity ratio. Since the Company's debts are nominal, it has a low debt:equity ratio. The Company's operations and capital expenditures are funded largely through its retained earnings and accumulated reserves. As a result, any small variation in debt can result in a change of 25% in the ratio. The increase in debt was largely for capital expenditures incurred during the year.

@ The change in return on net worth was on account of project capital expenditures made, the commensurate return on which will be available in the medium term.

### BERGER ROCK PAINTS PRIVATE LIMITED

The Company acquired 4,08,00,000 equity shares of Berger Rock Paints Private Limited ("Berger Rock") representing 51% of the paid up equity share capital of Berger Rock upon incorporation of Berger Rock on 25th September, 2018, at a consideration of ₹ 4,08,00,000/- by way of subscription to the equity shares at face value of ₹1/- each, pursuant to shareholders' agreement entered between the Company and Rock Paint Co., Ltd. of Japan ("Rock Paint"). Rock Paint holds the balance 49% of the share capital. Berger Rock is a subsidiary of the Company. Rock Paint is a leading manufacturer of automotive refinish paints in Japan and is well known in the industry for the quality and utility of its products. Berger Rock has started selling superior automotive refinish paints. Berger Rock will benefit from the market knowledge and infrastructural strength of the Company in India and the technical expertise and high end products from Rock Paint. The Company's intimation in this regard pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 can be viewed at the following web link: <https://www.bergerpaints.com/media/media>

### ACQUISITION OF EQUITY SHARES IN SABOO HESSE WOOD COATINGS PRIVATE LIMITED

The Company acquired 1,03,03,580 equity shares of Saboo Hesse Wood Coatings Private Limited ("SHWCPL") representing 51% of the paid up equity share capital of SHWCPL after the close of business hours on 28th January, 2019 at a cash consideration of ₹1.5 crore. The balance 49% of the share capital is held by Hesse Shares GmbH of Germany, a leading international wood coatings manufacturer. SHWCPL is a subsidiary of the Company. SHWCPL manufactures, imports and sells a wide variety of wood coatings including alkyd PU, pigmented PU, UV coatings, water based wood coatings, etc. The business and expertise of SHWCPL can gainfully supplement the Company's existing wood coatings business. The Company's intimation in this regard pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 can be viewed at the following web link: <https://www.bergerpaints.com/media/media>. The name of SHWCPL is being changed to Berger Hesse Wood Coatings Private Limited.

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detention of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial disclosures, which are reviewed by the Board and Audit Committee from time to time.



## EMPLOYEE STOCK OPTION SCHEME

Your Company re-introduced the ESOP Scheme, aligned with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in the year 2016 in accordance with the approval of the members granted at the Annual General Meeting held on 3rd August, 2016.

In accordance with the aforesaid scheme of 2016 and the earlier scheme of 2010, the Compensation and Nomination and Remuneration Committee has allotted 2562, 1025 and 94696 equity shares of ₹1 each (face value) to eligible employees upon exercise of their options earlier granted to them. The allotment of the aforesaid shares were made on 12th April, 2018, 3rd May, 2018 and 19th December, 2018 respectively. For further details, please refer to **Annexure A** to this report where detailed information required to be disclosed in terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 are enclosed.

Further, in accordance with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014, the Company has allotted shares to Key Managerial Personnel (KMPs) on 19th December, 2018, on their exercising the options as 2nd and 1st tranche of ESOPs earlier granted to them and the details of the allotments made are as follows:

| NAME OF KMPs       | DESIGNATION                            | NO. OF EQUITY SHARES ALLOTTED |
|--------------------|--|-------------------------------|
| MR ABHIJIT ROY     | MANAGING DIRECTOR & CEO                | 2,448 shares                  |
| MR SRIJIT DASGUPTA | DIRECTOR-FINANCE & CFO                 | 1,883 shares                  |
| MR ANIRUDDHA SEN   | SR. VICE PRESIDENT & COMPANY SECRETARY | 1,256 shares                  |

Please also visit the weblink: <https://www.bergerpaints.com/investors/esop-disclosure.html> for disclosures under Regulation 14 of the aforesaid Regulations.

## HUMAN RESOURCES

The functions of the Human Resources in the Company include tracking applicants and hiring strategically, streamlining the on-boarding process, managing benefits, training people, building effective teams, guiding line managers in HR related issues, training, assisting in providing adequate challenges and excitement in workplace, identifying and remunerating the performers and recognising talents but at the same time rewarding hard work and loyalty and managing industrial relations. These are always carried out while ensuring that each of the team members are ingrained with the Company's signature culture and values of ethics and governance.

Attracting and retaining manpower is one of the topmost challenges faced by an industry in India. The Company has attempted to address these issues through various methods of recruitment including employee referral and job portal, providing a flexible yet challenging work atmosphere with freedom to innovate and framing suitable remuneration and incentive schemes. The number of employees trained and training hours per employee continued to grow and new training modules continue to be put in place. The HR processes and transactions are being digitalised to the maximum extent possible.

The number of people employed as on 31st March, 2019 was 3,450 (31st March, 2018: 3,130). The Industrial Relations were generally satisfactory during the year.

Your Company wishes to put on record its deep appreciation of the co-operation extended and efforts made by all employees.

## TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

The Ministry of Corporate Affairs (MCA) vide notification no. S.O.2866 (E) dated 5th September, 2017 enforced sections 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund [IEPF] (Accounting, Audit, Transfer and Refund) Rules, 2016, which require companies to transfer the underlying shares to the IEPF, in respect of which the dividends have remained unclaimed for a consecutive period of seven years. Accordingly, during the year under review, on 27th April, 2018, the Company had transferred 2,95,496 equity shares (0.03% of paid up capital) to IEPF.



## POLICY FOR PREVENTION OF SEXUAL HARASSMENT

Your Company has framed a policy on the Prevention of Sexual Harassment of Women at workplace which commits to provide a workplace that is free from all forms of discrimination, including sexual harassment. The Policy can be viewed at the following weblink: [www.bergerpaints.com/about-us/sexual-harassment-policy.html](http://www.bergerpaints.com/about-us/sexual-harassment-policy.html)

As per the Policy, any complaint received shall be forwarded to an Internal Complaint Committee (“ICC”) formed under the Policy for redressal. The investigation shall be carried out by ICC constituted for this purpose. There was no such complaint during the year. ICC comprises the following members who have been reappointed by the Board for another period of 3 years with effect from 1st February, 2018 as per the Regulations:

1. Ms Rishma Kaur (The Presiding Officer)
2. Mr Srijit Dasgupta
3. Mr Aniruddha Sen
4. Ms Suparna Mitra (NGO representative).

## SUBSIDIARY AND JOINT VENTURES

Your Company has the following 5 wholly-owned subsidiaries as on the date of this report: - (i) Beepee Coatings Private Limited (“Beepee Coatings”) in Gujarat; (ii) Berger Paints (Cyprus) Limited (“Berger Cyprus”) in Cyprus; (iii) Lusako Trading Limited (“Lusako Trading”) in Cyprus; (iv) Berger Jenson & Nicholson (Nepal) Private Limited, Nepal (“BJN”) and (v) Saboo Coatings Private Ltd (now renamed SBL Specialty Coatings Private Limited).

The following companies are wholly-owned subsidiaries of the Company’s above named subsidiaries: - (i) Bolix S.A., Poland – wholly-owned subsidiary of Lusako Trading; (ii) Berger Paints Overseas Limited (“BPOL”), Russia - wholly-owned subsidiary of Berger Cyprus. Bolix S.A., Poland has 4 subsidiaries, viz.: Bolix UKRAINE sp.z.o.o.,Ukraine (“Bolix Ukraine”), BUILD-TRADE sp.z.o.o.,Poland (“Build Trade Poland”), Soltherm External Insulations Limited, U.K. (“Soltherm U.K.”), Soltherm Insulations Thermique Exterieur SAS, France (“Soltherm France”).

Surefire Management Services Ltd., UK (“SMS”), clarified as Subsidiary in the previous year, is determined to be a Joint Venture of Bolix S.A., Poland with Agility Eco Systems Limited, UK, based on the criteria of joint control. Details in respect of SMS are provided in Part B of AOC-1 forming a part of the Financial Statement.

The Company now has two other subsidiaries viz., Berger Rock Paints Private Limited and Saboo Hesse Wood Coatings Private Limited.

The statement relating to the above companies as specified in Sub-section (3) of Section 129 of the Companies Act, 2013 is attached to the Report and Accounts of the Company.

During the year under review, BJN-Nepal showed good performance with a revenue from operations of ₹197.2 crore.

Saboo Coatings Private Ltd (now renamed SBL Specialty Coatings Private Limited) continued to perform well with a revenue from operations of ₹106.3 crore during the year 2018-19. The name of Saboo Coatings Private Limited has been changed to SBL Specialty Coatings Private Limited with effect from 6th May, 2019.

Bolix S.A.(including its subsidiaries) also posted encouraging results with a revenue from operations of ₹251.4 crore.

The performance of Beepee Coatings was satisfactory, with a revenue from operations of ₹24.9 crore.

Berger Paints Cyprus Limited (“BPCL”) is a special purpose vehicle for the purpose of making investments in your Company’s interests abroad. So is Lusako Trading Limited.

As mentioned earlier in the report, considering the accumulated losses of Berger Paints Overseas Limited (“BPOL”), the Company’s investments in Berger Paints Cyprus Limited, Cyprus, the holding company of BPOL, were assessed on a prudent basis for impairment provision of ₹28.60 crore in the year 2018-19. This appears as an exceptional item in the standalone financial results, towards carrying value of the Company’s investments in Berger Paints Cyprus Limited. However, this does not have any impact on the consolidated

financial results of the Company since year wise losses have been fully recognised in the respective consolidated financial results in the normal course. The revenue from operations of Berger Paints Overseas Limited ("BPOL") was ₹9.8 crore.

Berger Rock Paints Private Limited ("Berger Rock"), which had just started operations, recorded revenue from operations of ₹1.5 crore during the year ended 31st March, 2019. It had commenced sales in January, 2019.

Saboo Hesse Wood Coatings Private Limited ("SHWCPL") recorded revenue from operations of ₹1.35 crore during the year ended 31st March, 2019, after acquisition of its shares by the Company after close of business hours on 28th January, 2019.

Berger Becker Coatings Private Limited, the Company's joint venture with Becker Industrifarg, Sweden, showed good performance with revenue from operations of ₹365.1 crore.

Berger Nippon Paint Automotive Coatings Private Limited ("BNPA"), the Company's joint venture with Nippon Paint Automotive Coatings Co., Ltd. of Japan ("NPAU") posted revenue from operations of ₹156.6 crore. BNPA now supplies coatings to 4 wheeler passenger cars and SUVs, 3 wheelers and related ancillaries, apart from coatings for plastic automotive substrates. It plans to progressively enhance its capabilities in this area over the next few years. During the year, the Company invested an amount of ₹39.20 crore in BNPA by way of subscription to 3,92,000 equity shares of BNPA of face value of ₹1,000 each. NPAU also subscribed to 4,08,000 equity shares of BNPA. The funds will be used for the proposed expansion of BNPA's facilities to cater to its new customers and increasing businesses.

The salient features of the financial statements of subsidiaries, associate companies and joint ventures are given in the Statement in Form AOC-1 forming a part of the financial statement attached to this Directors' Report, pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014.

Pursuant to Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a material subsidiary in a year shall be a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively of the Company and its subsidiaries, in the immediately preceding accounting year. At present, there is no such material subsidiary of the Company within the meaning of the above Regulation.

## CONSOLIDATED FINANCIAL STATEMENTS

The duly audited Consolidated Financial Statements as required under the Indian Accounting Standard 110, provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 136 of the Companies Act, 2013 have been prepared after considering the audited financial statements of your Company's subsidiaries and appear in the Annual Report of the Company for the year 2018-19.

## CORPORATE GOVERNANCE

Your Company re-affirms its commitment to the standards of corporate governance. This Annual Report carries a Section on Corporate Governance and benchmarks your Company with the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a certificate obtained from a practising Company Secretary certifying that the Directors of the Company are not debarred or disqualified from being appointed or continue as directors of the companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs, forms part of the report as **Annexure D**.

During the year under review, your Company has carried out the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report is attached as **Annexure 4A** to this Report. An Annual Secretarial Compliance report as per Securities and Exchange Board of India circular dated 8th February, 2019 is also attached as **Annexure 4B** as an additional disclosure.

The Board of Directors has appointed Messrs Anjan Kumar Roy & Co., Practising Company Secretaries (FCS No. 5684, CP. No. 4557), as the Secretarial Auditor to conduct audit of the secretarial records for the financial year 2018-19 and 2019-20.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Prohibition of Insider Trading) Regulations, 2015 were amended during the year and the Company is taking all steps to comply with the requirements thereof.





## TECHNOLOGY AGREEMENTS

Your Company has a Technical License Agreement with Nippon Paint Automotive Coatings Co, Ltd. of Japan.

## FIXED DEPOSIT

The Company had earlier discontinued acceptance of fixed deposits since 2002 and accordingly, no fresh deposit was accepted during the year. As per the provisions of Section 125 of the Companies Act, 2013, all unclaimed deposits have been transferred to Investor Education and Protection Fund (IEPF) Account.

## EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2019 in Form MGT 9 in accordance with Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://www.bergerpaints.com/investors/annual-reports.html> and is set out in **Annexure 1** to this Report.

## MEETINGS OF THE BOARD OF DIRECTORS AND ATTENDANCE THEREAT

The details of meetings of the Board and attendance of Directors are given in the Report on Corporate Governance – **Annexure B**.

### A. AUDIT COMMITTEE

The details of Audit Committee are given in the Report on Corporate Governance – **Annexure B**. The Board has accepted and implemented all recommendations of the Audit Committee.

### WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 the Company along with its subsidiaries have complied with the laws and the codes of conduct applicable to them and have ensured that the business is conducted with integrity and that the Company's financial information flow is accurate. In case of any violation or complaint, a report may be made under the Whistle-Blower Policy established by the Company. The said policy has been modified pursuant to the amended Regulations of the SEBI (Prohibition of Insider Trading) Regulations, 2015. Also, the "Prevention of Insider Trading Code" in Corporate Governance Report contains highlights of the same. The Policy can be accessed at <https://www.bergerpaints.com/about-us/whistleblower-policy.html>

### B. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee in accordance with the terms of reference of Section 135 of the Companies Act, 2013. The details of the Committee are given in the Report on Corporate Governance – **Annexure B**. The required details as specified in Companies CSR Policy Rules, 2014 is given in **Annexure 2**.

### C. COMPENSATION & NOMINATION & REMUNERATION COMMITTEE

The details of the Committee are given in the Report on Corporate Governance – **Annexure B**.

### D. SHAREHOLDERS' COMMITTEES

The details of the Committees are given in the Report on Corporate Governance – **Annexure B**.

## BUSINESS RESPONSIBILITY REPORT

SEBI has made it mandatory to publish a Business Responsibility Report (BRR) by the top 500 companies based on market capitalization in their Annual Report in terms of Regulation 34(2)(f) of the Listing Regulations with the stock exchanges. The Company accordingly complied with the requirement and had framed a Business Responsibility Policy in line with the suggested framework as provided by SEBI based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Businesses published by the Ministry of Corporate Affairs. The said Policy was adopted at the Board Meeting held on 30th May, 2017 and can be viewed at <https://www.bergerpaints.com/about-us/business-responsibility-policy.html> Mr Abhijit Roy, Managing Director and CEO has been nominated as the director responsible for implementing the Business Responsibility Policy and Mr Aniruddha Sen, Senior Vice President and Company Secretary has been nominated as the Business Responsibility Head. As required, the BRR for 2018-19 is attached to this report as **Annexure 6**.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors wish to inform that the Audited Accounts containing Financial Statements for the financial year ended 31st March, 2019 are in full conformity with the requirements of the Act. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present your Company's financial condition and results of operations.

Your Directors further confirm that in preparation of the Annual Accounts:

- i) The applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given,
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period,
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- iv) The Accounts have been prepared on a going concern basis,
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively,
- vi) The Directors have devised proper systems to ensure proper compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

The following are the Independent Directors of your Company:-

- 1) Mr Dhirendra Swarup
- 2) Mr Gopal Krishna Pillai
- 3) Mr Pulak Chandan Prasad
- 4) Mr Kamal Ranjan Das
- 5) Mr Naresh Gujral
- 6) Mr Anoop Hoon\*
- 7) Mrs Sonu Halan Bhasin\*

\* Appointed with effect from 1st February, 2019

The Company has received declarations from all the Independent Directors confirming that they meet the criteria for independence in the required format under the Companies Act, 2013 and as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Company has formulated a Remuneration Policy pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereof.

The Policy is available at the following weblink: [www.bergerpaints.com/about-us/remuneration-policy.html](http://www.bergerpaints.com/about-us/remuneration-policy.html)



## QUALIFICATION OR RESERVATIONS IN STATUTORY AUDIT REPORTS

Your Board has the pleasure in confirming that no qualification, reservation, adverse remark or disclaimer has been made by the Statutory Auditors or Company Secretary in Practice in their Audit Reports issued to the Company.

## LOANS, COMMITMENTS AND CONTINGENCIES, INVESTMENTS

Particulars of loans given, investments made, guarantees given and securities provided, if any, along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the standalone financial statement (please refer Notes 5a, 5b, 9a and 34 of the standalone financial statement).

## RELATED PARTY TRANSACTIONS

The Company has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions (RPTs). Endeavour is consistently made to have only arm's length transactions with all parties including Related Parties. The Board of Directors of the Company has adopted the Related Party Transaction policy regarding materiality of related party transactions and also on dealings with Related Parties in terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges and Section 188 of the Companies Act, 2013. The policy is available at the following weblink: <https://www.bergerpaints.com/about-us/rpt-policy.html>

Pursuant to the amended Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a policy on materiality of related party transactions and on dealing with related party transactions has to include clear threshold limit duly approved by the Board and such policy has to be reviewed by the Board once in every three years and updated accordingly. Accordingly, the Board has amended and adopted a new policy and the said policy has been uploaded on the website of the Company at <https://www.bergerpaints.com/about-us/rpt-policy.html>

All related party transactions have been carried out at arms' length basis in the ordinary course of business. There is no material related party transaction i.e. transaction exceeding 10% of the annual consolidated turnover as per the last audited financial statements of the Company or a transaction involving payments made to a related party with respect to brand usage or royalty, which exceed 2% of the annual consolidated turnover of the Company as per last audited financial statements of the Company, entered during the year by your Company and accordingly, the disclosure of Related Party Transaction as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

## POLICY TO DETERMINE MATERIAL EVENTS

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed a policy for determination of materiality, based on criteria specified in the regulations. The Policy is available at the following web link: <https://www.bergerpaints.com/about-us/policy-determine-material-events.html>

## POLICY FOR PRESERVATION OF DOCUMENTS

As per Regulation 9 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the Company has framed a policy for Preservation of Documents, based on criteria specified in the said Regulations. The Policy is available at the following web link: <https://www.bergerpaints.com/about-us/policy-preservation-documents.html>

## SIGNIFICANT CHANGES

During the Financial Year 2018-19, no significant change has taken place which could have an impact over the financial position of the Company. However, during the year, as reported earlier in this Report, there were formation of Berger Rock Paints Private Limited and acquisition of shares of Saboo Hesse Wood Coatings Private Limited.

## DIVIDEND

The total comprehensive income of the Company is ₹436.98 crore for the year 2018-19.

Your Directors recommend a dividend of ₹1.90 per share i.e. @190% for the year under review. This, if approved, will absorb an amount of ₹222.44 crore (compared to ₹210.71 crore in the previous year), including Dividend Distribution Tax, based on the current paid-up capital of the Company and will be paid to those members holding shares in the physical mode whose names appear in the Register of Members as on 5th August, 2019 and for shares held in electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 29th July, 2019.



In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy. The Policy is available at the following weblink: <https://www.bergerpaints.com/about-us/dividend-distribution-policy.html>

In terms of the provisions of Section 124 of the Companies Act, 2013, your Company has transferred an amount of ₹17,83,245 (Interim) and ₹28,91,075 (Final) to the Investor Education and Protection Fund, in respect of dividend amounts lying unclaimed/unpaid for more than seven years from the date they became due i.e., for the year ended 31st March, 2011.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information Regarding Unpaid and Unclaimed Amounts Lying with Companies) Rules, 2012, the Company has filed the necessary form and uploaded the details of unclaimed amounts lying with the Company, as on 31st March, 2011.

### **Conservation of Energy & Technology Absorption**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed to **Annexure 5** of this report.

### **Foreign Exchange Earnings and Outgo**

Foreign Exchange Earning and Outgo of the Company are ₹8.07 crore and ₹740.29 crore respectively. Primarily, earnings were from exports and consultancy services and outgo was towards import payments.

### **Particulars of Employees**

In terms of the provisions of Section 134 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 particulars of certain category of employees have been set out in **Annexure 3** of this report.

## **STATEMENT OF EVALUATION OF BOARD OF DIRECTORS AND COMMITTEES THEREOF**

The Company follows the provisions of the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in relation to Directors' appointments, qualifications and independence.

Pursuant to Section 178(3) of the Companies Act, 2013 and the relevant provisions of the Listing Regulations, the Compensation and Nomination and Remuneration Committee is entrusted with responsibility of formulating criteria for determining qualifications, positive attributes and independence of a Director. The same is available at the following link: <https://bergerpaints.com/about-us/criteria-policy.html>

The Compensation and Nomination and Remuneration Committee have laid down the following criteria for evaluating the performance of the Board of Directors. The same is available at the following link: <https://bergerpaints.com/about-us/criteria-policy.html>

## **SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND OPERATIONS OF THE COMPANY**

Pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, it is stated that no material order has been passed by any regulator, court or tribunal impacting the Company's operations and its going concern status during the Financial Year 2018-19.

## **DIRECTORS**

Pursuant to Article 112 of the Articles of Association of the Company, Mr Kuldip Singh Dhingra (DIN: 00048406) and Mr Gurbachan Singh Dhingra (DIN: 00048465) retire by rotation and being eligible, offer themselves for re-appointment.

Mr Kuldip Singh Dhingra is an industrialist and promoter of the Company. He has over 50 years of experience in paint and related industries and his contribution to the paint industry is well known and internationally acclaimed. Mr Kuldip Singh Dhingra is a science graduate from Hindu College, University of Delhi and Chairman of the Board of Directors of the Company. Mr Kuldip Singh Dhingra is 72 years old.

Mr Gurbachan Singh Dhingra is a graduate from Punjab University and an industrialist. He is a promoter of the Company, holds the position of Vice-Chairman of the Board of Directors and has almost 50 years of experience in the paint industry. He has practical



experience in building and commissioning of many paint factories and also has experience in the technical aspects of paint industry. Mr Gurbachan Singh Dhingra is 69 years old.

Mr Naresh Gujral (DIN: 00028444) ('Mr Gujral'), Mr Dharendra Swarup (DIN: 02878434) ('Mr Swarup') and Mr Gopal Krishna Pillai (DIN: 02340756) ('Mr Pillai') are Independent Directors of the Company, appointed pursuant to approval of Members under provisions of the Companies Act, 2013 through resolutions passed at the Annual General Meeting held on 3rd August, 2015. Their terms up to five years on the Board of Directors of the Company will expire on 19th August, 2019, 7th September, 2019 and 11th September, 2019 respectively.

The Company was received notice from a member proposing the candidature of Mr Gujral as Director. As per Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Compensation and Nomination and Remuneration Committee, the Board of Directors of the Company has recommended re-appointment of Mr Gujral for a second term of five years from 20th August, 2019 to 19th August, 2024 for approval of the members at the forthcoming Annual General Meeting, by way of a special resolution. Mr Gujral will not be liable to retire by rotation.

Mr Naresh Gujral is a fellow member of the Institute of Chartered Accountants of India. He is the founder of Span India Group, one of the leading exporter of high-end fashion garments to Europe from India. He is an eminent industrialist and social activist. Mr Gujral was a non-executive Director of the Company from 12th February, 2003 to 25th August, 2011. After a brief hiatus, he was appointed Independent Director on 20th August, 2014. Mr Gujral holds 7,000 equity shares of ₹1/- each of the Company. Mr Gujral is 71 years old.

At the recommendation of the Compensation and Nomination and Remuneration Committee, the Board had appointed Mrs Sonu Halan Bhasin (DIN: 02872234) ("Mrs Bhasin") and Mr Anoop Hoon (DIN: 00686289) ("Mr Hoon") as additional Directors on the Board in non-executive, independent positions with effect from 1st February, 2019, to hold office up to the date of the next Annual General Meeting. The Company has received notices in writing from two members proposing the candidatures of Mrs Bhasin and Mr Hoon as Directors. As per Sections 149 and 160 and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and pursuant to the recommendation of the Compensation and Nomination and Remuneration Committee, the Board of Directors of the Company has recommended the appointment of Mrs. Bhasin and Mr Hoon for five years till 31st January, 2024. Accordingly, approval has been sought from the members at the forthcoming Annual General Meeting for appointment of Mrs Bhasin and Mr Hoon as Independent Directors for the aforesaid period. Mrs Bhasin and Mr Hoon will not be liable to retire by rotation.

Mrs Bhasin is a B.Sc (Hons), Mathematics, St Stephen's College, Delhi University and MBA: Faculty of Management Studies (FMS), Delhi University. She has a wide professional experience and was the Chief Operating Officer of Tata Capital Ltd. Before that, she worked with YES Bank, ING Barings Pvt Bank and ING Vysya Bank and Tata Administrative Services in senior positions. She is the Founder and Managing Partner of FAB-Families and Business and Editor-in-Chief of Families and Business Magazine. She has authored the book - The Inheritors - Stories of Entrepreneurship and Success. Mrs Bhasin was appointed a member of the Audit Committee on 1st February, 2019 and its Chairman on 30th May, 2019. She does not hold any share of the Company. Mrs Bhasin is 56 years old.

Mr Hoon is a graduate in Economics and post graduate in Industrial Relations and Personnel Management from XLRI, Jamshedpur. He was associated with Century Plywood (India) Ltd. as President (Marketing & OD) during the period 2008 to 2015. He was earlier associated with Bells Control Ltd., BOC Gases Ltd., Fortis Health Care Ltd., The Gramophone Co. of India (HMV) Ltd. (as the CEO), Dunlop Tyres, Asian Paints and others. He has experience in marketing, sales, organisational development, HR, supply chain and branch commercial functions and had served as Business Head of several businesses while in the companies in which he had worked. Mr Hoon was appointed member of the Business Process and Risk Management Committee and Compensation and Nomination and Remuneration Committee on 1st February, 2019. Mr Hoon does not hold any share of the Company. Mr Hoon is 64 years old.

Ms Rishma Kaur (Ms Kaur) (DIN : 00043154) and Mr Kanwardip Singh Dhingra (Mr Dhingra) (DIN: 02696670) were appointed as Directors in whole-time employment of the Company designated as Director & National Business Development Manager, Retail and Director & National Business Development Manager, Industrial respectively for a period of five years up to 2nd August, 2019 at the Annual General Meeting held on 3rd August, 2015. Their terms of appointment will expire on 2nd August, 2019.

Ms Kaur holds a B.Sc. in Business Studies from University of Buckingham, U.K. Ms Kaur has been working with the Company since April, 2011 and has successfully led Business Development efforts in the Company in respect of Retail Business in addition

to providing guidance and handling various other matters such as Marketing and Corporate Affairs. Ms Kaur is a member of the Business Process and Risk Management Committee and CSR Committee of the Board. Ms Kaur holds 6,00,000 equity shares of ₹1/- each of the Company.

Mr Dhingra holds a Bachelor's Degree in Chemical Engineering from University of Akron, Akron, Ohio, U.S.A with specialization in Polymer Engineering and Minor in Chemistry. Prior to joining the Company, Mr Dhingra gathered working experience in the field of paints and specialty coatings in The Rohm & Haas Company, Texas, USA and The Sherwin Williams Company, Ohio, U.S.A. Mr Dhingra has been working with the Company since April, 2011 and has successfully led business development efforts in the Company in respect of Industrial Business in addition to providing guidance and handling various other matters such as Projects and Procurements. Mr Dhingra is a member of the Business Process and Risk Management Committee and CSR Committee of the Board. Mr Dhingra holds 6,00,000 equity shares of ₹1/- each of the Company.

Since 2015, both Ms Kaur and Mr Dhingra had assumed major responsibilities in the business and operations of the Company and had engaged themselves in wide areas of activities. In recognition of their initiatives and in terms of the recommendation made by the Compensation and Nomination and Remuneration Committee, the Board of Directors increased their monthly remuneration to an amount not exceeding ₹46,00,000 per annum with effect from 1st April, 2018 till the date of the next Annual General Meeting, subject to approval of the shareholders under Section 196 of the Companies Act, 2013 and designated them as Executive Directors.

The said increase in remuneration of Ms Kaur and Mr Dhingra will not fall within the purview of Section 188 of the Act and since their remuneration, individually or taken together with previous transactions during a financial year would not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company they will not qualify as a material related party transaction under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Upon recommendation of the Compensation and Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, Schedule V and all other relevant provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has re-appointed Ms Kaur and Mr Dhingra as Executive Directors in whole-time employment of the Company for a period of five years with effect from 3rd August, 2019 to 2nd August, 2024, subject to approval of the shareholders at the forthcoming Annual General Meeting at a remuneration to be fixed by the Compensation and Nomination and Remuneration Committee subject to a ceiling of ₹1,00,00,000 (Rupees one crore) per annum. As mentioned earlier, the aforesaid appointment and payment of remuneration will not attract the provisions of Section 188 of the Companies Act, 2013. They will also not qualify as material related party transaction under the provisions of Listing Regulations as long as their remuneration, individually or taken together with previous transactions during a financial year do not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements.

### Structure of the Board of Directors

| Name of Directors          | Non-executive | Executive | Independent | Lady |
|----------------------------|---------------|-----------|-------------|------|
| Mr Kuldeep Singh Dhingra   | Y             | N         | N           | N    |
| Mr Gurbachan Singh Dhingra | Y             | N         | N           | N    |
| Mr Abhijit Roy             | N             | Y         | N           | N    |
| Ms Rishma Kaur             | N             | Y         | N           | Y    |
| Mr Kanwardip Singh Dhingra | N             | Y         | N           | N    |
| Mr Kamal Ranjan Das        | Y             | N         | Y           | N    |
| Mr Naresh Gujral           | Y             | N         | Y           | N    |
| Mr Gopal Krishna Pillai    | Y             | N         | Y           | N    |
| Mr Pulak Chandan Prasad    | Y             | N         | Y           | N    |
| Mr Dharendra Swarup        | Y             | N         | Y           | N    |
| Mr Anoop Hoon *            | Y             | N         | Y           | N    |
| Mrs Sonu Halan Bhasin *    | Y             | N         | Y           | Y    |

\*Appointed wef 1st February, 2019





## FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

The Company believes that the best training is imparted when dealing with actual roles and responsibilities on the job. To this extent, the Company arranges detailed presentation by Business and Functional Heads on various aspects including the business environment, economy, performance of the Company, industry scenario, sales and marketing, production, raw materials, research and development, financial controls, the Company's strategy, etc. Visits to factories are also undertaken from time to time. This can be seen at the following weblink: <https://www.bergerpaints.com/about-us/familiarization-program.html>

## INFORMATION AS TO REMUNERATION OF DIRECTORS AND EMPLOYEES

Pursuant to Section 197 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following disclosures are made:-

- 1) Ratio of remuneration of Directors/KMP to the median remuneration of the employees:

| Name of Directors/KMPs     | Remuneration Received (₹) | Ratio as to that of the Median Employee | Percentage increase in Remuneration |
|----------------------------|---------------------------|---|-------------------------------------|
| Mr Kuldeep Singh Dhingra   | 10,00,000                 | 1.83:1                                  | 0.00                                |
| Mr Gurbachan Singh Dhingra | 10,00,000                 | 1.83:1                                  | 0.00                                |
| Mr Abhijit Roy             | 3,01,04,164*              | 55.09:1                                 | 18.23                               |
| Mr Kanwardip Singh Dhingra | 45,32,366                 | 8.29:1                                  | 94.40                               |
| Ms Rishma Kaur             | 45,35,787                 | 8.30:1                                  | 93.50                               |
| Mr Kamal Ranjan Das        | 3,00,000                  | 0.55:1                                  | 0.00                                |
| Mr Pulak Chandan Prasad    | -                         | -                                       | -                                   |
| Mr Naresh Gujral           | 7,20,000                  | 1.32:1                                  | 0.00                                |
| Mr Dharendra Swarup        | 7,20,000                  | 1.32:1                                  | 0.00                                |
| Mr Gopal Krishna Pillai    | 7,20,000                  | 1.32:1                                  | 0.00                                |
| Mr Srijit Dasgupta         | 1,48,54,179*              | 27.18:1                                 | 7.82                                |
| Mr Aniruddha Sen           | 1,07,72,312*              | 19.71:1                                 | 16.83                               |
| Mr Anoop Hoon #            | -                         | -                                       | -                                   |
| Mrs Sonu Halan Bhasin #    | -                         | -                                       | -                                   |

\* Remuneration does not include value of ESOP's granted.

# Appointed wef 1st February, 2019.

**Note** – The median employee remuneration for 2018-19 is : ₹ 5,46,446 p.a.

- 2) Percentage (%) increase in remuneration during the Financial year 2018-19 : Please see (1) above.
- 3) Percentage (%) increase in the median remuneration of employees during the Financial year 2018-19 : 4.14 %
- 4) Number of permanent employees on the rolls of the Company as on 31st March, 2019 : 3,450
- 5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration –The average percentile increase of employee was 15.88% as compared to an average percentile increase of 29.98% of managerial remuneration. The increase of managerial remuneration is based on growth criteria.

- 6) Pursuant to the requirement of Section 197(14) of the Act, the following disclosure is made in respect to remuneration received by Directors:

| <b>Name</b>   | <b>Nature of Transaction</b>   | <b>Amount (₹)</b> |
|---|--|-------------------|
| Ms Rishma Kaur, Executive Director and also a Director in U.K. Paints India Private Limited (Holding Company)             | Consultancy fees received from U.K. Paints India Private Limited for consultancy rendered to U.K. Paints India Private Limited | 33 Lakhs          |
| Mr Kanwardip Singh Dhingra, Executive Director and also a Director in U.K. Paints India Private Limited (Holding Company) | Consultancy fees received from U.K. Paints India Private Limited for consultancy rendered to U.K. Paints India Private Limited | 27 Lakhs          |

#### **Affirmation**

It is hereby affirmed by the Chairperson of the Company that the remuneration paid to all the employees, Directors and Key Managerial Personnel of the Company during the Financial Year 2018-19 are as per the Remuneration policy framed by the Compensation and Nomination and Remuneration Committee of the Company.

#### **LISTING WITH STOCK EXCHANGES**

Your Company is listed with The Calcutta Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited and the Company has paid the listing fees to each of the Exchanges. The addresses of these Stock Exchanges and other information for shareholders are given in this Annual Report.

#### **COST AUDITORS**

The Board of Directors have re-appointed M/s N. Radhakrishnan & Co., 11A, Dover Lane, Flat B1/34, Kolkata - 700029, for conducting cost audit at the Company's factories at Howrah, Rishra, Goa, Puducherry, Jejuri, Naltali and at the Nalbari and Hindupur factories of the Company's British Paints Division and M/s Shome & Banerjee & Co., 2nd Floor, 5A Narulla Doctor Lane, West Range, Kolkata - 700017, for conducting cost audit at its Jammu factory and for the factories of British Paints Division at Jammu, Surajpur and Sikandrabad under Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 for the year 2019-20. The said reports for the year 2017-18 were filed on 13th October, 2018.

#### **STATUTORY AUDITORS**

The Statutory Auditors, Messrs. S.R. Batliboi & Co. LLP, Chartered Accountants, were appointed pursuant to the provisions of Sections 139, 142 of the Companies Act, 2013 and the Rules made thereunder from the conclusion of the 91st Annual General Meeting up to the conclusion of the Sixth Annual General Meeting to be held after the 91st Annual General Meeting. Pursuant to Section 40 of the Companies Amendment Act, 2017 made effective from 7th May, 2018, ratification at every Annual General Meeting by Members is no longer necessary till the conclusion of the Sixth Annual General Meeting. The Statutory Auditors had furnished their eligibility to continue as Auditors from the conclusion of the ensuing Annual General Meeting till the subsequent Annual General Meeting.

#### **APPRECIATION**

Your Directors place on record their deep appreciation of the assistance and guidance provided by the Central Government and the Governments of the States of India, its suppliers, technology providers and all other stakeholders. Your Directors thank the financial institutions and banks associated with your Company for their support as well. Your Directors also thank the Company's dealers and its customers for their unstinted commitment and valuable inputs.

Your Directors acknowledge the support received from you as shareholders of the Company.

On behalf of the Board of Directors

**Kuldip Singh Dhingra**  
Chairman

Place: Kolkata

Dated: 30th May, 2019



## Annexure A

### ANNEXURES TO THE DIRECTORS' REPORT

#### DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION PLAN/SCHEME PURSUANT TO REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2019:

There was no material change in the ESOP Schemes. The ESOP Schemes are in compliance with the Regulations.

**A) Relevant disclosures in terms of Indian Accounting Standard (Ind AS - 102) under Section 133 of The Companies Act, 2013 read with The Companies (Indian Accounting Standards) Rules, 2015.**

Members may refer to Note no. 31 contained in the Notes to Financial Statements forming part of Annual Financial Statements for the Financial Year ended on 31st March, 2019.

**B) Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with 'Ind AS-33' – Earnings per Share under Section 133 of The Companies Act, 2013 read with The Companies (Indian Accounting Standards) Rules, 2015.**

Diluted EPS before and after exceptional/extraordinary items for the year ended 31st March, 2019 is ₹4.82 and ₹4.52 respectively.

**C) Details related to Employee Stock Option Plan/Scheme (ESOP/ESOS) of the Company:**

- i) Description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including:

| Particulars   | Employee Stock Option Plan, 2010  | Employee Stock Option Plan, 2016  |
|---|---|---|
| a) Date of shareholders' approval                       | 29th July, 2010   | 3rd August, 2016  |
| b) Total number of options approved under ESOP          | 1,73,03,623   | 3,46,78,470   |
| c) Vesting Requirements                                 | Options shall vest over a period of 3 years from the date of grant of options as under :<br>a) 33% on first anniversary of Grant Date<br>b) 33% on second anniversary of Grant Date<br>and c) 34% on third anniversary of Grant Date rounded up to whole numbers. | Options shall vest over a period of 3 years from the date of grant of options as under :<br>a) 33% on first anniversary of Grant Date<br>b) 33% on second anniversary of Grant Date<br>and c) 34% on third anniversary of Grant Date rounded up to whole numbers. |
| d) Exercise price/Pricing formula                       | ₹1/- (Changed from ₹2/- effective from January 2015, consequent to sub-division of shares from face value of ₹2/- to ₹1/- and the number of outstanding options were doubled)   | ₹1/-  |
| e) Maximum term of options granted                      | 10 years  | 10 years  |
| f) Source of shares (primary, secondary or combination) | Primary   | Primary   |
| g) Variation in terms of options                        | None during the year  | None during the year  |

- ii) Method used to account for ESOP (Intrinsic or Fair value) - Fair value



- iii) Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.

Since the Company opts for expensing of the options using fair value, so the Company is not required to disclose impact of any difference arising due to intrinsic value and the fair value on profits and on EPS of the Company.

- iv) Option Movement during the year (For each ESOP/ESOS):

| Particulars  | Employee Stock Option Plan, 2010 |          |   | Employee Stock Option Plan, 2016 |          |
|--|----------------------------------|----------|---|----------------------------------|----------|
|  | Grant III                        | Grant IV | Additional Grant (in lieu of bonus issues from ESOP 2010) | Grant I                          | Grant II |
| No. of options outstanding at the beginning of the period  | 1,390                            | 1,172    | 1,025   | 88,022                           | 1,56,384 |
| No. of options granted during the year   | -                                | -        | -   | -                                | -        |
| No. of options forfeited/lapsed during the year  | -                                | -        | -   | 1,771                            | 7,280    |
| No. of options vested during the year  | -                                | -        | -   | 43,472                           | 50,608   |
| No. of options exercised during the year [ESOP plan 2016: Grant I: No. of ESOP exercised from vested options on 09.11.2017: 616 and No. of ESOP exercised from vested options on 09.11.2018 : 43,472]. | 1,390                            | 1,172    | 1,025   | 44,088                           | 50,608   |
| No. of shares arising as a result of exercise of options   | 1,390                            | 1,172    | 1,025   | 44,088                           | 50,608   |
| Money realised by exercise of options (INR), if scheme is implemented directly by the Company  | 1,390                            | 1,172    | 1,025   | 44,088                           | 50,608   |
| Loan repaid by the Trust during the year from exercise price received  | N.A                              | N.A      | N.A   | N.A                              | N.A      |
| No. of options outstanding at the end of the year  | -                                | -        | -   | 42,163                           | 1,56,384 |
| No. of options exercisable at the end of the year  | -                                | -        | -   | -                                | -        |

|  |   |   |   |         |         |
|--|---|---|---|---------|---------|
| v) a. Weighted average exercise prices | ₹1  | ₹1  | ₹1  | ₹1      | ₹1      |
| b. Weighted average fair values        | Not applicable, (Since all outstanding ESOPs were exercised during the period and none were outstanding as on 31.03.2019) | Not applicable, (Since all outstanding ESOPs were exercised during the period and none were outstanding as on 31.03.2019) | Not applicable, (Since all outstanding ESOPs were exercised during the period and none were outstanding as on 31.03.2019) | ₹320.44 | ₹319.01 |



- vi) Employee wise details of options granted to :-
- Senior managerial personnel - During the financial year 2018-19 no Options were granted to employees including Senior Management Personnel.
  - Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year None
  - Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant None
- vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:
- Weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, risk-free interest rate and any other inputs to the model;

| Serial no. | Particulars   | 2018-2019        |
|------------|---|------------------|
| i.         | Weighted average risk-free interest rate                        | 7.35%            |
| ii.        | Weighted average expected life of options                       | 1.90 years       |
| iii.       | Weighted average expected volatility                            | 22.00%           |
| iv.        | Weighted average expected dividends over the life of the option | ₹3.60 per option |
| v.         | Weighted average share price                                    | ₹323.75          |
| vi.        | Weighted average exercise price                                 | ₹1 per share     |

- Method used & assumptions made to incorporate effects of expected early exercise: Black-Scholes Options Pricing Model
- How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility; and Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.
- Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition : None

**ANNEXURE 1**
**FORM NO. MGT- 9**
**EXTRACT OF ANNUAL RETURN**
**As on the Financial Year ended on 31st March, 2019**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

|       |   |  |
|-------|---|--|
| i)    | CIN   | L51434WB1923PLC004793  |
| ii)   | Registration Date   | 17th December, 1923  |
| iii)  | Name of the Company   | BERGER PAINTS INDIA LIMITED  |
| iv)   | Category of the Company   | Public Limited Company registered in India   |
| v)    | Address of the Registered Office                                      | “BERGER HOUSE”, 129 Park Street, Kolkata -700017   |
| vi)   | Contact Details   | a) Phone Nos. – 033-2229 9724/28<br>b) Fax Nos. – 033-2227 7288<br>c) E-mail – <a href="mailto:consumerfeedback@bergerindia.com">consumerfeedback@bergerindia.com</a><br>d) Website – <a href="http://www.bergerpaints.com">www.bergerpaints.com</a> |
| vii)  | Whether listed Company  | Yes  |
| viii) | Details of the Stock Exchanges where shares are listed :              | National Stock Exchange of India Limited (NSE); BSE Limited (BSE) and the Calcutta Stock Exchange Ltd. (CSE)   |
| ix)   | Name, Address and contact details of Registrar & Transfer Agent (RTA) | M/s C B Management Services (P) Ltd.<br>P-22, Bondel Road<br>Kolkata – 700 019<br>Contact No. – 033-40116700, 40116725<br>Fax – 033-40116739<br>Email – <a href="mailto:rta@cbmsl.com">rta@cbmsl.com</a>   |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

The business activities contributing 10% or more of the total turnover of the Company are as under:-

| Sl. No. | Name and Description of main Products/Services           | NIC Code of the Product/Service | % of total Turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1       | Manufacture of paints and varnishes, enamels or lacquers | 20221                           | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sl. No. | Name and Address of the company   | CIN/GLN                   | Holding/Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|---|---------------------------|-------------------------------|------------------|--------------------|
| 1       | <b>U.K. Paints (India) Private Limited</b><br>19 DDA Commercial Complex<br>Kailash Colony Extension<br>New Delhi – 110 048    | U24222DL1979<br>PTC009659 | Holding*                      | 50.11*           | 2(46)              |
| 2       | <b>Berger Becker Coatings Private Limited</b><br>19 DDA Commercial Complex<br>Kailash Colony Extension<br>New Delhi – 110 048 | U74899DL1996<br>PTC082343 | Associate                     | 48.98            | 2(6)               |





### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)

| Sl. No. | Name and Address of the Company   | CIN/GLN                   | Holding/Subsidiary/<br>Associate | % of<br>Shares held | Applicable<br>Section |
|---------|---|---------------------------|----------------------------------|---------------------|-----------------------|
| 3       | <b>Berger Nippon Paint Automotive Coatings Private Limited</b><br>A-99/3, Okhla Industrial Estate, Phase-II<br>New Delhi – 110 020  | U24100DL2007<br>FTC165043 | Associate                        | 49.00               | 2(6)                  |
| 4       | <b>Beepee Coatings Private Limited</b><br>Plot No. 443, GIDC Estate<br>Vithal Udyognagar, Kheda<br>Gujarat – 388 121  | U24110GJ1982PTC<br>005049 | Subsidiary                       | 100                 | 2(87)(ii)             |
| 5.      | <b>SBL Specialty Coatings Private Limited</b><br>(Formerly known as Saboo Coatings Private Limited) SCF 321, Cabin No.5, First Floor<br>Motor Market and Commercial Complex,<br>Mani Majra, Chandigarh – 160101 | U24231CH1994PTC<br>015100 | Subsidiary                       | 100                 | 2(87)(ii)             |
| 6       | <b>Saboo Hesse Wood Coatings Private Limited</b><br>18, Graphite Road, NCPR Industrial Layout,<br>Mahadevapura, Bangalore - 560048  | U24220KA2009PTC<br>048821 | Subsidiary                       | 51                  | 2(87)(ii)             |
| 7       | <b>Berger Rock Paints Private Limited</b><br>“Berger House”<br>129 Park Street, Kolkata -700017   | U24200WB2018PTC<br>228092 | Subsidiary                       | 51                  | 2(87)(ii)             |
| 8       | <b>Berger Jenson &amp; Nicholson (Nepal) Private Limited</b><br>“Berger House”, 492 Tikune, Koteswor,<br>Kathmandu – 35, Nepal  | N.A.                      | Subsidiary                       | 100                 | 2(87)(ii)             |
| 9       | <b>Berger Paints (Cyprus) Limited</b><br>Thasou 3, Dadalaw House,<br>P.C. 1520, Nicosia, Cyprus   | N.A.                      | Subsidiary                       | 100                 | 2(87)(ii)             |
| 10      | <b>Lusako Trading Limited</b><br>Thasou 3, Dadalaw House, P.C. 1520,<br>Nicosia, Cyprus   | N.A.                      | Subsidiary                       | 100                 | 2(87)(ii)             |

\*U. K. Paints (India) Private Ltd. exercises or controls 70.84% (i.e. more than one half) of the total share capital of Berger Paints India Limited along with its subsidiary companies namely :-

|  | <u>% holding</u> |
|--|------------------|
| a) U.K. Paints (India) Private Ltd.  | 50.11            |
| b) Jenson & Nicholson (Asia) Ltd, U.K.<br>[wholly owned subsidiary of, and nominee<br>shareholder of, BJN Holdings (I) Limited (“BJN”).<br>BJN is a wholly owned subsidiary of<br>U. K. Paints Overseas Limited, which, in turn,<br>is a wholly owned subsidiary of<br>U. K. Paints (India) Pvt. Ltd.] | 14.48            |
| c) Wang Investment Finance Pvt. Ltd.   | 3.07             |
| d) Citland Commercial Credits Ltd.   | <u>3.18</u>      |
|  | <u>70.84</u>     |

**Notes:**

- 1) Bolix S.A., Poland is a wholly owned subsidiary of Lusako Trading Limited. Bolix UKRAINA sp.z.o.o, Ukraine, BUILD – TRADE sp.z.o.o, Poland, Soltherm External Insulations Limited, United Kingdom, Soltherm Insulations Thermique Exterieure, France are four subsidiaries of Bolix S.A., Poland and Surefire Management Services Limited, UK ("SMS") is a Joint Venture.
- 2) Berger Paints Overseas Limited, Russia is a wholly owned subsidiary of Berger Paints (Cyprus) Limited.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

| Category of Shareholders   | No. of Shares (face value of ₹1/-) held at the beginning of the year (01.04.2018) |          |                  |                   | No. of Shares (face value of ₹1/-) held at the end of the year (31.03.2019) |          |                  |                   | % Change during the Year |
|--|---|----------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
|  | Demat   | Physical | Total            | % of Total Shares | Demat   | Physical | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |          |                  |                   |   |          |                  |                   |                          |
| <b>(1) Indian</b>  |   |          |                  |                   |   |          |                  |                   |                          |
| (a) Individual / HUF   | 32263861  | 0        | 32263861         | 3.32              | 32263861  | 0        | 32263861         | 3.32              | 0.00                     |
| (b) Central Govt (s)   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| (c) State Govt (s)   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| (d) Bodies Corporate   | 555224058   | 0        | 555224058        | 57.18             | 555224058   | 0        | 555224058        | 57.18             | 0.00                     |
| (e) Banks/Financial Institutions   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| (f) Others   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| <b>Sub-total (A)(1)</b>  | <b>587487919</b>  | <b>0</b> | <b>587487919</b> | <b>60.50</b>      | <b>587487919</b>  | <b>0</b> | <b>587487919</b> | <b>60.50</b>      | <b>0.00</b>              |
| <b>(2) Foreign</b>   |   |          |                  |                   |   |          |                  |                   |                          |
| (a) NRIs - Individuals   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| (b) Other - Individuals  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| (c) Bodies Corporate   | 140656782   | 0        | 140656782        | 14.49             | 140656782   | 0        | 140656782        | 14.48             | (-)0.01                  |
| (d) Banks/FI   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| (e) Any others   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| <b>Sub-total (A) (2)</b>   | <b>140656782</b>  | <b>0</b> | <b>140656782</b> | <b>14.49</b>      | <b>140656782</b>  | <b>0</b> | <b>140656782</b> | <b>14.48</b>      | <b>(-)0.01</b>           |
| <b>Total Share holding of Promoter &amp; Promoter Group (A) = (A)(1)+(A) (2)</b> | <b>728144701</b>  | <b>0</b> | <b>728144701</b> | <b>74.99</b>      | <b>728144701</b>  | <b>0</b> | <b>728144701</b> | <b>74.98</b>      | <b>(-)0.01</b>           |
| <b>B. Public Share holding</b>   |   |          |                  |                   |   |          |                  |                   |                          |
| <b>1. Institutions</b>   |   |          |                  |                   |   |          |                  |                   |                          |
| (a) Mutual Funds   | 14076099  | 4410     | 14080509         | 1.45              | 24096866  | 4410     | 24101276         | 2.48              | (+) 1.03                 |
| (b) Banks/Financial Institutions   | 984578  | 15388    | 999966           | 0.10              | 728848  | 15388    | 744236           | 0.08              | (-)0.02                  |
| (c) Central Govt(s)  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| (d) State Govt(s)  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| (e) Venture Capital Funds  |   |          |                  |                   |   |          |                  |                   |                          |
| (f) Insurance Companies  | 18896778  | 0        | 18896778         | 1.95              | 14963809  | 0        | 14963809         | 1.54              | (-) 0.41                 |
| (g) Foreign Institutional Investors (FII)  | 47833771  | 0        | 47833771         | 4.92              | 40121422  | 0        | 40121422         | 4.13              | (-) 0.79                 |

## (i) Category-wise Share Holding (Contd.):

| Category of Shareholders   | No. of Shares (face value of ₹1/-) held at the beginning of the year (01.04.2018) |                 |                  |                   | No. of Shares (face value of ₹1/-) held at the end of the year (31.03.2019) |                |                  |                   | % Change during the Year |
|--|---|-----------------|------------------|-------------------|---|----------------|------------------|-------------------|--------------------------|
|  | Demat   | Physical        | Total            | % of Total Shares | Demat   | Physical       | Total            | % of Total Shares |                          |
| (h) Foreign Venture Capital Funds  | -   | -               | -                | -                 | -   | -              | -                | -                 | -                        |
| (i) Foreign Portfolio Investors  | 55667651  | 0               | 55667651         | 5.73              | 52789967  | 0              | 52789967         | 5.44              | (-) 0.29                 |
| (j) Alternative Investment Fund  | 874944  | 0               | 874944           | 0.09              | 1374671   | 0              | 1374671          | 0.14              | (+) 0.05                 |
| <b>Sub-total (B)(1)</b>  | <b>138333821</b>  | <b>19798</b>    | <b>138353619</b> | <b>14.24</b>      | <b>134075583</b>  | <b>19798</b>   | <b>134095381</b> | <b>13.81</b>      | <b>(-) 0.43</b>          |
| <b>B 2. Non- Institutions</b>  |   |                 |                  |                   |   |                |                  |                   |                          |
| (a) Bodies Corporate   |   |                 |                  |                   |   |                |                  |                   |                          |
| (i) Indian   | 18803497  | 111882          | 18915379         | 1.95              | 24005939  | 111882         | 24117821         | 2.48              | (+) 0.53                 |
| (ii) Overseas  |   |                 |                  |                   |   |                |                  |                   |                          |
| (b) Individuals  |   |                 |                  |                   |   |                |                  |                   |                          |
| (i) Individual share holders holding nominal share capital up to ₹1 lakh         | 59283172  | 11214827        | 70497999         | 7.26              | 60873974  | 8642212        | 69516186         | 7.16              | (-) 0.10                 |
| (ii) Individual share holders holding nominal share capital in excess of ₹1 lakh | 3911418   | 0               | 3911418          | 0.40              | 3713983   | 0              | 3713983          | 0.38              | (-) 0.02                 |
| (c) Others (specify)   |   |                 |                  |                   |   |                |                  |                   |                          |
| 1. NRI   | 2063356   | 322939          | 2386295          | 0.25              | 2376553   | 314204         | 2690757          | 0.28              | (+) 0.03                 |
| 2. Clearing Member   | 409841  | 0               | 409841           | 0.04              | 570430  | 0              | 570430           | 0.06              | (+) 0.02                 |
| 3. OCB   | -   | -               | -                | -                 | -   | -              | -                | -                 | -                        |
| 4. Trust   | 1531646   | 11760           | 1543406          | 0.16              | 1403586   | 0              | 1403586          | 0.14              | (-) 0.02                 |
| 5. Foreign National  | -   | -               | -                | -                 | -   | -              | -                | -                 | -                        |
| 6. IEPF A/C  | 5627335   | 0               | 5627335          | 0.58              | 5922831   | 0              | 5922831          | 0.61              | (+) 0.03                 |
| 7. Unclaimed Suspense A/C  | 1241435   | 0               | 1241435          | 0.13              | 954035  | 0              | 954035           | 0.1               | (-) 0.03                 |
| <b>Sub-total (B)(2)</b>  | <b>92871700</b>   | <b>11661408</b> | <b>104533108</b> | <b>10.77</b>      | <b>99821331</b>   | <b>9068298</b> | <b>108889629</b> | <b>11.21</b>      | <b>(+) 0.44</b>          |
| <b>B. Total Public Share holding (B)=(B)(1)+(B)(2)</b>                           | <b>231205521</b>  | <b>11681206</b> | <b>242886727</b> | <b>25.01</b>      | <b>233896914</b>  | <b>9088096</b> | <b>242985010</b> | <b>25.02</b>      | <b>(+) 0.01</b>          |
| <b>TOTAL(A) +(B)</b>   | <b>959350222</b>  | <b>11681206</b> | <b>971031428</b> | <b>100.00</b>     | <b>962041615</b>  | <b>9088096</b> | <b>971129711</b> | <b>100.00</b>     | <b>0.00</b>              |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | -   | -               | -                | -                 | -   | -              | -                | -                 | -                        |
| <b>Grand Total (A) +(B) +(C)</b>   | <b>959350222</b>  | <b>11681206</b> | <b>971031428</b> | <b>100.00</b>     | <b>962041615</b>  | <b>9088096</b> | <b>971129711</b> | <b>100.00</b>     | <b>0.00</b>              |

**(ii) Share holding of Promoters**

| Sl. No. | Shareholding at the beginning of the year |                            |                                  |  | Shareholding at the end of the year       |                           |                                  |  |
|---------|---|----------------------------|----------------------------------|--|---|---------------------------|----------------------------------|--|
|         | Shareholder's Name                        | No. of Shares (F.V. ₹ 1/-) | % of total Shares of the Company | % of Shares Pledged encumbered to total Shares | Shareholder's Name                        | No. of Shares (F.V. ₹1/-) | % of total Shares of the Company | % of Shares Pledged encumbered to total Shares |
| 1.      | U.K. Paints (India) Private Limited       | 486545399                  | 50.11                            | 0  | U.K.Paints (India) Private Limited        | 486545399                 | 50.11                            | 0  |
| 2.      | Jenson & Nicholson (Asia) Limited, U.K.*  | 140656782                  | 14.49                            | 0  | Jenson Nicholson (Asia) Limited, U.K.*    | 140656782                 | 14.48                            | 0  |
| 3.      | Citland Commercial Credits Limited        | 30915659                   | 3.18                             | 0  | Citland Commercial Credits Limited        | 30915659                  | 3.18                             | 0  |
| 4.      | Wang Investment Finance Private Limited   | 29810580                   | 3.07                             | 0  | Wang Investment Finance Private Limited   | 29810580                  | 3.07                             | 0  |
| 5.      | Bigg Investment & Finance Private Limited | 7952420                    | 0.82                             | 0  | Bigg Investment & Finance Private Limited | 7952420                   | 0.82                             | 0  |
| 6.      | Meeta Dhingra                             | 999999                     | 0.10                             | 0  | Meeta Dhingra                             | 999999                    | 0.10                             | 0  |
| 7.      | Vinu Dhingra                              | 5998368                    | 0.62                             | 0  | Vinu Dhingra                              | 5998368                   | 0.62                             | 0  |
| 8.      | Gurbachan Singh Dhingra                   | 2421888                    | 0.25                             | 0  | Gurbachan Singh Dhingra                   | 2421888                   | 0.25                             | 0  |
| 9.      | Kuldip Singh Dhingra                      | 5488071                    | 0.57                             | 0  | Kuldip Singh Dhingra                      | 5488071                   | 0.57                             | 0  |
| 10.     | Yuvrani Rishma Kaur                       | 600000                     | 0.06                             | 0  | Yuvrani Rishma Kaur                       | 600000                    | 0.06                             | 0  |
| 11.     | Jessima Kumar                             | 600000                     | 0.06                             | 0  | Jessima Kumar                             | 600000                    | 0.06                             | 0  |
| 12.     | Dipti Dhingra                             | 131712                     | 0.01                             | 0  | Dipti Dhingra                             | 131712                    | 0.01                             | 0  |
| 13.     | Sunaina Kohli                             | 600000                     | 0.06                             | 0  | Sunaina Kohli                             | 600000                    | 0.06                             | 0  |
| 14.     | Anshna Sawhney                            | 600000                     | 0.06                             | 0  | Anshna Sawhney                            | 600000                    | 0.06                             | 0  |
| 15.     | Kanwardip Singh Dhingra                   | 600000                     | 0.06                             | 0  | Kanwardip Singh Dhingra                   | 600000                    | 0.06                             | 0  |
| 16.     | KSD Family Trust                          | 8312140                    | 0.86                             | 0  | KSD Family Trust                          | 8312140                   | 0.86                             | 0  |
| 17.     | GBS Dhingra Family Trust                  | 5911683                    | 0.61                             | 0  | GBS Dhingra Family Trust                  | 5911683                   | 0.61                             | 0  |
|         | <b>Total</b>                              | <b>728144701</b>           | <b>74.99</b>                     | <b>0</b>                                       |   | <b>728144701</b>          | <b>74.98</b>                     | <b>0</b>                                       |

\*wholly owned subsidiary of, and nominee shareholder of, BJN Holdings (I) Limited ("BJN"). BJN is a wholly owned subsidiary of U.K. Paints Overseas Limited, which, in turn, is a wholly owned subsidiary of U. K. Paints (India) Pvt. Ltd





## (iii) Change in Promoters' Share holding (please specify, if there is no change)

| Sl. No. | Shareholder's Name                    | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---------------------------------------|---|----------------------------------|---|----------------------------------|
|         |                                       | No. of Shares (F.V. ₹1/-)                 | % of total Shares of the Company | No. of Shares (F.V. ₹1/-)               | % of total Shares of the Company |
| 1.      | U.K. Paints (India) Private Ltd.      | 486545399                                 | 50.11                            | 486545399                               | 50.11                            |
| 2.      | Jenson & Nicholson (Asia) Ltd., U.K.* | 140656782                                 | 14.49                            | 140656782                               | 14.48                            |
| 3.      | Citland Commercial Credits Ltd.       | 30915659                                  | 3.18                             | 30915659                                | 3.18                             |
| 4.      | Wang Investment Finance Ltd.          | 29810580                                  | 3.07                             | 29810580                                | 3.07                             |
| 5.      | Bigg Investment & Finance Pvt. Ltd.   | 7952420                                   | 0.82                             | 7952420                                 | 0.82                             |
| 6.      | Meeta Dhingra                         | 999999                                    | 0.10                             | 999999                                  | 0.10                             |
| 7.      | Vinu Dhingra                          | 5998368                                   | 0.62                             | 5998368                                 | 0.62                             |
| 8.      | Gurbachan Singh Dhingra               | 2421888                                   | 0.25                             | 2421888                                 | 0.25                             |
| 9.      | Kuldip Singh Dhingra                  | 5488071                                   | 0.57                             | 5488071                                 | 0.57                             |
| 10.     | Yuvrani Rishma Kaur                   | 600000                                    | 0.06                             | 600000                                  | 0.06                             |
| 11.     | Jessima Kumar                         | 600000                                    | 0.06                             | 600000                                  | 0.06                             |
| 12.     | Dipti Dhingra                         | 131712                                    | 0.01                             | 131712                                  | 0.01                             |
| 13.     | Sunaina Kohli                         | 600000                                    | 0.06                             | 600000                                  | 0.06                             |
| 14.     | Anshna Sawhney                        | 600000                                    | 0.06                             | 600000                                  | 0.06                             |
| 15.     | Kanwardip Singh Dhingra               | 600000                                    | 0.06                             | 600000                                  | 0.06                             |
| 16.     | KSD Family Trust                      | 8312140                                   | 0.86                             | 8312140                                 | 0.86                             |
| 17.     | GBS Dhingra Family Trust              | 5911683                                   | 0.61                             | 5911683                                 | 0.61                             |

\*wholly owned subsidiary of, and nominee share holder of, BJNI Holdings (I) Limited ("BJN"). BJN is a wholly owned subsidiary of U.K. Paints Overseas Limited, which, in turn, is a wholly owned subsidiary of U. K. Paints (India) Pvt. Ltd.

## (iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | For each of the Top 10 Shareholders |             |               | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------|-------------|---------------|---|----------------------------------|---|----------------------------------|
|         |                                     |             |               | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1.      | <b>NALANDA INDIA FUND LIMITED</b>   |             |               |   |                                  |   |                                  |
|         | a) At the beginning of the year     |             |               | 46719295                                  | 4.81                             | 46719295                                | 4.81                             |
|         | b) Changes during the year          | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|         |                                     | 04/01/2019  | Sale          | 1270000                                   | 0.13                             | 45449295                                | 4.68                             |
|         |                                     | 11/01/2019  | Sale          | 5400000                                   | 0.56                             | 40049295                                | 4.12                             |
|         |                                     | 25/01/2019  | Sale          | 975000                                    | 0.10                             | 39074295                                | 4.02                             |
|         | c) At the end of the year           | 31/03/2019  |               |   |                                  | 39074295                                | 4.02                             |

(iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)

| Sl. No. | For each of the Top 10 Shareholders  |             |               | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|-------------|---------------|---|----------------------------------|---|----------------------------------|
|         |  |             |               | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 2.      | <b>THE NEW INDIA ASSURANCE COMPANY LIMITED</b>   |             |               |   |                                  |   |                                  |
|         | a) At the beginning of the year  |             |               | 8793670                                   | 0.91                             | 8793670                                 | 0.91                             |
|         | b) Changes during the year   | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|         |  | 06/04/2018  | Sale          | 100000                                    | 0.01                             | 8693670                                 | 0.90                             |
|         |  | 22/06/2018  | Sale          | 200000                                    | 0.02                             | 8493670                                 | 0.88                             |
|         |  | 03/08/2018  | Sale          | 330000                                    | 0.03                             | 8163670                                 | 0.85                             |
|         |  | 28/09/2018  | Sale          | 400000                                    | 0.04                             | 7763670                                 | 0.81                             |
|         |  | 19/10/2018  | Sale          | 50000                                     | 0.01                             | 7713670                                 | 0.80                             |
|         |  | 26/10/2018  | Sale          | 122129                                    | 0.01                             | 7591541                                 | 0.79                             |
|         |  | 02/11/2018  | Sale          | 127871                                    | 0.01                             | 7463670                                 | 0.78                             |
|         |  | 23/11/2018  | Sale          | 30000                                     | 0.00                             | 7433670                                 | 0.78                             |
|         |  | 30/11/2018  | Sale          | 270000                                    | 0.03                             | 7163670                                 | 0.75                             |
|         |  | 14/12/2018  | Sale          | 40000                                     | 0.01                             | 7123670                                 | 0.74                             |
|         |  | 21/12/2018  | Sale          | 260000                                    | 0.03                             | 6863670                                 | 0.71                             |
|         | c) At the end of the year  | 31/03/2019  |               |   |                                  | 6863670                                 | 0.71                             |
| 3.      | <b>SPAN INDIA PRIVATE LIMITED</b>  |             |               |   |                                  |   |                                  |
|         | a) At the beginning of the year  |             |               | 6932889                                   | 0.71                             | 6932889                                 | 0.71                             |
|         | b) Changes during the year   | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|         |  | 13/07/2018  | Sale          | 62800                                     | 0.01                             | 6870089                                 | 0.71                             |
|         |  | 28/09/2018  | Buy           | 10000                                     | 0.00                             | 6880089                                 | 0.71                             |
|         |  | 05/10/2018  | Buy           | 5961                                      | 0.00                             | 6886050                                 | 0.71                             |
|         |  | 12/10/2018  | Buy           | 65896                                     | 0.01                             | 6951946                                 | 0.72                             |
|         | c) At the end of the year  | 31/03/2019  |               |   |                                  | 6951946                                 | 0.72                             |
| 4.      | <b>BNY MELLON TRUST AND DEPOSITARY(UK) LIMITED AS TRUSTEE FOR ST. JAMES'S PLACE EMERGING MARKETS EQUITY UNIT TRUST MANAGED BY WASATCH ADVISORS INC</b> |             |               |   |                                  |   |                                  |
|         | a) At the beginning of the year  |             |               | 5219071                                   | 0.53                             | 5219071                                 | 0.53                             |
|         | b) Changes during the year   | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|         |  | 13/04/2018  | Buy           | 63779                                     | 0.01                             | 5282850                                 | 0.54                             |
|         |  | 20/04/2018  | Buy           | 600                                       | 0.00                             | 5283450                                 | 0.54                             |



## (iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)

| Sl. No.   | For each of the Top 10 Shareholders           |             |               | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|---|-------------|---------------|---|----------------------------------|---|----------------------------------|
|           |   |             |               | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
|           | b) Changes during the year                    | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|           |   | 04/05/2018  | Sale          | 160147                                    | 0.02                             | 5123303                                 | 0.52                             |
|           |   | 11/05/2018  | Sale          | 362008                                    | 0.03                             | 4761295                                 | 0.49                             |
|           |   | 18/05/2018  | Sale          | 2287653                                   | 0.24                             | 2473642                                 | 0.25                             |
|           |   | 14/09/2018  | Sale          | 542996                                    | 0.05                             | 1930646                                 | 0.02                             |
|           |   | 21/09/2018  | Sale          | 1036773                                   | 0.11                             | 893873                                  | 0.09                             |
|           |   | 21/09/2018  | Sale          | 893873                                    | 0.09                             |   |                                  |
|           | c) At the end of the year                     | 31/03/2019  |               |   |                                  | Nil                                     | Nil                              |
| <b>5.</b> | <b>LIFE INSURANCE CORPORATION OF INDIA</b>    |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year               |             |               | 4773262                                   | 0.49                             | 4773262                                 | 0.49                             |
|           | b) Changes during the year                    |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|           | c) At the end of the year                     |             |               |   |                                  | 4773262                                 | 0.49                             |
| <b>6.</b> | <b>WASATCH INTERNATIONAL GROWTH FUND</b>      |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year               |             |               | 3985443                                   | 0.41                             | 3985443                                 | 0.41                             |
|           | b) Changes during the year                    | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|           |   | 27/04/2018  | Sale          | 51570                                     | 0.01                             | 3933873                                 | 0.40                             |
|           |   | 25/05/2018  | Sale          | 248556                                    | 0.02                             | 3685317                                 | 0.38                             |
|           |   | 01/06/2018  | Sale          | 85912                                     | 0.01                             | 3599405                                 | 0.37                             |
|           |   | 21/12/2018  | Sale          | 198080                                    | 0.02                             | 3401325                                 | 0.35                             |
|           |   | 28/12/2018  | Sale          | 133458                                    | 0.01                             | 3267867                                 | 0.34                             |
|           | c) At the end of the year                     | 31/03/2019  |               |   |                                  | 3267867                                 | 0.34                             |
| <b>7.</b> | <b>GENERAL INSURANCE CORPORATION OF INDIA</b> |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year               |             |               | 3900000                                   | 0.40                             | 3900000                                 | 0.40                             |
|           | b) Changes during the year                    | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|           |   | 11/05/2018  | Sale          | 200000                                    | 0.02                             | 3700000                                 | 0.38                             |
|           |   | 18/05/2018  | Sale          | 100000                                    | 0.01                             | 3600000                                 | 0.37                             |
|           |   | 22/06/2018  | Sale          | 100000                                    | 0.01                             | 3500000                                 | 0.36                             |
|           |   | 29/06/2018  | Sale          | 100000                                    | 0.01                             | 3400000                                 | 0.35                             |
|           |   | 13/07/2018  | Sale          | 41677                                     | 0.00                             | 3358323                                 | 0.35                             |
|           |   | 20/07/2018  | Sale          | 58323                                     | 0.01                             | 3300000                                 | 0.34                             |
|           |   | 03/08/2018  | Sale          | 50000                                     | 0.01                             | 3250000                                 | 0.33                             |

(iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)

| Sl. No.   | For each of the Top 10 Shareholders  |             |               | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|--|-------------|---------------|---|----------------------------------|---|----------------------------------|
|           |  |             |               | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
|           | b) Changes during the year   | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|           |  | 31/08/2018  | Sale          | 242598                                    | 0.02                             | 3077402                                 | 0.31                             |
|           |  | 07/09/2018  | Sale          | 7402                                      | 0.02                             | 3000000                                 | 0.31                             |
|           |  | 07/12/2018  | Sale          | 219052                                    | 0.02                             | 2780948                                 | 0.29                             |
|           |  | 18/01/2019  | Sale          | 100000                                    | 0.01                             | 2680948                                 | 0.28                             |
|           | c) At the end of the year  | 31/03/2019  |               |   |                                  | 2680948                                 | 0.28                             |
| <b>8.</b> | <b>VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS</b> |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year  |             |               | 3885997                                   | 0.40                             | 3885997                                 | 0.40                             |
|           | b) Changes during the year   | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|           |  | 04/05/2018  | Sale          | 10560                                     | 0.00                             | 3875437                                 | 0.40                             |
|           |  | 11/05/2018  | Sale          | 10032                                     | 0.00                             | 3865405                                 | 0.40                             |
|           |  | 01/06/2018  | Sale          | 7920                                      | 0.00                             | 3857485                                 | 0.40                             |
|           |  | 15/06/2018  | Sale          | 7920                                      | 0.01                             | 3849565                                 | 0.39                             |
|           |  | 22/06/2018  | Sale          | 19106                                     | 0.00                             | 3830459                                 | 0.39                             |
|           |  | 29/06/2018  | Sale          | 30756                                     | 0.00                             | 3799703                                 | 0.39                             |
|           |  | 06/07/2018  | Sale          | 12582                                     | 0.00                             | 3787121                                 | 0.39                             |
|           |  | 13/07/2018  | Sale          | 20038                                     | 0.00                             | 3767083                                 | 0.39                             |
|           |  | 16/11/2018  | Buy           | 6645                                      | 0.00                             | 3773728                                 | 0.39                             |
|           |  | 23/11/2018  | Buy           | 17277                                     | 0.00                             | 3791005                                 | 0.39                             |
|           |  | 07/12/2018  | Buy           | 8417                                      | 0.00                             | 3799422                                 | 0.39                             |
|           |  | 21/12/2018  | Buy           | 23922                                     | 0.00                             | 3823344                                 | 0.39                             |
|           |  | 01/02/2019  | Buy           | 22678                                     | 0.00                             | 3846022                                 | 0.39                             |
|           |  | 08/02/2019  | Buy           | 57972                                     | 0.01                             | 3903994                                 | 0.40                             |
|           |  | 15/02/2019  | Buy           | 14363                                     | 0.00                             | 3918357                                 | 0.40                             |
|           |  | 29/03/2019  | Buy           | 8993                                      | 0.00                             | 3927350                                 | 0.40                             |
|           | c) At the end of the year  | 31/03/2019  |               |   |                                  | 3927350                                 | 0.40                             |
| <b>9.</b> | <b>FRANKLIN INDIA SMALLER COMPANIES FUND</b>   |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year  |             |               | 3578963                                   | 0.37                             | 3578963                                 | 0.37                             |
|           | b) Changes during the year   | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|           |  | 20/07/2018  | Sale          | 50000                                     | 0.01                             | 3528963                                 | 0.36                             |



## (iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)

| Sl. No.    | For each of the Top 10 Shareholders |             |               | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|------------|-------------------------------------|-------------|---------------|---|----------------------------------|---|----------------------------------|
|            |                                     |             |               | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
|            | b) Changes during the year          | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|            |                                     | 27/07/2018  | Sale          | 50000                                     | 0.00                             | 3478963                                 | 0.36                             |
|            |                                     | 03/08/2018  | Sale          | 50000                                     | 0.01                             | 3428963                                 | 0.35                             |
|            | c) At the end of the year           | 31/03/2019  |               |   |                                  | 3428963                                 | 0.35                             |
| <b>10.</b> | <b>SPAN HOLDINGS PVT. LTD.</b>      |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year     |             |               | 3535162                                   | 0.36                             | 3535162                                 | 0.36                             |
|            | b) Changes during the year          | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|            |                                     | 20/07/2018  | Sale          | 10000                                     | 0.00                             | 3525162                                 | 0.36                             |
|            |                                     | 27/07/2018  | Sale          | 35573                                     | 0.00                             | 3489589                                 | 0.36                             |
|            |                                     | 24/08/2018  | Sale          | 12500                                     | 0.00                             | 3477089                                 | 0.36                             |
|            |                                     | 31/08/2018  | Sale          | 12253                                     | 0.00                             | 3464836                                 | 0.36                             |
|            | c) At the end of the year           | 31/03/2019  |               |   |                                  | 3464836                                 | 0.36                             |
| <b>11.</b> | <b>UTI-EQUITY FUND</b>              |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year     |             |               | 1483946                                   | 0.15                             | 1483946                                 | 0.15                             |
|            | b) Changes during the year          | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|            |                                     | 04/05/2018  | Buy           | 710662                                    | 0.08                             | 2194608                                 | 0.23                             |
|            |                                     | 18/05/2018  | Buy           | 100000                                    | 0.01                             | 2294608                                 | 0.24                             |
|            |                                     | 08/06/2018  | Buy           | 30000                                     | 0.00                             | 2324608                                 | 0.24                             |
|            |                                     | 06/07/2018  | Buy           | 65000                                     | 0.01                             | 2389608                                 | 0.25                             |
|            |                                     | 14/09/2018  | Buy           | 100000                                    | 0.01                             | 2489608                                 | 0.26                             |
|            |                                     | 21/09/2018  | Buy           | 204561                                    | 0.02                             | 2694169                                 | 0.28                             |
|            |                                     | 28/09/2018  | Buy           | 75000                                     | 0.01                             | 2769169                                 | 0.29                             |
|            |                                     | 09/11/2018  | Buy           | 150000                                    | 0.02                             | 2919169                                 | 0.31                             |
|            |                                     | 16/11/2018  | Buy           | 60000                                     | 0.00                             | 2979169                                 | 0.31                             |
|            |                                     | 01/02/2019  | Buy           | 50000                                     | 0.01                             | 3029169                                 | 0.32                             |
|            |                                     | 08/02/2019  | Buy           | 139865                                    | 0.01                             | 3169034                                 | 0.33                             |
|            |                                     | 15/02/2019  | Buy           | 140135                                    | 0.01                             | 3309169                                 | 0.34                             |
|            |                                     | 22/02/2019  | Buy           | 510000                                    | 0.05                             | 3819169                                 | 0.39                             |
|            |                                     | 01/03/2019  | Buy           | 250000                                    | 0.03                             | 4069169                                 | 0.42                             |
|            | c) At the end of the year           | 31/03/2019  |               |   |                                  | 4069169                                 | 0.42                             |

**(v) Share holding of Directors and Key Managerial Personnel as on 31st March, 2019):**

| Sl. No.   | For each of the Directors and KMPs |             |               | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|------------------------------------|-------------|---------------|---|----------------------------------|---|----------------------------------|
|           |                                    |             |               | No of Shares                              | % of total Shares of the Company | No of Shares                            | % of total Shares of the Company |
| <b>1.</b> | <b>Mr Kuldip Singh Dhingra*</b>    |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year    |             |               | 5488071                                   | 0.57                             | 5488071                                 | 0.57                             |
|           | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|           | c) At the end of the year          |             |               |   |                                  | 5488071                                 | 0.57                             |
| <b>2.</b> | <b>Mr Gurbachan Singh Dhingra*</b> |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year    |             |               | 2421888                                   | 0.25                             | 2421888                                 | 0.25                             |
|           | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|           | c) At the end of the year          |             |               |   |                                  | 2421888                                 | 0.25                             |
| <b>3.</b> | <b>Mr Abhijit Roy</b>              |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year    |             |               | 68308                                     | 0.01                             | 68308                                   | 0.01                             |
|           | b) Changes during the year         | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|           |                                    | 19/12/2018  | ESOP          | 2448                                      | 0.00                             | 70756                                   | 0.01                             |
|           | c) At the end of the year          | 31/03/2019  |               |   |                                  | 70756                                   | 0.01                             |
| <b>4.</b> | <b>Mr Srijit Dasgupta</b>          |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year    |             |               | 86250                                     | 0.01                             | 86250                                   | 0.01                             |
|           | b) Changes during the year         | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|           |                                    | 19/12/2018  | ESOP          | 1883                                      | 0.00                             | 88133                                   | 0.01                             |
|           | c) At the end of the year          | 31/03/2019  |               |   |                                  | 88133                                   | 0.01                             |
| <b>5.</b> | <b>Mr Kamal Ranjan Das</b>         |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year    |             |               | 84272                                     | 0.01                             | 84272                                   | 0.01                             |
|           | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|           | c) At the end of the year          |             |               |   |                                  | 84272                                   | 0.01                             |
| <b>6.</b> | <b>Mr Pulak Chandan Prasad</b>     |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year    |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|           | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|           | c) At the end of the year          |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
| <b>7.</b> | <b>Mr Naresh Gujral</b>            |             |               |   |                                  |   |                                  |
|           | a) At the beginning of the year    |             |               | 7000                                      | 0.00                             | 7000                                    | 0.00                             |
|           | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|           | c) At the end of the year          |             |               |   |                                  | 7000                                    | 0.00                             |



## (v) Share holding of Directors and Key Managerial Personnel as on 31st March, 2019): (Contd.)

| Sl. No     | For each of the Directors and KMPs |             |               | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|------------|------------------------------------|-------------|---------------|---|----------------------------------|---|----------------------------------|
|            |                                    |             |               | No of Shares                              | % of total Shares of the Company | No of Shares                            | % of total Shares of the Company |
| <b>8.</b>  | <b>Mr Dhirendra Swarup</b>         |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year    |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | c) At the end of the year          |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
| <b>9.</b>  | <b>Mr Gopal Krishna Pillai</b>     |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year    |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | c) At the end of the year          |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
| <b>10.</b> | <b>Ms Rishma Kaur</b>              |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year    |             |               | 600000                                    | 0.06                             | 600000                                  | 0.06                             |
|            | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | c) At the end of the year          |             |               |   |                                  | 600000                                  | 0.06                             |
| <b>11.</b> | <b>Mr Kanwardip Singh Dhingra</b>  |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year    |             |               | 600000                                    | 0.06                             | 600000                                  | 0.06                             |
|            | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | c) At the end of the year          |             |               |   |                                  | 600000                                  | 0.06                             |
| <b>12.</b> | <b>Mr Aniruddha Sen</b>            |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year    |             |               | 37523                                     | 0.00                             | 37523                                   | 0.00                             |
|            | b) Changes during the year         | <b>Date</b> | <b>Reason</b> |   |                                  |   |                                  |
|            |                                    | 19/12/2018  | ESOP          | 1256                                      | 0.00                             | 38779                                   | 0.00                             |
|            | c) At the end of the year          | 31/03/2019  |               |   |                                  | 38779                                   | 0.00                             |
| <b>13.</b> | <b>Mr Anoop Hoon @</b>             |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year    |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | c) At the end of the year          |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
| <b>14.</b> | <b>Mrs Sonu Halan Bhasin @</b>     |             |               |   |                                  |   |                                  |
|            | a) At the beginning of the year    |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | b) Changes during the year         |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |
|            | c) At the end of the year          |             |               | Nil                                       | Nil                              | Nil                                     | Nil                              |

\* Does not include shares held by Messrs Kuldip Singh Dhingra and Gurbachan Singh Dhingra as Settlor Trustee of KSD Family Trust and GBS Dhingra Family Trust respectively.

@ Mr Anoop Hoon and Mrs Sonu Halan Bhasin were appointed as Additional and Independent Directors of the Company w.e.f 1st February, 2019. They do not held any shares of the Company.

**(v) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crore)

|  | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the Financial Year i.e.on 01.04.2018</b> |                                     |                    |          |                       |
| i) Principal Amount  | 143.27                              | -                  | -        | 143.27                |
| ii) Interest due but not paid  | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due  | -                                   | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>  | <b>143.27</b>                       | <b>-</b>           | <b>-</b> | <b>143.27</b>         |
| Change in Indebtedness during the financial year                             |                                     |                    |          |                       |
| • Addition   |                                     |                    |          |                       |
| • Reduction  |                                     |                    |          |                       |
| Net Change   | (12.89)                             | 85.00              | -        | 72.11                 |
| <b>Indebtedness at the end of the Financial Year i.e.on 31.03.2019</b>       |                                     |                    |          |                       |
| i) Principal Amount  | 130.34                              | 85.00              | -        | 215.34                |
| ii) Interest due but not paid  | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due  | 0.04                                | -                  | -        | 0.04                  |
| <b>Total (i+ii+iii)</b>  | <b>130.38</b>                       | <b>85.00</b>       | <b>-</b> | <b>215.38</b>         |

**(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

| Sl. No. | Particulars of Remuneration   | Name of MD/WTD/Manager         |                                      |  | Total Amount |
|---------|---|--------------------------------|--------------------------------------|--|--------------|
|         |   | Mr Abhijit Roy (MD, CEO & KMP) | Ms Rishma Kaur (Executive Director)* | Mr Kanwardip Singh Dhingra (Executive Director)* |              |
| 1.      | Gross salary  | (₹)                            | (₹)                                  | (₹)  | (₹)          |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 88,94,974                      | 11,23,340                            | 11,23,344  | 1,11,41,658  |
|         | (b) Value of perquisites u/s17(2) Income-tax Act, 1961                              | 53,33,805                      | 3,80,353                             | 69,155   | 57,83,313    |
|         | (c) Profits in lieu of salary under Section 17(3) Income Tax Act,1961               | 1,24,07,672                    | 30,44,928                            | 30,44,928  | 1,84,97,528  |
| 2.      | Stock Option.   | 7,29,994                       | -                                    | -  | 7,29,994     |
| 3.      | Sweat Equity  | -                              | -                                    | -  | -            |





## A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Contd)

| Sl. No. | Particulars of Remuneration                         | Name of MD/WTD/Manager         |                                      |  | Total Amount       |
|---------|---|--------------------------------|--------------------------------------|--|--------------------|
|         |   | Mr Abhijit Roy (MD, CEO & KMP) | Ms Rishma Kaur (Executive Director)* | Mr Kanwardip Singh Dhingra (Executive Director)* |                    |
| 4.      | Commission<br>- as % of profit<br>- others, specify | 43,08,077                      | –                                    | –  | 43,08,077          |
| 5.      | Others, please specify                              | –                              | –                                    | –  |                    |
|         | <b>Total (A)</b>                                    | <b>3,16,74,522</b>             | <b>45,48,621</b>                     | <b>42,37,427</b>                                 | <b>4,04,60,570</b> |
|         | Ceiling as per the Act                              |                                |                                      |  | 70,10,00,000       |

\*In terms of the prescribed Form, the salary is given as per the provisions of relevant sections of the Income Tax Act, 1961. The remuneration of the Directors as shown elsewhere in Directors' Report and Financial Statement, are determined in accordance with the relevant provisions of the Companies Act, 2013.

\*\* For remuneration of Key Managerial Personnel, please see item C below.

## B. REMUNERATION TO OTHER DIRECTORS:

(₹in Crore)

| Particulars of Remuneration                  | Name of Directors              |                                   |                     |                         |                     |                         |                  |               |                       | Total Amount     |
|--|--------------------------------|-----------------------------------|---------------------|-------------------------|---------------------|-------------------------|------------------|---------------|-----------------------|------------------|
|  |                                |                                   | Mr Kamal Ranjan Das | Mr Pulak Chandan Prasad | Mr Dhirendra Swarup | Mr Gopal Krishna Pillai | Mr Naresh Gujral | Mr Anoop Hoon | Mrs Sonu Halan Bhasin |                  |
| <b>1. Independent Directors</b>              |                                |                                   |                     |                         |                     |                         |                  |               |                       |                  |
| • Fee for attending Board/Committee Meetings |                                |                                   | 16,000              | –                       | 22,000              | 16,000                  | 8,000            | –             | –                     | 62,000           |
| • Commission<br>• Others, please specify     |                                |                                   | 3,00,000            | –                       | 7,20,000            | 7,20,000                | 7,20,000         | –             | –                     | 24,60,000        |
| <b>Total (1)</b>                             |                                |                                   | <b>3,16,000</b>     | <b>–</b>                | <b>7,42,000</b>     | <b>7,36,000</b>         | <b>7,28,000</b>  | <b>–</b>      | <b>–</b>              | <b>25,22,000</b> |
| <b>2. Other Non-Executive Directors</b>      | <b>Mr Kuldip Singh Dhingra</b> | <b>Mr Gurbachan Singh Dhingra</b> |                     |                         |                     |                         |                  |               |                       |                  |
| • Fee for attending Board/Committee Meetings | 14,000                         | 22,000                            |                     |                         |                     |                         |                  |               |                       | 36,000           |
| • Commission                                 | 10,00,000                      | 10,00,000                         |                     |                         |                     |                         |                  |               |                       | 20,00,000        |
| • Others, please specify                     | –                              | –                                 |                     |                         |                     |                         |                  |               |                       | –                |
| <b>Total (2)</b>                             | <b>10,14,000</b>               | <b>10,22,000</b>                  |                     |                         |                     |                         |                  |               |                       | <b>20,36,000</b> |
| <b>Total (B) = (1+2)</b>                     | <b>10,14,000</b>               | <b>10,22,000</b>                  | <b>3,16,000</b>     | <b>–</b>                | <b>7,42,000</b>     | <b>7,36,000</b>         | <b>7,28,000</b>  | <b>–</b>      | <b>–</b>              | <b>45,58,000</b> |
| <b>Total Managerial Remuneration</b>         | <b>10,14,000</b>               | <b>10,22,000</b>                  | <b>3,16,000</b>     | <b>–</b>                | <b>7,42,000</b>     | <b>7,36,000</b>         | <b>7,28,000</b>  | <b>–</b>      | <b>–</b>              | <b>45,58,000</b> |
| Overall Ceiling as per the Act               |                                |                                   |                     |                         |                     |                         |                  |               |                       | 7,01,00,000      |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

(in ₹)

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel                               |   |                    |
|---------|---|--|---|--------------------|
|         |   | Mr Srijit Dasgupta<br>( Director-Finance & CFO & KMP ) | Mr Aniruddha Sen<br>(Senior Vice President & Company Secretary & KMP) | Total              |
| 1.      | Gross salary  |  |   |                    |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 | 79,52,783  | 30,89,820   | 1,10,42,603        |
|         | b) Value of perquisites u/s 17(2) Income-Tax Act, 1961                              | 18,13,894  | 8,08,310  | 26,22,204          |
|         | (c) Profits in lieu of salary under section 17(3) Income-Tax Act,, 1961             | 44,17,018  | 62,01,420   | 1,06,18,438        |
| 2.      | Stock Option  | 5,61,511   | 3,74,539  | 9,36,050           |
| 3.      | Sweat Equity  | –  | –   | –                  |
| 4.      | Commission<br>- as % of profit<br>- others, specify                                 | –  | –   | –                  |
| 5.      | Others, please specify  | –  | –   | –                  |
|         | <b>Total</b>  | <b>1,47,45,206</b>                                     | <b>1,04,74,089</b>  | <b>2,52,19,295</b> |

\*In terms of the prescribed Form, the salary is given as per the provisions of relevant sections of the Income Tax Act, 1961. The remuneration of the Directors as shown elsewhere in Directors' Report and Financial Statement are determined in accordance with the relevant provisions of the Companies Act, 2013.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                             |                                    |
| Penalty                             | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Punishment                          | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Compounding                         | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                             |                                    |
| Penalty                             | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Punishment                          | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Compounding                         | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                             |                                    |
| Penalty                             | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Punishment                          | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Compounding                         | Nil                          | Nil               | Nil  | Nil                         | Nil                                |

**ANNEXURE 2****REPORT ON CSR ACTIVITIES/INITIATIVE**

A brief outline of the Company's CSR Policy can be viewed at the following web link-<https://www.bergerpaints.com/about-us/csr-policy.html>

Your Company continues to pursue its CSR project through its iTrain programme which continued to focus on skilling painters – both fresh and existing. The fresh painters were introduced to the painting process for creating employability.

The existing painters were introduced to new products, processes, techniques, soft skills and customer handling which resulted in better efficiency and thereby positively impacting their earnings. The focus is to turn painters with enhanced skills into entrepreneurs and become employers of other painters.

During the financial year 2018-19, approximately 25,000 painters were trained in the iTrains. From inception, about 43,000 painters were trained.

The CSR Committee (“the Committee”) comprises the following members:

Mr Kuldip Singh Dhingra - Chairman of the Committee, Mr Kamal Ranjan Das, Mr Kanwardip Singh Dhingra, Ms Rishma Kaur, Mr Abhijit Roy, Mr Srijit Dasgupta, Mr Anil Bhalla and Mr Aniruddha Sen.

The Committee meets at regular intervals to discuss and approve CSR projects and expenditures.

**The current location and status of iTrain Centres are as under :-**

| Sr. No. | iTrain Centres | Status      |
|---------|----------------|-------------|
| 1       | Delhi          | Operational |
| 2       | Kolkata        | Operational |
| 3       | Jaipur         | Operational |
| 4       | Kochi          | Operational |
| 5       | Ludhiana       | Operational |
| 6       | Surat          | Operational |
| 7       | Pune           | Operational |
| 8       | Lucknow        | Operational |
| 9       | Vijaywada      | Operational |
| 10      | Ghaziabad      | Operational |
| 11      | Bhubaneswar    | Operational |
| 12      | Calicut        | Operational |
| 13      | Tirunelveli    | Operational |
| 14      | Patna          | Operational |
| 15      | Guwahati       | Operational |
| 16      | Trivandrum     | Operational |
| 17      | Gurgaon        | Operational |
| 18      | Bangalore      | Operational |
| 19      | Ahmedabad      | Operational |
| 20      | Hyderabad      | Operational |
| 21      | Dehradun       | Operational |
| 22      | Indore         | Operational |
| 23      | Kottayam       | Operational |
| 24      | Thrissur       | Operational |
| 25      | Mumbai         | Ready       |
| 26      | Faridabad      | Operational |

In the course of “Recognition of Prior Learning”, certificates were granted to those who had acquired skills informally or by dint of experience. They were then recognised with a formal certificate through the iTrains in Kolkata, Kerala and Guwahati. Mobile iTrains were also used for the process. About 700 painters got certified so far.

Painters who were recognised through this process would be able to align existing knowledge and skills with National Skills Qualification Framework (NSQF). iTrain certificate was co-branded with National Skill Development Corporation (NSDC), Skill India, Paints and Coating Skill Council. Most of the iTrains were affiliated to NSDC through Paints & Coatings Skill Council.

In partnership with Indian Paint Association (IPA) and National Skill Development Corporation (NSDC), the Company trained 6 Regional finalists for the National Skills Competition ‘India Skills 2018’ held in Aero City, Delhi. They were subsequently trained at the Kolkata iTrain for enhancing their skills. The best among them will represent India in the world skills competition to be held in Russia.

As reported last time, the launch of Mobile iTrain Centres (vans) as part of the Company’s CSR activity for training of unskilled and semi-skilled persons in painting was in full swing and have been successful in its reach to far flung areas. All Mobile iTrains are fully equipped with required tools for training.

The following is the status of other mobile iTrains as on 31.03.2019 :

| Sr. No. | Mobile iTrain Centre | Status            |
|---------|----------------------|-------------------|
| 1       | Kolkata              | Operational       |
| 2       | Durgapur             | Operational       |
| 3       | Cuttack              | Operational       |
| 4       | Ghaziabad            | Operational       |
| 5       | Ranchi               | Operational       |
| 6       | Visakhapatnam        | Operational       |
| 7       | Pune                 | Operational       |
| 8       | Rajkot               | Operational       |
| 9       | Kannur               | Operational       |
| 10      | Kollam               | Operational       |
| 11      | Lucknow              | Under preparation |
| 12      | Guwahati             | Operational       |
| 13      | Hubli                | Operational       |

Average net profit of the Company for the last three years : ₹609.61 crore

Prescribed CSR Expenditure (two percent of the average net profit for the last three years) : ₹12.19 crore

**Details of amount spent on CSR activities during the year 2018-19:**

- Total amount to be spent for the financial year : ₹12.19 crore
- Amount spent : ₹13.47 crore
- Amount unspent, if any : NIL





Manner in which the amount was spent during the Financial Year is detailed below:

| 1                                  | 2                                      | 3  | 4  | 5   | 6  | 7   |
|------------------------------------|--|--|--|---|--|---|
| CSR project or activity identified | Sector in which the Project is covered | Projects / Programmes<br>1. Local area or other<br>2. State and district where projects or programmes were undertaken  | Amount outlay (budget) project or program wise | Amount spent on the projects or programmes sub-heads:<br>1. Direct Expenditure on projects or programmes<br>2. Overheads  | Cumulative Expenditure upto the reporting period | Amount spent: direct or through implementing agency |
|                                    |  |  | (₹)  | (₹)   | (₹)  |   |
| iTrain                             | Paint Industry                         | 1) Delhi<br>2) Kolkata<br>3) Jaipur<br>4) Kochi<br>5) Ludhiana<br>6) Surat<br>7) Pune<br>8) Lucknow<br>9) Vijaywada<br>10) Ghaziabad<br>11) Bhubaneshwar<br>12) Calicut<br>13) Tirunelveli<br>14) Patna<br>15) Guwahati<br>16) Trivandrum<br>17) Gurgaon<br>18) Bangalore<br>19) Ahmedabad<br>20) Hyderabad<br>21) Dehradun<br>22) Indore<br>23) Kottayam<br>24) Thrissur<br>25) Mumbai<br>26) Faridabad | 12.00 crore                                    | 1) Rent: 1.59 crore<br>2) Set up and Launch cost: 3.96 crore<br>3) Manpower: 5.69 crore<br>4) Upkeep and Maintenance: 1.87 crore<br>5) Consumables: 0.29 crore<br>6) Communication and Mobilisation: 0.00 crore<br>7) Miscellaneous: 0.07 crore | 38.00 crore                                      | N.A.  |
| <b>TOTAL</b>                       |  |  | <b>12.00 Crore</b>                             | <b>13.47 Crore</b>  | <b>38.00 Crore</b>                               |   |

Place : Kolkata

Dated : 30th May, 2019

Sd -

Chairman, CSR Committee

Sd -

Managing Director & CEO

**ANNEXURE 3**

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

| Name   | Designation / Nature of Duties            | Remuneration (₹) | Nature of employment (whether Contractual or otherwise) | Qualification                                 | Experience (years) | Date of commencement of employment in the Company | Age | Previous employment/ Position held          |
|--|---|------------------|---|---|--------------------|---|-----|---|
| A. Employed throughout the year and in receipt of remuneration aggregating ₹1,02,00,000/- or more in the year  |   |                  |   |   |                    |   |     |   |
| Mr Abhijit Roy   | Managing Director & CEO                   | 3,08,34,158      | -   | B.E. (JU), MBA (IIM, Bangalore)               | 28                 | 17.04.1996  | 53  | L'OREAL India Limited                       |
| Mr Srijit Dasgupta   | Director-Finance & CFO                    | 1,54,15,690      | -   | B.Sc. (Hons.), ACMA, CS (Passed Final Exam)   | 34                 | 01.09.1988  | 57  | Machinery Manufacturers Corporation Limited |
| Mr Aniruddha Sen   | Senior Vice President & Company Secretary | 1,11,46,851      | -   | B.Sc. (Chemistry Hons.), DIM, Final ICWA, ACS | 37                 | 01-10-2004  | 59  | Indian Aluminium Co. Ltd.                   |
| B. Employed for a part of the year and in receipt of remuneration aggregating ₹8,50,000/- or more per month - NIL  |   |                  |   |   |                    |   |     |   |
| C. Employed throughout the year or part thereof and in receipt of remuneration in the year which in aggregate is in excess of that drawn by the Managing Director or Wholetime Director or Manager – NIL |   |                  |   |   |                    |   |     |   |

**Notes :**

- Gross remuneration includes salary, commission, value of perquisites, medical benefits and Company's contribution to Provident, Superannuation and Gratuity Funds and market value of ESOPs granted. Without ESOP, the remuneration of Messrs Roy, Dasgupta and Sen are ₹3,01,04,164, ₹1,48,54,179 and ₹1,07,72,312 respectively.
- The employee does not hold by himself or along with his spouse and dependent children, 2% or more of the equity shares in the Company. None of them is a relative of any Director or Manager of the Company.
- A statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. The report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company and has been uploaded on the website of the Company [www.bergerpaints.com](http://www.bergerpaints.com). Any shareholder interested in obtaining a copy of the same may write to the Company Secretary or send an email to: [consumerfeedback@bergerindia.com](mailto:consumerfeedback@bergerindia.com)

**ANNEXURE 4A****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31st March, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018]

To  
The Members,  
M/s. Berger Paints India Limited  
Berger House,  
129, Park Street,  
Kolkata – 700017

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Berger Paints India Limited (hereinafter called 'the Company') during the financial year ended 31st March, 2019. Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. On the basis of aforesaid verification of the secretarial compliance and on the basis of secretarial audit of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, as shown to us during the said audit and also based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of the aforesaid secretarial audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also the Company has adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.
4. (I) We have examined the secretarial compliance on test check basis of the books, papers, minute books, forms and returns filed and other records maintained by M/s. Berger Paints India Limited for the financial year ended on 31st March, 2019 according to the provisions of the following laws and as shown to us during our audit, as also referred in above paragraphs of this report:
  - (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
  - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; {to the extent applicable to the Company during the year under review};
    - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent as applicable;
    - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (II) We have also examined the secretarial compliance on test check basis of the records maintained by M/s. Berger Paints India Limited for the financial year ended on 31st March, 2019, with the provisions of the following laws specifically applicable to the Company and as shown to us during our audit;
- a) Factories Act 1948,
  - b) Environment Protection Act 1986,
  - c) Hazardous Wastes (Management & Handling) Rules, 1989, as amended,
  - d) The Patent Act 1970,
  - e) The Trade Marks Act 1999,
  - f) The Copyright Act 1957
5. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013.
6. That on the basis of the audit as referred above, to the best of our knowledge, understanding and belief, we are of the view that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., as mentioned above in Paragraph 4(I), Paragraph 4(II) and Paragraph 5 of this report.
7. We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with the following Stock Exchanges in India and also with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable during the period under review and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the secretarial functions and board processes to comply with the applicable provisions thereof, during the aforesaid period under review.
- i. Bombay Stock Exchange Limited (BSE)
  - ii. The National Stock Exchange of India Limited (NSE)
  - iii. The Calcutta Stock Exchange Limited (CSE);
8. We further report that,
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
  - b) Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
  - c) Majority decision is carried through and recorded as part of the minutes.
9. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with laws, rules, regulations and guidelines, generally applicable to the Company.
10. This Report is to be read with our letter of even date which is annexed herewith as Annexure A, forming an integral part of this Report.

Place : Kolkata  
Date : 30th May, 2019

For, **ANJAN KUMAR ROY & CO.**  
**Company Secretaries**

**ANJAN KUMAR ROY**  
Proprietor  
FCS No. 5684  
CP.No. 4557





## “Annexure A”

(To the Secretarial Audit Report of M/s. Berger Paints India Limited  
for the financial year ended 31st March, 2019)

To,  
The Members,  
M/s. Berger Paints India Limited  
Berger House,  
129, Park Street,  
Kolkata – 700017

Our Secretarial Audit Report for the financial year ended 31st March, 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is limited to expressing an opinion on existence of adequate board process and compliance management system, commensurate to the size of the Company, based on the secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers and agents of the Company during the said audit.
2. We have followed the audit practices and processes as were appropriate, to the best of our understanding, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to check as to whether correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc. and we have relied on such representation, in forming our opinion.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of compliance procedures on test basis. We would not be liable for any business decision or any consequences arising thereof, made on the basis of our report.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

For, **ANJAN KUMAR ROY & CO.**  
**Company Secretaries**

**ANJAN KUMAR ROY**  
Proprietor

FCS No. 5684

CP. No. 4557

Place : Kolkata  
Date : 30th May, 2019

**ANNEXURE 4B**

**SECRETARIAL COMPLIANCE REPORT  
OF  
BERGER PAINTS INDIA LIMITED**

**FOR THE FINANCIAL YEAR ENDED ON 31st March, 2019**

[Pursuant to Circular No. CIR/CFD/CMDI/27/2019, dated 08/02/2019,  
issued by the Securities and Exchange Board of India]

To  
The Members,  
M/s. Berger Paints India Limited  
Berger House,  
129, Park Street,  
Kolkata – 700017

1. We have examined:
  - (a) all the documents and records made available to us and explanation provided by M/s Berger Paints India Limited (“the listed entity”)
  - (b) the filings/submissions made by the listed entity to the stock exchanges,
  - (c) website of the listed entity,
  - (d) any other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended on 31st March, 2019 in respect of compliance with the provisions of:
    - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
    - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);
2. The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **N/A**;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **N/A**;
  - (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **N/A**;
  - (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;and based on the above examination, We hereby report that, during the Review Period:



- a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:-

| 1.      | 2.  | 3.             | 4.   |
|---------|---|----------------|--|
| Sr. No. | Compliance Requirement (Regulations/circulars/guidelines including specific clause)   | Deviations     | Observations/Remarks of the Practicing Company Secretary - None                |
| 1.      | Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;   | Not Applicable | The regulation mentioned in the column no. 2 is not applicable to the Company. |
| 2.      | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008                                   | Not Applicable | The regulation mentioned in the column no. 2 is not applicable to the Company. |
| 3.      | Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; | Not Applicable | The regulation mentioned is the column no. 2 is not applicable to the Company. |

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from our examination of those records.
- c) The following are the details of actions taken against the listed entity/its promoters/directors/material subsidiaries either by the SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder:

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|---------|-----------------|----------------------|---|--|
|         | N/A             | N/A                  | N/A   | N/A  |

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned) | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|--|--|--|--|
|         | N/A  | N/A  | N/A  | N/A  |

Place : Kolkata  
Date : 15th May, 2019

For, **ANJAN KUMAR ROY & CO.**  
**Company Secretaries**

**ANJAN KUMAR ROY**  
Proprietor

FCS No. 5684

CP. No. 4557

## ANNEXURE 5

### **ANNEXURE TO DIRECTORS' REPORT PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014**

#### **A) CONSERVATION OF ENERGY:**

##### **1) The steps taken or impact on conservation of energy:**

- i. Usage of low power consuming Agitators;
- ii. Steps taken to improve power factor in factories;
- iii. Replacement of gear boxes & fluid couplings;
- iv. Usage of timers in Ball Mills to reduce energy consumption;
- v. Usage of translucent roof sheets at the plants for the utilisation of natural light;
- vi. Replacement of Ball Mills with more energy efficient horizontal sand mills;
- vii. Installation of ring main system in the compressed air pipelines to reduce energy consumption;

##### **2) Energy conservation measures for plant & township lighting and alternative energy usage:**

- i. Replacement of high power consuming conventional lights with LED Lights
- ii. Installation of solid fuel fired thermic fluid heaters

##### **3) Capital investment of energy conservation equipment: ₹ 4.5 crore ( approx. )**

###### **Benefits derived as a result of the above efforts in the year:**

- i. Overall savings in Fuel & Power cost across all the Plants.
- ii. Increase in productivity & operational efficiency.
- iii. Restriction of emissions.

#### **B) TECHNOLOGY ABSORPTION**

##### **I. Research and Development (R&D)**

###### **1) Specific areas in which R&D carried out by the Company:**

- i) Development of new products and upgradation of existing products
- ii) Development of new resins and emulsions
- iii) Reformulation for cost optimisation without compromising quality
- iv) Development of eco-friendly products
- v) Collaborative work with academic institutes and vendors

###### **2) Benefits derived out of the above work**

Development of new products for different applications

###### **i) Decorative Products:**

- a. Tinting system for satin enamel & wood finish
- b. High performance exterior coating with hybrid binder system
- c. Superior stain-resistant and hygienic interior paint for decorative business
- d. Florentina range of unique texture coating

###### **ii) Automotive :**

- a. Isocyanate-free metallic basecoat for 2W industries
- b. Monocoat painting system for automotive industries





**iii) Protecton:**

- a. Painting system for waste water
- b. Solvent free epoxy coating for potable water
- c. Low VOC DTM epoxy finish for PEB sector
- d. Ultra high built coating for longer protection

**iv) Powder :**

- a. Super durable architectural coating
- b. Low temperature curable powder

**v) Construction Chemical:**

- a. Two pack water proofing coating for vertical wall
- b. Water-proofing roof coating based on hybrid technology

**3) Future Plan of Action :**

The Company will continuously explore new technology opportunities to overcome challenges of the coating industry. This will lead to development of technologically advanced products with improved customer satisfaction. Key focus areas of future development are products with less environmental impact, low energy consumption processes, higher productivity and longer service life.

**4) Expenditure on R&D:**

|   | (₹ in crore) |
|---|--------------|
| Capital Expenditure                                     | 3.75         |
| Recurring Expenditure                                   | 15.75        |
| Total Expenditure                                       | 19.50        |
| Total R&D Expenditure as a percentage of Total Turnover | 0.35%        |

**II. Technology Absorption, Adaptation and Innovation:**

- a) Efforts in brief made towards technology absorption, adaptation and innovation:
  - Manufacture of CED paste and resin with technology from Nippon Paint and Automotive Coating Co., Ltd. of Japan
  - Products based on recycled raw materials are being investigated as a long term solution with reduced environmental impact, lower carbon footprint and provide sustainable solution
- b) Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution, etc.
  - Introduction of new products
- c) Technology imported during the last five years
  - Manufacture of CED paste and resin

Place: Kolkata  
Dated : 30th May, 2019

On behalf of the Board of Directors

**Kuldip Singh Dhingra**  
Chairman

**ANNEXURE 6**

**BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2018-19**

[As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**INTRODUCTION**

Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 500 companies based on market capitalization as per NSE/BSE as on the 31st March of every financial year are required to present, as a part of the Annual Report, a “Business Responsibility Report (BRR)”.

The following is the Third BRR of your Company:

**Section A: General Information about the Company**

1. Corporate Identity Number (CIN) of the Company: L51434WB1923PLC004793
2. Name of the Company: BERGER PAINTS INDIA LIMITED
3. Registered address: Berger House, 129, Park Street, Kolkata - 700017
4. Website: [www.bergerpaints.com](http://www.bergerpaints.com)
5. E-mail id: [rajibde@bergerindia.com](mailto:rajibde@bergerindia.com) (Nodal Officer)
6. Financial Year reported: 2018-19
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

| Group* | Description   |
|--------|---|
| 202    | Manufacture of paints, varnishes, enamels or lacquers   |
| 201    | Manufacture of organic and inorganic chemical compounds |

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. The three key products/services that the Company manufactures/provides (as in balance sheet):
  - Manufacture of decorative (architectural) paints
  - Manufacture of automotive paints and industrial paints
  - Manufacture of protective coatings
9. Total number of locations where business activity is undertaken by the Company :
  - i. Number of International locations – Nil
  - ii. Number of National Locations –
    - Manufacturing Plants – 14\*
    - Sales Depots/Offices – 162\*
    - Registered office & Head office - Berger House, 129, Park Street, Kolkata - 700 017
 \* includes British Paints division units
10. Markets served by the Company: Mainly local (India).



### Section B: Financial Details of the Company

1. Paid up Capital (INR) – ₹97.11 crore (as on 31.03.2019)
2. Total Turnover (INR) – ₹5,515.55 crore (2018-19)
3. Total Profit after taxes (INR) – ₹439.03 crore (2018-19)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (PAT) – 3.07 % of PAT
5. List of activities in which expenditure in 4 above has been incurred – Details as per Principle 8

### Section C: Other Details

1. Does the Company have any subsidiary company/companies?: Yes
2. Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): No
3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities [Less than 30%, 30-60%, More than 60%]: No

### Section D: Business Responsibility Information

1. Details of Director/Directors responsible for BR
  - a) Details of the Director responsible for implementation of the BR policy:
    - DIN Number – 03439064
    - Name – Mr Abhijit Roy
    - Designation – Managing Director & CEO
  - b) Details of the BR head:

| Sl. No. | Particulars                | Details                                   |
|---------|----------------------------|---|
| 1       | DIN Number (if applicable) | Not Applicable                            |
| 2       | Name                       | Mr Aniruddha Sen                          |
| 3       | Designation                | Senior Vice President & Company Secretary |
| 4       | Telephone number           | 033-2229 9724-28                          |
| 5       | E-mail id                  | aniruddhasen@bergerindia.com              |

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR policy/policies:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability [P1]

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle [P2]

Principle 3: Businesses should promote the well-being of all employees [P3]

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized [P4]

Principle 5: Businesses should respect and promote human rights [P5]

Principle 6: Businesses should respect, protect, and make efforts to restore the environment [P6]

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner [P7]

Principle 8: Businesses should support inclusive growth and equitable development [P8]

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner [P9]

a) Details of compliance (Reply in Y/N) :

| Sl. No. | Questions  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|--|----|----|----|----|----|----|----|----|
| 1.      | Do you have a policy/policies for ....   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2.      | Has the policy been formulated in consultation with the relevant stakeholders?   | Y  |    |    |    |    |    |    |    |    |
| 3.      | Does the policy conform to any national/international standards? If yes, specify.  | Y<br>The Policy has been framed in line with the suggested framework as provided by the SEBI based on the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs towards conducting its business. |    |    |    |    |    |    |    |    |
| 4.      | Has the policy been approved by the Board?<br>If yes, has it been signed by MD/owner/CEO/appropriate Board Director?                                     | Y  |    |    |    |    |    |    |    |    |
| 5.      | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?                                  | Y  |    |    |    |    |    |    |    |    |
| 6.      | Indicate the link for the policy to be viewed online.  | <a href="https://www.bergerpaints.com/about-us/business-responsibility-policy.html">https://www.bergerpaints.com/about-us/business-responsibility-policy.html</a>  |    |    |    |    |    |    |    |    |
| 7.      | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  |    |    |    |    |    |    |    |    |
| 8.      | Does the company have in-house structure to implement the policy/policies?   | Y  |    |    |    |    |    |    |    |    |
| 9.      | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y  |    |    |    |    |    |    |    |    |
| 10.     | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?                                | Y<br>These policies and controls are continually evaluated through internal audit mechanism.   |    |    |    |    |    |    |    |    |

b) If answer to the question at Sl. No.1 against any principle, is 'No', please explain why:

Not applicable.

### 3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company – within 3 months, 3-6 months, annually or more than 1 year: Annually

b) Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has a BR Report which forms part of the Annual Report and is published annually. The Annual Report is uploaded on the website of the Company, which can be viewed at <https://www.bergerpaints.com/investors/annual-reports.html>





## Section E: Principle-Wise Performance

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Company continues to maintain the highest standards of ethics in all spheres of its business activities. Apart from the code of conduct required as per various laws, rules and regulations from time to time, the Company additionally also has in place the code of conduct for all its Directors and employees applicable across the Company. The Company and its subsidiaries are committed to complying with the laws that apply to them, the code of conduct of the Company and particularly in assuring that business is conducted with integrity.

The Company has adopted the code of conduct, which is applicable to all Directors and employees of the Company. This code lays down standards of conduct and ethics for all its employees and Directors.

Pursuant to amended Regulations of the SEBI (Prohibition of Insider Trading) Regulations, 2015, made effective from 1st April 2019, your Company has adopted amended policies on the following:-

- (a) Code of Conduct to regulate, monitor and report trading in equity shares of the Company by Designated Persons pursuant to Regulation 9(1) of the Regulations. This can be viewed at <https://www.bergerpaints.com/about-us/code-of-conduct-to-regulate-monitor-and-report-trading-by-designated-persons.html>
  - (b) The amended Whistle Blower Policy pursuant to Regulation 9A(6) of the Regulations. This can be viewed at <https://www.bergerpaints.com/about-us/whistleblower-policy.html>
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has not received any stakeholder complaints related to ethics or code of conduct in the past financial year.

### Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Berger Paints is committed to the development of products that are useful to its consumers and has minimal environmental effect. Our scientists at the Research and Development Centre of both industrial and decorative business lines are focused on development of new technologies that reduces, if not eliminates dependence on ecologically harmful raw materials and/or reduced energy requirement during application.

Some of the achievements in this context are as below:

- **Development of Green Products**

Easy Clean Fresh has been certified by Singapore Environment Council as “environmentally preferred paint” and has earned the “Green Label” labelling.

- **Paint for Cool Roof**

Specially designed exterior products have high solar reflectivity index. The painted surface reflect solar radiation and makes the surfaces cooler.

- **High Durable Exterior Paints**

Premium exterior paints with longer service life requires less repainting cycle causing overall low carbon footprint.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional) :

- i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain :

Paint technology has advanced over the years. Development of greener products have reduced usage of potentially harmful

chemicals that adversely affect the safety and health of people and the environment. Decorative products have no added lead, chrome, mercury and other heavy metals. It is the Company's constant effort to increase usage of raw materials in its paint formulations that have lesser environmental impact and yet provide satisfying experience to the consumer.

- ii. Reduction during usage by consumers (energy, water) which has been achieved since the previous year:

High durable exterior coatings offer long term resistance to environmental forces. This implies lesser painting cycle, lesser usage of water for dilution, clean-up, etc. Lower baking temperature for powder coating products reduce energy consumption at customer end. Cool Roof solutions help to reduce the heat absorbed by the surfaces keeping them cooler.

Many of the Company's interior and exterior emulsions and undercoats in the decorative segment are low VOC and are Green-Pro certified by CII. In addition, some of the energy efficient products developed by the Company are WeatherCoat Kool & Seal and WeatherCoat Roof Guard which reflect high-energy infra-red rays and help to keep rooms cooler and reduce energy consumption by air-conditioners. Other major green products launched by the Company are polysiloxane top coats which are isocyanate free, for metro railway stations and airports, bridge coatings, water-borne PU coatings and high solid low VOC coatings.

The Company has introduced Express Painting, an innovative home painting service in the domestic painting sector which enables faster home painting with low dust, low spillage, low VOC while applied.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? Yes.

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has pursued its mission to conserve natural resources and ensure the protection of the environment. Accordingly it has developed and sourced green raw materials to reduce the harmful effects on environment and natural resources. Some of the eco-friendly RMs are: MEG, derivatives from renewable agro feed stock with low carbon footprints, environment friendly emulsions, environment friendly coalescing agents, organic pigments replacing chrome pigments, greener defoamers replacing conventional defoamers, low VOC RMs, etc.

Favourable steps have been taken towards sustainable sourcing such as dispersing agent for rutile optimisation, introduction of rheology modifier, replacement of ammonia, etc.

The Company has a manual in place which acts as the guideline for purchase. Every purchase by the Department is from the vendors who are already approved for supplying the particular material.

4. Has the Company taken any step to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company has identified several SSI units, whom the Company provide all relevant inputs and training. The Company invites them to the R&D Centre to understand the Company's requirements so that their system can be upgraded to produce in line with the Company's requirements and resolve their problems. Company assists SSI technically to develop products. They are imparted regular training with review of quality produced to ensure the maintenance of quality. In case of any quality related issue, the vendors are allowed to have a direct discussion with the quality assurance department and if required, joint testing of the materials are carried out. The performance evaluation of the vendors is done on a continuous basis.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company is committed to continuously improve environment performance and in doing so, the Company strives to minimize the generation of wastes and optimize resource utilization through recycling or reuse of waste.

Treatment of waste water through Effluent Treatment Plants (ETP), and reuse such water, reuse of waste powder materials through bag fitter, etc. are examples of such efforts.



The initiatives include:

1. Re-use of washing solvents
2. Re-use of wash water
3. Recycling of by products
4. Recycling ETP sludge

### Principle 3

1. Please indicate the total number of employees : 3,450
2. Please indicate the total number of employees hired on temporary/contractual/casual basis : 3,099
3. Please indicate the number of permanent women employees : 72
4. Please indicate the number of permanent employees with disabilities : NIL
5. Do you have an employee association that is recognized by management? : YES
6. What percentage of your permanent employees are members of recognized employee association? : 16%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year and pending, as on the end of the financial year : NIL
8. What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?
  - Permanent Employees – 69 %
  - Permanent Women Employees – 65%
  - Casual/Temporary/Contractual Employees – 61%
  - Employees with Disabilities – N.A.

### Principle 4

1. Has the Company mapped its internal and external stakeholders? : Please see item 3 below.
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders? : Please see item 3 below.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company identifies its stakeholders (both internal and external) through various initiatives in a very systematic and structured manner. It always believes that it is its responsibility to do so, to understand their views on various environmental, social, corporate governance and economic issues and eventually take into consideration these views in the Company's strategic decision making. The Company endeavours to maintain healthy stakeholder engagement, allow stakeholders' participation wherever possible and promotes collective decision-making process.

The Company continues to appreciate that all its stakeholders are not equally influential or gets influenced and therefore it encourages them to proactively engage with and respond to safeguard the interest of those that are disadvantaged, vulnerable and marginalised and who are at an underdeveloped area.

**Principle 5**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

It covers the Company’s subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

The Company appreciates and believes that human rights are inherent, universal, indivisible and interdependent in nature.

The Company understands and continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights. The principles of non-discrimination, zero tolerance to sexual harassment and human rights have been laid down in the Company’s Code of Conduct and the Business Responsibility Policy.

The Company has not received any stakeholder complaint related to human rights in the past financial year.

**Principle 6**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The policy related to Principle 6 covers and extends to all the employees of the Company and its subsidiaries. Regular meetings are held to educate vendors about environmental risks and concerns and how to address them and the Company strongly encourages and recommends non-ISO certified vendors to go for ISO certification.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. Your Company is engaged in the production of paints and is committed to continually improving environmental performance and believes that it is its duty to responsibly engage in sustainable methods and practices and accordingly the Company has adopted an environmental policy, which can be viewed at: <https://www.bergerpaints.com/about-us/quality-policy.html>

3. Does the Company identify and assess potential environmental risks? Y/N : Yes

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The manufacturing units of the Company have inducted sound environment management systems (EMS) and practises in all its activities through adoption of ISO system (ISO 14001). With the adoption of EMS, the management of the environmental programs are done in a comprehensive, systematic, planned and documented manner.

Manufacturing facilities also conduct environmental impact study and reviews the impact on environment, systematically and periodically.

Environment management programmes relating to conservation, waste management, recycling emissions, etc. are held periodically at manufacturing facilities which create awareness amongst the workers.

The Clean Development Steps include closed loop systems, fume extraction systems, use of proper stacks and PUC (Pollution Under Control) checks for all inputs.

The Vallabhvidyanagar plant (“VVN”) belonging to Beepee Coatings Private Limited, a wholly owned subsidiary of the Company, received 1st Prize in the National Energy Efficient Circle Competition organized by CII-Centre of Excellence for Competitiveness, New Delhi, Silver Award by Green Tech Foundation for best practices in Environment, Health and





Safety and National award in the CII-ITC Sustainability Awards 2018 for its Environmental Management initiatives. The Jammu plant received Environment Silver Award from EKDKN (Ek Kaam Desh Ka Naam). The Hindupur water based plant received National award in the CII-ITC Sustainability Awards 2018 for its Environmental Management initiatives and Four star rating for Best EHS practices competition organised by CII.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. Yes. If yes, please give hyperlink for web page, etc.
  - i. The steps taken on conservation of energy include :
    - a) Usage of low power consuming equipment such as agitators
    - b) Installation of Capacitor Banks & Automatic Power Factor Controlling Panels
    - c) Replacement of old mills and equipment with more energy efficient mills and equipment
    - d) Use of timers
  - ii. Energy conservation measures for alternative energy usage :
    - a) Installation of solid fuel fired thermic fluid heaters in place of HSD fired thermic fluid heaters.
    - b) Usage of translucent roof sheets at the manufacturing units for the utilisation of natural light.
    - c) Natural ventilation by using air operated turbo vents at manufacturing units.
6. Is the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Emission/waste generated by the Company is within the permissible limits given by CPCB/SPCB.
7. Number of show cause/legal notices received from CPCB/SPCB which is pending (i.e., not resolved to satisfaction) as on end of Financial Year : Nil.

### Principle 7

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:
  - Indian Paint Association (IPA)
  - The Bengal Chamber of Commerce & Industry (BCCI)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas :

The Company's employees, including its technical and legal experts, participate regularly in discussing various aspects of regulations relating to environment, use of various materials in paints and use of lead and in matters of taxation, economic reforms, etc. and meeting regulatory bodies for framing guidelines/policies in respect of these issues.

### Principle 8

1. Does the Company have specified programmes/initiatives /projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes. The Company's policy in this regard can be seen at the following web link - <https://www.bergerpaints.com/about-us/csr-policy.html>

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

They are undertaken through in-house team.

3. Have you done any impact assessment of your initiative?

Please see the Report on CSR Activities/initiative annexed with the Report of the Directors.

4. What is your Company's direct contribution to community development projects - amount in INR and the details of the projects undertaken:

Please see the Report on CSR Activities/initiative annexed with the Report of the Directors.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Please see the Report on CSR Activities/initiative annexed with the Report of the Directors.

### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

18 consumer cases were pending as at 31.03.2019.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).

All product information displayed by the Company adheres to and conforms to norms as mandated by law. Additionally, product information can be found in the Product Information Sheets which are available with the dealers of the Company and on the website of the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so : NIL.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Consumer survey/feedback sessions/satisfaction level are conducted and ascertained and feedbacks obtained on a regular basis to assess the acceptance level of the Company along with regular market research studies conducted by agencies appointed by the Company.



## ANNEXURE - B

### CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31st MARCH, 2019.

In accordance with the provisions of Regulations 17 to 27, 46(2)(b) to (i) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”), the report containing the details of Corporate Governance at Berger Paints India Limited is as follows:

Corporate Governance provides that a Company is directed in such a way that it performs efficiently and effectively, keeping in view the long term interest of the stakeholders, while respecting laws and regulations of land and contributing, as a responsible corporate citizen, to the national exchequers.

#### COMPANY’S PHILOSOPHY

BERGER PAINTS INDIA LIMITED believes that credibility vests in good Corporate Governance procedures which help maintain professional, transparent, ethical and perpetual business. It encourages all its stakeholders’ co-operation and such co-operation is enhanced as the Company adheres to the best governance practices.

#### BOARD OF DIRECTORS

The Board has an optimum combination of Executive and Non-Executive Directors.

The Board comprises 12 Directors of which, 3 are Executive Directors (2 of whom are part of the promoter group), 2 are Non-Executive, Promoter Directors and 7 are Non-Executive, Independent Directors as per the details given in the table herein below.

The Chairman of the Board is a Non-Executive, Promoter Director. He is entitled to maintain an office in accordance with Regulation 27(1) read with Schedule-II (Part E) of the Listing Regulations. The Company reimburses the expenses incurred by the Chairman in the course of performance of his duties.

Pursuant to the Companies Act, 2013 (“the Act”), the terms of the Independent Directors would extend to a period of five years from the date of appointment. The term of five consecutive years on the Board of the Company for Mr Naresh Gujral, Mr Dharendra Swarup and Mr Gopal Krishna Pillai, who were appointed with effect from 20th August, 2014, 8th September, 2014 and 12th September, 2014 will expire on 19th August, 2019, 7th September, 2019 and 11th September, 2019 respectively. It is proposed to re-appoint Mr Naresh Gujral for a further term of five years with effect from 20th August, 2019 at the forthcoming Annual General Meeting as described in the notice of the Annual General Meeting by passing a special resolution as per the provisions of the Act.

Mr Anoop Hoon and Mrs Sonu Halan Bhasin were appointed as additional, independent, non-executive directors with effect from 1st February, 2019 and will hold office up to the date of the forthcoming Annual General Meeting. It is proposed to appoint Mr Anoop Hoon and Mrs Sonu Halan Bhasin as Directors at the forthcoming Annual General Meeting as described in the Notice of the said meeting.

The name, designation, directorships and committee memberships held by them as on 31st March, 2019 in other companies are as follows:

| NAME OF DIRECTORS                            | STATUS/<br>DESIGNATION   | DIRECTORSHIP<br>IN OTHER<br>COMPANIES<br>INCORPORATED<br>IN INDIA* | MEMBERSHIP/CHAIRMANSHIP ACROSS ALL OTHER<br>COMPANIES IN WHICH ACTING AS A DIRECTOR |                  |                  |
|--|--|--|---|------------------|------------------|
|  |  |  | COMMITTEE   | CHAIRMANSHIP     | MEMBERSHIP       |
| MR KULDIP SINGH DHINGRA<br>DIN – 00048406    | NON-EXECUTIVE<br>CHAIRMAN / PROMOTER<br>(NON-INDEPENDENT)                | 16   | CSR   | 3                | -                |
| MR GURBACHAN SINGH DHINGRA<br>DIN – 00048465 | NON-EXECUTIVE VICE<br>CHAIRMAN/PROMOTER<br>(NON-INDEPENDENT)             | 15   | CSR   | -                | 2                |
| MR ABHIJIT ROY<br>DIN – 03439064             | MANAGING DIRECTOR<br>& CEO<br>(NON-INDEPENDENT)                          | 6  | NIL   |                  |                  |
| MS RISHMA KAUR<br>DIN – 00043154             | EXECUTIVE DIRECTOR*/<br>EXECUTIVE<br>(NON-INDEPENDENT,<br>LADY DIRECTOR) | 15   | REMUNERATION  | -                | 1                |
| MR KANWARDIP SINGH DHINGRA<br>DIN – 02696670 | EXECUTIVE DIRECTOR*/<br>EXECUTIVE<br>(NON-INDEPENDENT)                   | 8  | REMUNERATION  | -                | 1                |
| MR DHIRENDRA SWARUP<br>DIN – 02878434        | NON-EXECUTIVE<br>(INDEPENDENT)   | 3  | AUDIT<br>STAKEHOLDER<br>REMUNERATION<br>CSR   | 1<br>-<br>1<br>1 | 2<br>1<br>1<br>- |
| MR GOPAL KRISHNA PILLAI<br>DIN – 02340756    | NON-EXECUTIVE<br>(INDEPENDENT)   | 6  | AUDIT<br>REMUNERATION<br>CSR  | 2<br>-<br>1      | 2<br>1<br>-      |
| MR NARESH GUJRAL<br>DIN – 00028444           | NON-EXECUTIVE<br>(INDEPENDENT)   | 13   | CSR   | 1                | -                |
| MR PULAK CHANDAN PRASAD<br>DIN – 00003557    | NON-EXECUTIVE<br>(INDEPENDENT)   | 3  | NIL   |                  |                  |
| MR. KAMAL RANJAN DAS<br>DIN – 00048491       | NON-EXECUTIVE<br>(INDEPENDENT)   | 2  | -   | -                | -                |
| MR ANOOP HOON<br>DIN – 00686289              | NON-EXECUTIVE<br>(INDEPENDENT)   | -  | -   | -                | -                |
| MRS SONU HALAN BHASIN<br>DIN – 02872234      | NON-EXECUTIVE<br>(INDEPENDENT)   | 7  | AUDIT<br>STAKEHOLDER<br>REMUNERATION<br>CSR   | -<br>1<br>1<br>- | 5<br>1<br>3<br>2 |

\*(please refer notes)

**NOTES:**

- Includes directorships in private companies also but does not include body corporate incorporated outside India.
- Mr Kuldip Singh Dhingra and Mr Gurbachan Singh Dhingra are brothers.
- Ms Rishma Kaur is the daughter of Mr Kuldip Singh Dhingra and Mr Kanwardip Singh Dhingra is the son of Mr Gurbachan Singh Dhingra.
- The status of independence is as per the requirement of the provisions of the Act as well as the Listing Regulations.





Names of other listed entities where the person is a Director and the category of Directorship:

| Name of Directors          | Name of Listed Entity  | Category of Directorship                         |
|----------------------------|--|--|
| Mr Kuldip Singh Dhingra    | -  | -  |
| Mr Gurbachan Singh Dhingra | -  | -  |
| Mr Abhijit Roy             | -  | -  |
| Ms Rishma Kaur             | -  | -  |
| Mr Kanwardip Singh Dhingra | -  | -  |
| Mr Dharendra Swarup        | EROS International Media Limited   | Independent Director                             |
| Mr Gopal Krishna Pillai    | Adani Port and Special Economic Zone Limited<br>Zuari Agro Chemicals Limited | Independent Director<br>Independent Director     |
| Mr Naresh Gujral           | -  | -  |
| Mr Pulak Chandan Prasad    | Vaibav Global Limited<br>Justdial Limited                                    | Non-Executive Director<br>Non-Executive Director |
| Mr Kamal Ranjan Das        | -  | -  |
| Mrs Sonu Halan Bhasin      | Whirlpool of India Limited<br>Sutlej Textiles And Industries Limited         | Independent Director<br>Independent Director     |
| Mr Anoop Hoon              | -  | -  |

A chart or a matrix setting out the core skills/expertise/competence identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board:

| Name of Directors  | Qualification  | Skills/Expertise/Competence possessed, required for the business and actually available   |
|--|--|---|
| Mr Kuldip Singh Dhingra,<br>(Chairman)                       | Science Graduate, Hindu College, Delhi University  | Mr Kuldip Singh Dhingra is the promoter, an industrialist with long standing experience in the paint and related industries. His rich experience and expertise is helpful for the business organic and inorganic growth.                                    |
| Mr Gurbachan Singh Dhingra,<br>(Vice Chairman)               | Graduate   | Mr Gurbachan Singh Dhingra is the promoter, an Industrialist and has a considerable experience in paint industry, especially in its technical aspects. His expertise is helpful for the business in its growth and its manufacturing and technical aspects. |
| Mr Abhijit Roy – Managing Director & Chief Executive Officer | BE (Mechanical), Jadavpur University & Post Graduate Diploma in Management from IIM, Bangalore | Vast experience in Marketing, Sales and Management Sales Functions. His long and rich experience in the industry and leadership skills are essential for the post of Managing Director & CEO.   |

| Name of Directors                                  | Qualification   | Skills/Expertise/Competence possessed, required for the business and actually available   |
|--|---|---|
| Ms Rishma Kaur<br>– Executive Director             | B.Sc (Hons.) in Business Studies, University of Buckingham, U.K. Studied German Language, University of Augsburg, Bavaria, Germany.                     | Has got experience and knowledge in paint industry. She had been involved in development of business including those relating to large projects in decorative paints, development of marketing initiatives and corporate affairs.   |
| Mr Kanwardip Singh Dhingra<br>– Executive Director | Bachelor's degree in Chemical Engineering from University of Akron, Akron, Ohio, USA with specialization in Polymer Engineering and minor in Chemistry. | Has got experience in Manufacturing and Process Engineering and accordingly contributes to setting up of various projects of the Company, its subsidiaries and associates, its manufacturing and technical matters.   |
| Mr Dharendra Swarup                                | Post Graduate in Humanities, is a Government Certified Public Auditor of India.   | He has four decades of experience across Finance, Budgeting, Public Debt Management, Public Policy and Pension Reforms. He was the former Chairman of the Pension Fund Regulatory and Development Authority. He was a civil servant retiring as Secretary, Ministry of Finance, Government of India. Accordingly he headed the Audit Committee and guided the Company in matters related to Finance, Accounts, Internal Audit and Corporate Governance. |
| Mr Gopal Krishna Pillai                            | A graduate, a M.Sc. and a distinguished alumnus of IIT Madras. He was an Indian Administrative Officer (IAS)  | He was the former Home Secretary of India and has worked in a number of senior positions in Central Government and State Governments. He brings in rich experience in the Finance, Technology, IT related matters and framing of policies.  |
| Mr Naresh Gujral                                   | Fellow member of the Institute of Chartered Accountants of India.   | He is an eminent industrialist and a social activist. He is the founder of Span India Group and is on the Board of a number of companies. His expertise in the field of management helps in decision making and policy related matters.   |
| Mr Pulak Chandan Prasad                            | B.Tech, IIT, Delhi, Post Graduate Diploma in Management from IIM, Ahmedabad.  | Previously, he was the Managing Director and co-head of the India office of Warburg Pincus. Prior to that, he was a Management Consultant with McKinsey & Company, USA and South Africa. He heads Nalanda Capital Private Limited, a Singapore based Private equity fund. His expertise in the field of management and finance helps in decision making, finance and framing policies and strategies.   |



| Name of Directors     | Qualification  | Skills/Expertise/Competence possessed, required for the business and actually available  |
|-----------------------|--|--|
| Mr Kamal Ranjan Das   | Science Graduate with honours.   | He has been associated with the paint industry from the very beginning and has experience in all areas of the industry including Commercial Sales and Marketing. He was an executive director in the Company. His long and rich experience in the paint industry helps in matters related to sales, marketing and policies. Currently, he is a management consultant.  |
| Mr Anoop Hoon         | B.A. in Economics and Post Graduate in IR & PM from XLRI, Jamshedpur.  | He was associated with Century Plywood (India) Ltd. as President (Marketing & OD) during the period 2008 to 2015. He was also earlier associated with Bells Control Ltd., BOC Gases Ltd., Fortis Health Care Ltd., The Gramophone Co. of India (HMV) Ltd. (as the CEO), Dunlop Tyres, Asian Paints and others. He has experience in marketing, sales, organisational development, HR, supply chain and branch commercial functions and had served as Business Head of several businesses while in the companies in which he had worked. His expertise will be used in policy, HR and management related matters. |
| Mrs Sonu Halan Bhasin | Graduate in B.Sc (Hons) Mathematics St Stephen's College, Delhi University and MBA: Faculty of Management Studies (FMS), Delhi University. | She has wide professional experience and was the Chief Operating Officer of Tata Capital Ltd. Before that, she had worked with YES Bank, ING Barings Pvt Bank and ING Vysya Bank and Tata Administrative Services in senior position. She was the Founder and Managing Partner of FAB-Families and Business and Editor-in-Chief of Families and Business Magazine. She had authored The Inheritors – Stories of Entrepreneurship and Success. Her expertise will be used in policy making, Finance and management related matters.   |

#### MEETINGS AND ATTENDANCE:

Pursuant to Section 173(1) of the Act, six Board Meetings were held during the year 2018-19 and the intervention between two consecutive meetings did not exceed one hundred and twenty days. The Board Meeting dates for a calendar year are usually finalized in the previous calendar year to provide sufficient advance notice.

Four resolutions by circulation of the Board were passed during the financial year 2018-19 and the dates of the Board Meetings are as follows:

| SR. NO. | DATE OF MEETING         | NO. OF DIRECTORS PRESENT |
|---------|-------------------------|--------------------------|
| 1       | 20th & 21st April, 2018 | 9                        |
| 2       | 30th May, 2018          | 9                        |

| SR. NO. | DATE OF MEETING    | NO. OF DIRECTORS PRESENT |
|---------|--------------------|--------------------------|
| 3       | 5th July, 2018     | 8                        |
| 4       | 3rd August, 2018   | 8                        |
| 5       | 1st November, 2018 | 8                        |
| 6       | 1st February, 2018 | 9                        |

The number of Board Meetings attended and the attendance of Directors at the last Annual General Meeting during the Financial Year 2018-19 are as mentioned below:

| NAME OF DIRECTORS          | NO. OF MEETINGS ATTENDED | ATTENDANCE AT THE AGM HELD ON 3RD AUGUST, 2018 |
|----------------------------|--------------------------|--|
| MR KULDIP SINGH DHINGRA    | 6                        | ✓  |
| MR GURBACHAN SINGH DHINGRA | 5                        | ✓  |
| MR ABHIJIT ROY             | 5                        | ✓  |
| MS RISHMA KAUR             | 6                        | ✓  |
| MR KANWARDIP SINGH DHINGRA | 6                        | ✓  |
| MR DHIRENDRA SWARUP        | 6                        | ✓  |
| MR GOPAL KRISHNA PILLAI    | 4                        | ×  |
| MR PULAK CHANDAN PRASAD    | 3                        | ✓  |
| MR NARESH GUJRAL           | 5                        | ×  |
| MR KAMAL RANJAN DAS        | 3                        | ✓  |
| MR ANOOP HOON              | Not applicable           | Not applicable                                 |
| MRS SONU HALAN BHASIN      | Not applicable           | Not applicable                                 |

**NOTES:**

- Other than the Executive Directors, all Directors were entitled to a sitting fee of ₹2,000/- for every Board Meeting and meetings of Committee thereof attended by them. At the Board Meeting held on 1st February, 2019 as recommended by the Compensation and Nomination and Remuneration Committee, the sitting fees was revised to ₹50,000/- per meeting of the Board of Directors payable to the Non-executive Directors for Board Meetings attended by them. No sitting fee is payable for attending Committee meetings.
- Required quorum was present at all meetings.
- Compensation paid/payable to Non-Executive Directors is given under “Remuneration Policy” section of this report.
- The minutes of the subsidiary companies are placed before the Board except in the case of Berger Paints Overseas Limited, Russia, where such minutes are not required as per the laws of the land.

**INDEPENDENT DIRECTORS:**

**I. Meetings:**

As stipulated by the Code of Independent Directors under the Act and the Listing Regulations, a separate meeting of the Independent





Directors of the Company was held on 1st February, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties.

## II. Familiarization program for Independent Directors:

The web link where details of the Familiarization Program imparted to Independent Directors can be viewed at: <https://www.bergerpaints.com/about-us/familiarization-program.html>

## III. Formal Letter of appointment:-

As per Regulation 46(2)(b) of the Listing Regulations, the Company has issued formal letters of appointment to the Independent Directors. The web link where the terms and conditions regarding the appointment of the Independent Directors are posted can be accessed at <https://www.bergerpaints.com/about-us/standard-letter-of-appointment.html>

IV. The Board confirms that Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the management based on the affirmations received from them.

V. There has been no instance of any Independent Director who has resigned before the expiry of his tenure.

## COMMITTEES OF DIRECTORS:

### I. AUDIT COMMITTEE:

**The Composition of the Audit Committee as on 31st March, 2019 was as follows:**

1. Mr Dhirendra Swarup – Chairman
2. Mr Gurbachan Singh Dhingra
3. Mr Pulak Chandan Prasad
4. Mr Kamal Ranjan Das
5. Mr Gopal Krishna Pillai
6. Mr Aniruddha Sen – Secretary

The Audit Committee of the Board was reconstituted on 16th April, 2019 and currently, it comprises the following Members:-

1. Mr Dhirendra Swarup – Chairman
2. Mr Gurbachan Singh Dhingra
3. Mr Pulak Chandan Prasad
4. Mr Kamal Ranjan Das
5. Mr Gopal Krishna Pillai
6. Mrs Sonu Halan Bhasin (appointed wef 16th April, 2019)
7. Mr Aniruddha Sen – Secretary

The terms of reference of the Audit Committee cover the matters specified under Regulation 18(3) and Part C of Schedule II of the Listing Regulations read with Section 177 of the Act.

Roles & Responsibilities of the Audit Committee includes, inter alia, the following:

- Overseeing the Financial Reporting process.
- Disclosure of financial statements.

- Recommending appointment/removal of external Auditors and fixing their remuneration.
- Reviewing the quarterly and annual financial statements before submission to the Board.
- Reviewing the adequacy of the internal audit function including the structure and staffing of the internal audit department.
- Ensuring adequacy of the internal control system.
- Reviewing findings of internal investigations.
- Discussing the scope of audit with internal auditors.
- Reviewing the Company's financial and risk management policies, looking into reasons for substantial defaults, if any, of non- payment to stakeholders.
- Granting omnibus approval for any material related party transactions proposed to be entered by the Company under section 14 of the Companies (Amendment Act), 2015.

Four resolutions by circulation of the Audit Committee were passed and five Audit Committee meetings were conducted during the year 2018-19 as detailed below:

| SR. NO. | DATE OF MEETING    |
|---------|--------------------|
| 1       | 20th April, 2018   |
| 2       | 30th May, 2018     |
| 3       | 3rd August, 2018   |
| 4       | 1st November, 2018 |
| 5       | 1st February, 2019 |

Number of meetings of the above Committee attended by the Directors during the financial year 2018-19 was as follows:

| NAME OF DIRECTORS          | STATUS   | NO. OF MEETINGS ATTENDED |
|----------------------------|----------|--------------------------|
| MR DHIRENDRA SWARUP        | CHAIRMAN | 5                        |
| MR GURBACHAN SINGH DHINGRA | MEMBER   | 4                        |
| MR PULAK CHANDAN PRASAD    | MEMBER   | 3                        |
| MR KAMAL RANJAN DAS        | MEMBER   | 3                        |
| MR GOPAL KRISHNA PILLAI    | MEMBER   | 4                        |

**NOTES:**

1. The quorum for Independent Directors as required under Regulation 18(2)(b) of the Listing Regulations was complied with during the year.
2. All the Directors attending the Audit Committee meetings were entitled to a sitting fee of ₹2000/- for every meeting attended by them during the year. Effective 1st April, 2019, no sitting fee will be paid to Directors for attending Audit Committee Meetings.
3. Invitees/Participants:
  - Mr Abhijit Roy, M.D.& CEO and Mr. Srijit Dasgupta, Director – Finance & CFO are permanent invitees to all Audit Committee meetings. The Committee also invites Members of the Board to attend meetings of the Committee as per their convenience.
  - Head of the Internal Audit Department attends all the Audit Committee meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report.
  - The representatives of the Statutory Auditors have attended the Audit Committee meetings held during the year.



## WHISTLE-BLOWER POLICY:

Pursuant to the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, effective 1st April, 2019, the Board of Directors have amended and adopted new applicable policies in this matter and the vigil mechanism policy earlier adopted was modified and replaced with a newly adopted policy viz: Whistle-blower Policy. Details of the Policy adopted can be accessed at: <https://www.bergerpaints.com/about-us/whistleblower-policy.html>

## II. COMPENSATION AND NOMINATION AND REMUNERATION COMMITTEE:

The Compensation and Nomination and Remuneration Committee's ("the Remuneration Committee") constitution and terms of reference are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Remuneration Committee fulfils the roles as laid out in the Act and as per role specified in Part D of Schedule II of the Listing Regulations.

**The Composition of the Remuneration Committee as on 31st March, 2019 was as follows:**

1. Mr Kamal Ranjan Das – Chairman
2. Mr Kuldip Singh Dhingra
3. Mr Pulak Chandan Prasad
4. Mr Aniruddha Sen – Secretary

The Remuneration Committee of the Board was reconstituted on 16th April, 2019 and currently, it comprises the following members:-

1. Mr Kamal Ranjan Das – Chairman
2. Mr Kuldip Singh Dhingra
3. Mr Pulak Chandan Prasad
4. Mr Anoop Hoon (appointed wef 16th April, 2019)
5. Mr Aniruddha Sen – Secretary

Seven Resolutions by Circulation of the Remuneration Committee were passed and one Remuneration Committee meeting was held during the year 2018-19 as detailed below:

| SR. NO. | DATE OF MEETING    |
|---------|--------------------|
| 1       | 1st February, 2019 |

Number of meetings of the above Committee attended by the Directors during the financial year 2018-19 was as follows:

| NAME OF DIRECTORS       | STATUS   | NO. OF MEETINGS ATTENDED |
|-------------------------|----------|--------------------------|
| MR KAMAL RANJAN DAS     | CHAIRMAN | -                        |
| MR KULDIP SINGH DHINGRA | MEMBER   | 1                        |
| MR PULAK CHANDAN PRASAD | MEMBER   | 1                        |

## EMPLOYEE STOCK OPTION PLAN

Your Company had earlier re-introduced the ESOP Scheme, aligned with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in the year 2016 in accordance with the approval of the members granted at the Annual General Meeting held on 3rd August, 2016, to reward eligible employees.

In accordance with the aforesaid scheme of 2016 and the earlier scheme of 2010, the Compensation and Nomination and Remuneration Committee has allotted 2562, 1025 and 94696 equity shares of ₹1 each (face value) to eligible employees upon exercise of their options earlier granted to them. The allotment of the aforesaid shares were made on 12th April, 2018, 3rd May, 2018 and 19th December, 2018 respectively. For further details, please refer to **Annexure A** to this report where detailed information required to be disclosed in terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 are enclosed.

Further, in accordance with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014, the Company had allotted shares to Key Managerial Personnel (KMPs) on 19th December, 2018, on their exercising the options as 2nd and 1st tranche of ESOPs earlier granted to them and the details of the allotments made are as follows:

| NAME OF KMPs       | DESIGNATION                            | NO. OF EQUITY SHARES ALLOTTED |
|--------------------|--|-------------------------------|
| MR ABHIJIT ROY     | MANAGING DIRECTOR & CEO                | 2,448 shares                  |
| MR SRIJIT DASGUPTA | DIRECTOR-FINANCE & CFO                 | 1,883 shares                  |
| MR ANIRUDDHA SEN   | SR. VICE PRESIDENT & COMPANY SECRETARY | 1,256 shares                  |

Please also visit the weblink: <https://www.bergerpaints.com/investors/esop-disclosure.html>. for disclosures under Regulation 14 of the aforesaid Regulations.

## PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Company follows the provisions of the Companies Act, 2013 (“Act”) and Listing Regulations in relation to Directors' appointments, qualifications and independence.

Pursuant to Section 178(3) of the Act and Regulation 17(6) of the Listing Regulations, the Remuneration Committee is entrusted with responsibility of formulating criteria for determining qualifications, positive attributes and independence of an Independent Director. This can be viewed at <https://www.bergerpaints.com/about-us/criteria-policy.html>

## REMUNERATION OF DIRECTORS:

The Remuneration Policy of the Company is given in the Report of the Directors and can be accessed at the following web link: <https://www.bergerpaints.com/about-us/remuneration-policy.html>

The remuneration of Directors is as under:

### A. EXECUTIVE DIRECTORS

The details of the remuneration paid to the Executive Directors for the Financial Year 2018-19 are as follows:

| PARTICULARS  | MR ABHIJIT ROY<br>(₹) | MR KANWARDIP SINGH DHINGRA<br>(₹) | MS RISHMA KAUR<br>(₹) |
|--|-----------------------|-----------------------------------|-----------------------|
| <b>FIXED COMPONENTS:</b>   |                       |                                   |                       |
| CONSOLIDATED SALARY  | 1,94,38,923           | 38,74,788                         | 38,74,788             |
| COMPANY'S CONTRIBUTION TO PROVIDENT FUND, GRATUITY AND SUPERANNUATION FUND | 33,84,577             | 1,39,480                          | 1,39,485              |





#### A. EXECUTIVE DIRECTORS (Contd.)

| PARTICULARS                                  | MR ABHIJIT ROY<br>(₹) | MR KANWARDIP SINGH DHINGRA<br>(₹) | MS RISHMA KAUR<br>(₹) |
|--|-----------------------|-----------------------------------|-----------------------|
| ALLOWANCES AND ESTIMATED PERQUISITES IN KIND | 22,40,214             | 2,24,614                          | 2,28,030              |
| <b>VARIABLE COMPONENT:</b>                   |                       |                                   |                       |
| SEVERANCE FEES                               | -                     | -                                 | -                     |
| COMMISSION                                   | 50,40,450             | -                                 | -                     |
| PERFORMANCE INCENTIVE                        | -                     | 2,93,484                          | 2,93,484              |
| ESOP DETAILS                                 | 7,29,994              | -                                 | -                     |
| <b>TOTAL</b>                                 | <b>3,08,34,158</b>    | <b>45,32,366</b>                  | <b>45,35,787</b>      |

#### B. NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors are entitled to commission limited to one per cent of the net profits of the Company, as approved by the shareholders at the Annual General Meeting held on 2nd August, 2012 subject to a maximum of Rupee one crore every year, distributed among them based on the time devoted, advice rendered and expertise lent to the Company. As per the provisions of the Companies Act, 1956, the approval of the members was valid for a period of five years. The same was approved by the Members at the Annual General Meeting held on 4th August 2017.

The details of the remuneration paid to the Non-Executive Directors for the Financial Year 2018-19 are as follows:

| NAME OF DIRECTORS          | COMMISSION (₹)   | SITTING FEES (₹) | TOTAL (₹)        |
|----------------------------|------------------|------------------|------------------|
| MR KULDIP SINGH DHINGRA    | 10,00,000        | 14,000           | 10,14,000        |
| MR GURBACHAN SINGH DHINGRA | 10,00,000        | 22,000           | 10,22,000        |
| MR KAMAL RANJAN DAS        | 3,00,000         | 16,000           | 3,16,000         |
| MR NARESH GUJRAL           | 7,20,000         | 8,000            | 7,28,000         |
| MR DHIRENDRA SWARUP        | 7,20,000         | 22,000           | 7,42,000         |
| MR PULAK CHANDAN PRASAD    | -                | -                | -                |
| MR GOPAL KRISHNA PILLAI    | 7,20,000         | 16,000           | 7,36,000         |
| MR ANOOP HOON              | -                | -                | -                |
| MRS SONU HALAN BHASIN      | -                | -                | -                |
| <b>TOTAL</b>               | <b>44,60,000</b> | <b>98,000</b>    | <b>45,58,000</b> |

Total number of equity shares of (₹) 1/- each held by Key Managerial Personnel (KMP) as on 31st March, 2019 is as follows:

| NAME OF KMPs       | DESIGNATION                               | NUMBER OF EQUITY SHARES HELD |
|--------------------|---|------------------------------|
| MR ABHIJIT ROY     | MANAGING DIRECTOR & CEO                   | 70,756                       |
| MR SRIJIT DASGUPTA | DIRECTOR-FINANCE & CFO                    | 88,133                       |
| MR ANIRUDDHA SEN   | SENIOR VICE PRESIDENT & COMPANY SECRETARY | 38,779                       |

### III. SHAREHOLDERS' COMMITTEE:

#### A. SHARE TRANSFER COMMITTEE:

The Composition of Share Transfer Committee as on 31st March, 2019 was as follows:

1. Mr Abhijit Roy – Chairman
2. Mr Srijit Dasgupta
3. Mr Kamal Ranjan Das
4. Mr Aniruddha Sen

Nineteen resolutions by circulation of the Share Transfer Committee were passed and twelve Share Transfer Committee meetings were held during the financial year 2018-2019 as detailed below

| SR. NO. | DATE OF MEETING |
|---------|-----------------|
| 1.      | 30.04.2018      |
| 2.      | 31.05.2018      |
| 3.      | 30.06.2018      |
| 4.      | 27.07.2018      |
| 5.      | 31.08.2018      |
| 6.      | 29.09.2018      |

| SR. NO. | DATE OF MEETING |
|---------|-----------------|
| 7.      | 31.10.2018      |
| 8.      | 30.11.2018      |
| 9.      | 31.12.2018      |
| 10.     | 31.01.2019      |
| 11.     | 28.02.2019      |
| 12.     | 30.03.2019      |

Number of meetings of the above Committee attended by the Directors/Members during the financial year 2018-2019 was as follows:

| NAME OF DIRECTORS   | STATUS   | NO. OF MEETINGS ATTENDED |
|---------------------|----------|--------------------------|
| MR ABHIJIT ROY      | CHAIRMAN | 12                       |
| MR KAMAL RANJAN DAS | MEMBER   | 11                       |
| MR ANIRUDDHA SEN    | MEMBER   | 12                       |
| MR SRIJIT DASGUPTA  | MEMBER   | 12                       |

#### B. STAKEHOLDERS' RELATIONSHIP AND INVESTOR GRIEVANCE COMMITTEE:

The Composition of the above committee was changed during the year. Prior to the change made at the Board Meeting of 1st February, 2019, it was as follows:-

1. Mr Kamal Ranjan Das – Chairman
2. Mr Abhijit Roy
3. Mr Gurbachan Singh Dhingra
4. Mr Aniruddha Sen – Secretary

The Stakeholders' Relationship and Investor Grievance Committee of the Board was reconstituted on 1st February, 2019 where Mr Gurbachan Singh Dhingra was appointed Chairman and currently, it is as follows:-

1. Mr Gurbachan Singh Dhingra – Chairman
2. Mr Kamal Ranjan Das
3. Mr Abhijit Roy
4. Mr Aniruddha Sen – Secretary



The amended Listing Regulations require the Stakeholders' Relationship and Investor Grievance Committee of the Board to oversee apart from addressing normal grievances of investors, to review measures taken for effective exercise of voting rights of shareholders, adherence to service standards adopted by the Company, measures taken to reduce quantum of unclaimed dividends and others. These are made effective from 1st April, 2019.

Five Stakeholders' Relationship Committee meetings were held during the Financial Year 2018-2019 and the dates are as follows:

| SR. NO. | DATE OF MEETING    |
|---------|--------------------|
| 1       | 20th April, 2018   |
| 2       | 3rd August, 2018   |
| 3       | 1st November, 2018 |
| 4       | 1st February, 2019 |
| 5       | 30th March, 2019   |

Number of meetings of the above Committee attended by the Directors during the financial year 2018-2019 was as follows:

| NAME OF DIRECTORS          | STATUS   | NO. OF MEETINGS ATTENDED |
|----------------------------|----------|--------------------------|
| MR KAMAL RANJAN DAS        | CHAIRMAN | 3                        |
| MR ABHIJIT ROY             | MEMBER   | 5                        |
| MR GURBACHAN SINGH DHINGRA | MEMBER   | 3                        |

Mr Aniruddha Sen, Senior Vice President and Company Secretary is acting as Compliance Officer of the Committee.

Required quorum was present for all the meetings of the Share Transfer Committee and Stakeholders' Relationship and Investor Grievance Committee.

#### SHAREHOLDERS' COMPLAINTS RECEIVED DURING THE YEAR:

- No. of Complaints received during the year : 8
- No. of Complaints resolved during the year : 8
- No. of Complaints not solved to the satisfaction of shareholders : NIL
- Pending Complaints as on 31st March, 2019 : NIL

#### IV. BUSINESS PROCESS AND RISK MANAGEMENT COMMITTEE:

The Board of Directors have defined the procedures, practices, roles and responsibilities of the said Committee and has delegated monitoring and reviewing of the Risk Management Plan and Policy to the Committee and such other functions as it has deemed fit.

**The Composition of Business Process and Risk Management Committee as on 31st March, 2019 was as follows:**

1. Mr Gurbachan Singh Dhingra – Chairman
2. Mr Kamal Ranjan Das
3. Ms Rishma Kaur
4. Mr Kanwardip Singh Dhingra
5. Mr Anil Bhalla
6. Mr Subir Bose
7. Mr Abhijit Roy
8. Mr Srijit Dasgupta

The Business Process and Risk Management Committee of the Board was reconstituted on 16th April, 2019 and currently, it comprises the following members:-

1. Mr Gurbachan Singh Dhingra – Chairman
2. Mr Kamal Ranjan Das
3. Ms Rishma Kaur
4. Mr Kanwardip Singh Dhingra
5. Mr Anil Bhalla
6. Mr Abhijit Roy
7. Mr Srijit Dasgupta
8. Mr Anoop Hoon

N.B:- (i) Mr. Subir Bose has resigned from the Committee wef 16th April, 2019

(ii) Mr. Anoop Hoon was appointed as a member wef 16th April, 2019

Two Business Process and Risk Management Committee meetings were convened during the financial year 2018-19 and the dates are as follows:

| SR. NO. | DATE OF MEETING    |
|---------|--------------------|
| 1       | 18th July, 2018    |
| 2       | 7th December, 2018 |

Number of meetings of the above Committee attended by the Directors/Members during the financial year 2018-19 was as follows:

| NAME                       | STATUS   | NO. OF MEETINGS ATTENDED |
|----------------------------|----------|--------------------------|
| MR GURBACHAN SINGH DHINGRA | CHAIRMAN | 2                        |
| MR ABHIJIT ROY             | MEMBER   | 1                        |
| MR KAMAL RANJAN DAS        | MEMBER   | 1                        |
| MS RISHMA KAUR             | MEMBER   | 2                        |
| MR KANWARDIP SINGH DHINGRA | MEMBER   | 1                        |
| MR SRIJIT DASGUPTA         | MEMBER   | 2                        |
| MR ANIL BHALLA             | MEMBER   | 2                        |

## V. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Act, read with Schedule VII of the Act, the Corporate Social Responsibility (CSR) Committee had been framed.

**The Composition of CSR Committee as on 31<sup>st</sup> March, 2019 was as follows:**

1. Mr Kuldeep Singh Dhingra – Chairman
2. Mr Abhijit Roy
3. Mr Srijit Dasgupta
4. Mr Anil Bhalla
5. Mr Kamal Ranjan Das



6. Mr Kanwardip Singh Dhingra
7. Ms Rishma Kaur
8. Mr Aniruddha Sen

One CSR Committee meeting was convened during the financial year 2018-19 to approve the CSR activities undertaken by the Company and the date was as follows:

| SR. NO. | DATE OF MEETING  |
|---------|------------------|
| 1       | 15th March, 2019 |

Number of meetings of the above Committee attended by the Directors/Members during the financial year 2018-2019 was as follows:

| NAME                       | STATUS   | NO. OF MEETINGS ATTENDED |
|----------------------------|----------|--------------------------|
| MR KULDIP SINGH DHINGRA    | CHAIRMAN | 1                        |
| MR ABHIJIT ROY             | MEMBER   | 1                        |
| MR SRIJIT DASGUPTA         | MEMBER   | 1                        |
| MR ANIL BHALLA             | MEMBER   | 1                        |
| MR KAMAL RANJAN DAS        | MEMBER   | 1                        |
| MR KANWARDIP SINGH DHINGRA | MEMBER   | 1                        |
| MS RISHMA KAUR             | MEMBER   | 1                        |
| MR ANIRUDDHA SEN           | MEMBER   | 1                        |

## VI. COMMITTEE OF DIRECTORS FOR REGULAR MATTERS

Though not mandatory, the Committee was formed and reconstituted on 26th September, 2014 whose primary function is to grant approvals and authority to the employees of the Company to conduct routine business, such as opening/closing of bank accounts, change in authorised signatories, authorisation for appearance before court, tax authorities, etc. which require immediate approval.

**The Composition of Committee of Directors for Regular Matters as on 31st March, 2019 was as follows:**

1. Mr Kuldip Singh Dhingra – Chairman
2. Mr Abhijit Roy
3. Mr Kamal Ranjan Das
4. Mr Aniruddha Sen – Secretary

Twenty four meetings of the above committee were convened during the financial year 2018-19 and the dates are as follows:

| SR. NO. | DATE OF MEETING | SR. NO. | DATE OF MEETING | SR. NO. | DATE OF MEETING |
|---------|-----------------|---------|-----------------|---------|-----------------|
| 1       | 16.04.2018      | 9       | 16.08.2018      | 17      | 17.12.2018      |
| 2       | 30.04.2018      | 10      | 31.08.2018      | 18      | 31.12.2018      |
| 3       | 16.05.2018      | 11      | 17.09.2018      | 19      | 17.01.2019      |
| 4       | 30.05.2018      | 12      | 24.09.2018      | 20      | 01.02.2019      |
| 5       | 16.06.2018      | 13      | 12.10.2018      | 21      | 18.02.2019      |
| 6       | 30.06.2018      | 14      | 01.11.2018      | 22      | 01.03.2019      |
| 7       | 16.07.2018      | 15      | 19.11.2018      | 23      | 15.03.2019      |
| 8       | 31.07.2018      | 16      | 03.12.2018      | 24      | 29.03.2019      |



Number of meetings of the above Committee attended by the Directors/Members during the financial year 2018-19 was as follows:

| NAME OF DIRECTORS       | STATUS    | NO. OF MEETINGS ATTENDED |
|-------------------------|-----------|--------------------------|
| MR KULDIP SINGH DHINGRA | CHAIRMAN  | 24                       |
| MR ABHIJIT ROY          | MEMBER    | 23                       |
| MR KAMAL RANJAN DAS     | MEMBER    | 22                       |
| MR ANIRUDDHA SEN        | SECRETARY | 24                       |

#### GENERAL BODY MEETINGS:

Date, time and venue of the last three Annual General Meetings are as follows:

| FINANCIAL YEAR | VENUE   | DATE       | TIME       | WHETHER SPECIAL RESOLUTION PASSED |
|----------------|---|------------|------------|-----------------------------------|
| 2015-16        | KALAMANDIR<br>48, SHAKESPEARE SARANI<br>KOLKATA 700 017 | 03.08.2016 | 11:00 a.m. | YES                               |
| 2016-17        | KALAMANDIR<br>48, SHAKESPEARE SARANI<br>KOLKATA 700 017 | 04.08.2017 | 11:00 a.m. | YES                               |
| 2017-18        | KALAMANDIR<br>48, SHAKESPEARE SARANI<br>KOLKATA 700 017 | 03.08.2018 | 11:00 a.m. | YES                               |

#### POSTAL BALLOT:

The Company did not conduct any business through Postal Ballot during the year under review.

#### DISCLOSURES:

- A. As per the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from a company secretary in practice stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority annexed to this Report (**Annexure – D**).
- B. The Board has accepted all the recommendations of the various committees of board which is mandatorily required, in the relevant financial year.
- C. The Company has not entered into any materially significant related party transaction which would have potential conflict with the interest of the Company at large.
- D. The Company has complied with all the applicable requirements of the Listing Regulations.
- E. Whistle Blower Policy has been framed by the Company and no personnel have been denied access to the Audit Committee.
- F. The Company has complied with all the mandatory requirements of Regulation 27(2) of the Listing Regulations and the following non-mandatory requirement has been adopted by the Entity:
  1. **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director & CEO. He is entitled to maintain an office at the Company's expense and the Company reimburses the expenses incurred by the Chairman in the course of performance of his duties.



2. **Separate posts of Chairman and Managing Director & CEO:** The Chairman of the board is a Non-Executive Promoter Director and his position is separate from that of the Managing Director & CEO.
- G. The web link where policy for determining ‘material’ subsidiaries is disclosed and can be viewed at <https://www.bergerpaints.com/about-us/rpt-policy.html>
- H. The web link where policy on dealing with related party transactions can be viewed at <https://www.bergerpaints.com/about-us/rpt-policy.html>
- I. The Company has followed all relevant Ind AS while preparing financial statements.
- J. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- K. The total fees for all services amounting to ₹0.70 crore was paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor (S.R. Batliboi & Co. LLP) and all entities in the network firm/network entity of which the statutory auditor is a part, as under:

| NAME OF THE COMPANY               | NATURE OF SERVICES  | AMOUNT (₹ in Crore) |
|-----------------------------------|---|---------------------|
| Berger Paints India Limited Group | Fees for Audit and Related Services including out of pocket expense | 0.70                |
|                                   | Other Fees paid   | -                   |
| <b>Total</b>                      |   | <b>0.70</b>         |

- L. Disclosure of Commodity price risks and commodity hedging activities, see **Annexure – C** attached.
- M. No fund was raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A).
- N. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013:
- Number of Complaints filed during the financial year : NIL
  - Number of Complaints disposed of during the financial year : NIL
  - Number of Complaints pending as on end of the financial year : NIL

#### DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF THE LISTING REGULATIONS:

The status of compliance with discretionary recommendations of Regulation 27 of the Listing Regulations is provided below:

- Shareholders’ Rights:** The quarterly and half-yearly financial performances along with significant events are published in the newspapers and are also posted on the Company’s website.
- Modified Opinion in Auditor’s Report:** The Company’s financial statement for the year ended 31st March, 2019 does not contain any modified audit opinion.

#### MEANS OF COMMUNICATION:

- The quarterly and half-yearly financial results of the Company are published in leading English and Vernacular dailies namely **Hindu Business Line, Business Standard, Mint, Ei-Samay, Dainik Statesman, Aajkaal**. Such results are also uploaded on the Company’s website: <http://www.bergerpaints.com/investors/quarterly-reports.html>
- Any other such important announcement is published by the Company in leading English and Bengali dailies and also uploaded on the website.

- Since all the information are published in leading newspapers as well as displayed in the Company's website, hence no individual information to the shareholders are provided.
- Presentations made to Institutional Investors and Analysts are uploaded on the website: **www.bergerpaints.com**

#### **CODE OF CONDUCT:**

The Board has laid down a Code of Conduct for all the Board members and senior management of the Company, and they have affirmed the same. The Code of Conduct includes all the applicable duties of Independent Directors as laid down in Schedule IV of the Act. The Independent Directors shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance or where they had not acted diligently with respect to the provisions of the Listing Regulations.

The Code of Conduct has been uploaded on the Company's website: **<https://www.bergerpaints.com/about-us/code-of-conduct-independent-directors.html>** The Certificate of affirmation in respect of compliance has been appended as a part of Corporate Governance Report.

#### **PREVENTION OF INSIDER TRADING CODE:**

As per amended Regulations of the SEBI (Prohibition of Insider Trading) Regulations, 2015, made effective from 1st April, 2019, your Company has adopted amended policies on the following:-

- (a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information under Regulation 8(1) of the Regulations. This can be viewed at **<https://www.bergerpaints.com/about-us/code-of-practices-and-procedures-policy.html>**
- (b) Code of Conduct regulate, monitor and report trading by Designated Persons pursuant to Regulation 9(1) of the Regulations. This can be viewed at **<https://www.bergerpaints.com/about-us/code-of-conduct-to-regulate-monitor-and-report-trading-by-designated-persons.html>**
- (c) Policy for Procedure of Enquiry in Case of Leak of Unpublished Price Sensitive Information pursuant to Regulation 9A(5) of the Regulations. This can be viewed at **<https://www.bergerpaints.com/about-us/policy-for-procedure-of-inquiry-in-case-of-leak-of-unpublished-price-sensitive-information.html>**
- (d) The amended Whistle Blower Policy pursuant to Regulation 9A(6) of the Regulations. This can be viewed at **<https://www.bergerpaints.com/about-us/whistleblower-policy.html>**



#### NO. OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY THE NON-EXECUTIVE DIRECTORS:

The Company does not have any convertible instrument. The number of shares held by Non-Executive Directors as on 31st March, 2019 is given below:

| SR. NO. | NAME OF NON-EXECUTIVE DIRECTORS | NUMBER OF SHARES HELD BY THEM |
|---------|---------------------------------|-------------------------------|
| 1.      | MR KULDIP SINGH DHINGRA         | 54,88,071                     |
| 2.      | MR GURBACHAN SINGH DHINGRA      | 24,21,888                     |
| 3.      | MR KAMAL RANJAN DAS             | 84,272                        |
| 4.      | MR PULAK CHANDAN PRASAD         | –                             |
| 5.      | MR DHIRENDRA SWARUP             | –                             |
| 6.      | MR NARESH GUJRAL                | 7,000                         |
| 7.      | MR GOPAL KRISHNA PILLAI         | –                             |
| 8.      | MR ANOOP HOON                   | –                             |
| 9.      | MRS SONU HALAN BHASIN           | –                             |

Place: Kolkata  
Dated: 30th May, 2019

On behalf of the Board of Directors  
**Kuldip Singh Dhingra**  
Chairman

## DECLARATION UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As provided under Regulation 34(3) read with Part D of Schedule V of the Listing Regulations, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2019. The said Code of Conduct has also been uploaded by the Company in its website: [www.bergerpaints.com](http://www.bergerpaints.com)

Place: Kolkata

Dated: 30th May, 2019

**Abhijit Roy**

Managing Director & CEO





## ANNEXURE - C

[Annexure to Corporate Governance Report]

### GENERAL SHAREHOLDERS' INFORMATION

**ANNUAL GENERAL MEETING** : **DATE** - 5th August, 2019.

**TIME** - 11:00 AM.

**VENUE** - Kalamandir, 48, Shakespeare Sarani, Kolkata 700 017

**FINANCIAL YEAR** : The accounting year covers the period from 1st April, 2018 to 31st March, 2019.

**Financial Reporting for the quarters ending on:**

|                                  |   |                        |
|----------------------------------|---|------------------------|
| 30th June, 2019 (unaudited)      | – | By 14th August, 2019   |
| 30th September, 2019 (unaudited) | – | By 14th November, 2019 |
| 31st December, 2019 (unaudited)  | – | By 14th February, 2020 |
| 31st March, 2020 (audited)       | – | By 30th May, 2020      |

[Note: The above dates are indicative in nature]

**BOOK CLOSURE DATES** : Book closure commences on 30th July, 2019 and ends on 5th August, 2019, both days inclusive.

**DIVIDEND PAYMENT DATE** : Dividend, if declared will be paid on 20th August, 2019.

**LISTING ON STOCK EXCHANGES** : **The shares of the Company are listed on the following Stock Exchanges:**

- **NATIONAL STOCK EXCHANGE (NSE)**  
National Stock Exchange of India Limited  
“Exchange Plaza”, 5th Floor, Plot no. C/1, G Block  
Bandra – Kurla Complex, Mumbai 400 051.
- **BOMBAY STOCK EXCHANGE (BSE)**  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001.
- **CALCUTTA STOCK EXCHANGE (CSE)**  
The Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata 700 001.

**STOCK CODES** : **CSE – 12529    BSE – 509480    NSE – BERGEPAIN**

**DEPOSITORY** : a) **NATIONAL SECURITIES DEPOSITORY LIMITED**  
4th Floor, Trade World, Kamala Mills Compound  
Lower Parel, Mumbai 400 013.

b) **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**  
Marathon Futurex, A - Wing, 25th Floor  
N M Joshi Marg, Lower Parel  
Mumbai 400 013.

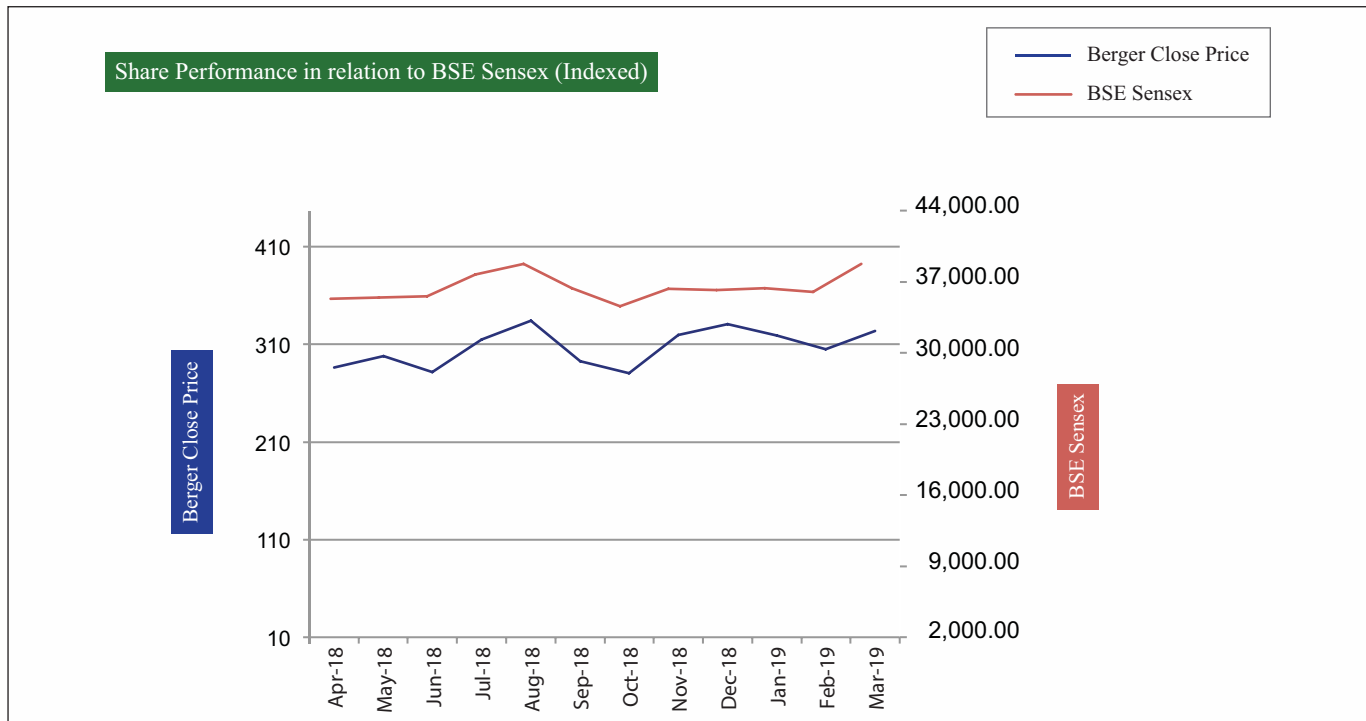
**ISIN No.** : **INE463A01038**

**GENERAL SHAREHOLDERS' INFORMATION**

**MARKET PRICE (HIGH / LOW) AT BSE DURING EACH MONTH FOR THE FINANCIAL YEAR 2018-19:**

| Month           | High (₹) | Low (₹) |
|-----------------|----------|---------|
| April, 2018     | 287.30   | 252.60  |
| May, 2018       | 305.40   | 265.70  |
| June, 2018      | 297.15   | 272.60  |
| July, 2018      | 325.35   | 278.35  |
| August, 2018    | 349.00   | 307.00  |
| September, 2018 | 340.00   | 281.05  |
| October, 2018   | 295.55   | 260.55  |
| November, 2018  | 329.55   | 277.45  |
| December, 2018  | 344.45   | 297.00  |
| January, 2019   | 333.60   | 308.00  |
| February, 2019  | 329.45   | 284.40  |
| March, 2019     | 327.45   | 296.90  |

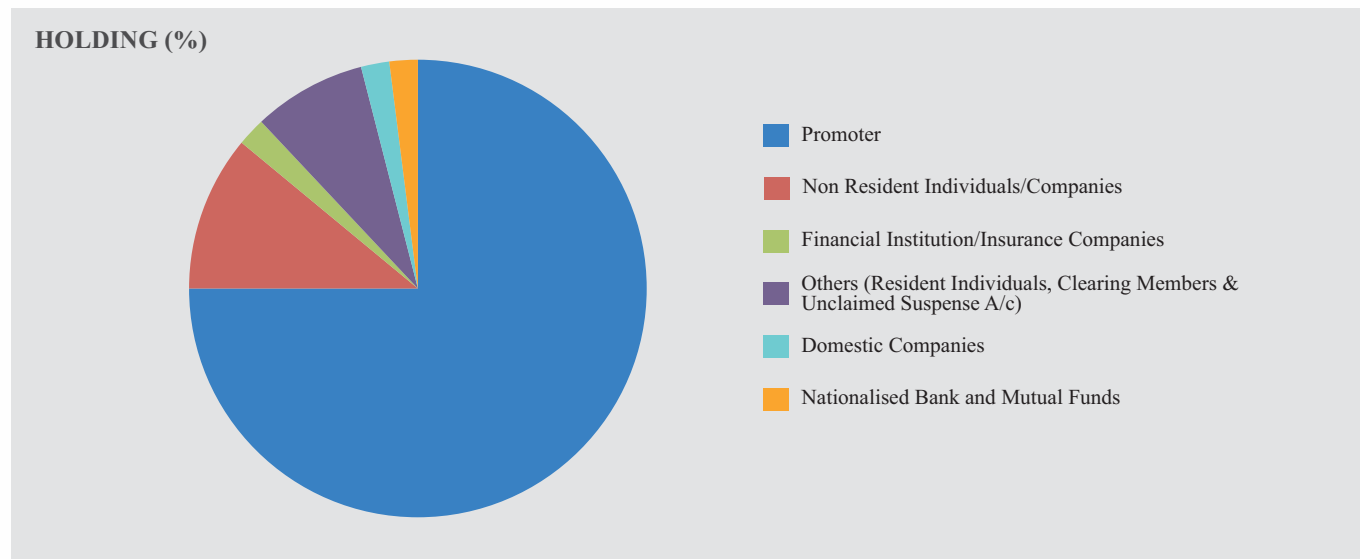
**SHARE PERFORMANCE IN RELATION TO BSE SENSEX:**



**NUMBER OF SHAREHOLDERS AS ON 31<sup>st</sup> MARCH, 2019:**

**78242**

SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2019



| Status  | Holding             | %             |
|---|---------------------|---------------|
| Promoter – Foreign                              | 14,06,56,782        | 14.48         |
| Promoter – Body Corporate                       | 55,52,24,058        | 57.18         |
| Promoters – Individual                          | 3,22,63,861         | 3.32          |
| Non Resident Individuals/Companies              | 9,56,02,146         | 9.84          |
| Alternate Investment Fund                       | 13,74,671           | 0.14          |
| Financial Institutions/Insurance Companies/Bank | 1,57,08,045         | 1.62          |
| Others (Resident)                               | 7,38,00,599         | 7.60          |
| Mutual Fund                                     | 2,41,01,276         | 2.48          |
| Domestic Companies                              | 2,55,21,407         | 2.63          |
| IEPF  | 59,22,831           | 0.61          |
| Unclaimed Suspense Demat Account                | 9,54,035            | 0.10          |
| <b>TOTAL</b>                                    | <b>97,11,29,711</b> | <b>100.00</b> |

**DISTRIBUTION OF SHAREHOLDING AS AT 31st MARCH, 2019**

| SHAREHOLDING OF NOMINAL VALUE | SHARE AMOUNT        |               | SHAREHOLDER  |               |
|-------------------------------|---------------------|---------------|--------------|---------------|
|                               | (₹)                 | (₹)           | NUMBER       | % to TOTAL    |
| 1 – 5,000                     | 2,42,39,741         | 2.50          | 74102        | 94.71         |
| 5,001 – 10,000                | 1,44,39,102         | 1.49          | 2079         | 2.66          |
| 10,001 – 20,000               | 1,72,06,528         | 1.77          | 1247         | 1.59          |
| 20,001 – 30,000               | 75,54,886           | 0.78          | 312          | 0.40          |
| 30,001 – 40,000               | 46,92,481           | 0.48          | 138          | 0.18          |
| 40,001 – 50,000               | 35,82,966           | 0.37          | 81           | 0.10          |
| 50,001 – 1,00,000             | 73,02,146           | 0.75          | 108          | 0.14          |
| 1,00,001 & above              | 89,21,11,861        | 91.86         | 175          | 0.22          |
| <b>TOTAL</b>                  | <b>97,11,29,711</b> | <b>100.00</b> | <b>78242</b> | <b>100.00</b> |

**SHARE TRANSFER SYSTEM:**

Shares sent for physical transfer are effected within 10 working days of lodgement. Approval for registration of share transfer, transmission etc. is normally obtained from the Share Transfer Committee by means of circular resolutions/at meetings within every 10-11 days (if through circular resolutions) and once in every month (if through a meeting). The total number of shares transferred in physical form during the year 2018-2019 was 1,20,316 as compared to 1,36,355 shares of face value of ₹1/- each during 2017-18. The shares transferred to the Investor Education and Protection Fund (IEPF) Account pursuant to Circular No. 12/2017 of the Ministry of Corporate Affairs, during the year 2018-19 were 2,95,496 equity shares covering 86 folios.

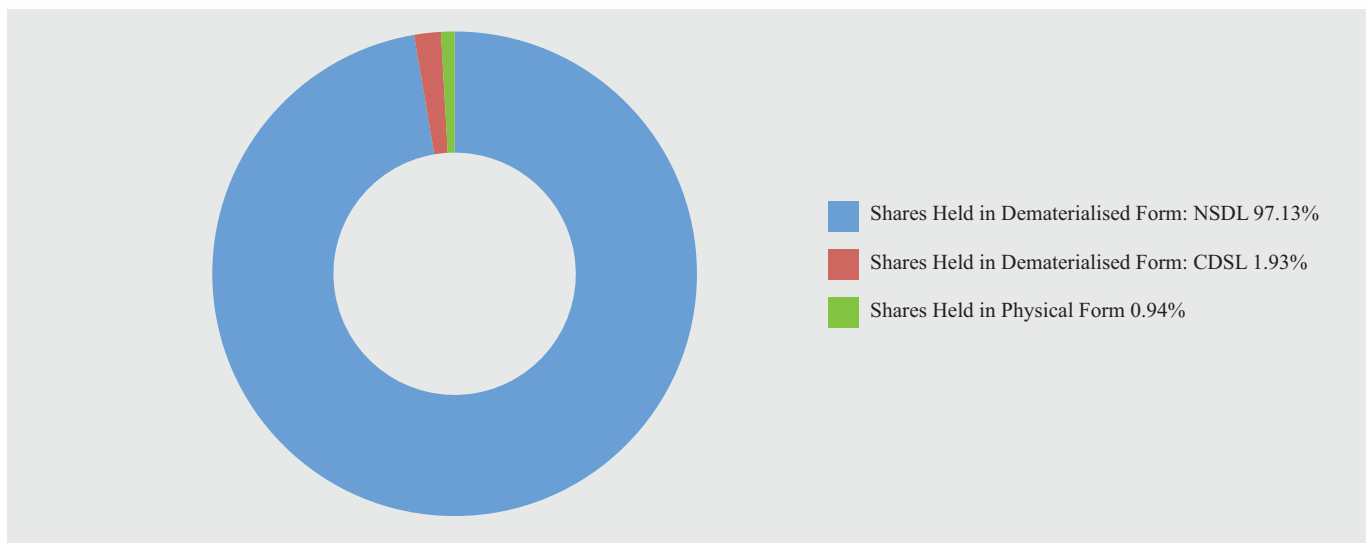
**DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31st MARCH, 2019:**

99.06% of the Company's shares is held in electronic form.

**OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:**

There are no outstanding GDRs/ADRs/Warrants or convertible instruments.

**SHARES HELD IN PHYSICAL AND DEMATERIALIZED MODE AS ON 31st MARCH, 2019:**





### DIVIDEND HISTORY (LAST 10 YEARS)

| FINANCIAL YEAR    | DIVIDEND PER SHARE (₹) | TOTAL DIVIDEND (₹ in Crore) | DIVIDEND DISTRIBUTION TAX (₹ in Crore) | TOTAL DIVIDEND (INCLUDING DIVIDEND DISTRIBUTION TAX) |
|-------------------|------------------------|-----------------------------|--|--|
| 2017-18           | 1.80                   | 174.78                      | 35.93                                  | 210.71   |
| 2016-17           | 1.75                   | 169.93                      | 34.59                                  | 204.52   |
| 2015-16 (Final)   | 1.00                   | 97.09                       | 19.76                                  | 116.85   |
| 2015-16 (Interim) | 0.65                   | 45.08                       | 9.18                                   | 54.26  |
| 2014-15 (Final)   | 0.65                   | 45.06                       | 9.17                                   | 54.23  |
| 2014-15 (Interim) | 0.60                   | 41.59                       | 8.51                                   | 50.10  |
| 2013-14           | 2.20                   | 76.23                       | 12.95                                  | 89.18  |
| 2012-13           | 1.80                   | 62.33                       | 10.60                                  | 72.93  |
| 2011-12           | 1.40                   | 48.46                       | 7.86                                   | 56.32  |
| 2010-11           | 1.30                   | 44.99                       | 7.30                                   | 52.29  |

- Effective 9th January, 2015, the equity shares of nominal face value of ₹2/- each were sub-divided into two equity shares of face value of ₹1/- each.

### Commodity price risk or Foreign Exchange risk and Hedging activities

In accordance with the materiality criteria of commodities as determined by the Board and available at the Company's website at <https://www.bergerpaints.com/about-us/risk-management-policy.html>, no commodity is considered to be material.

The Company's Foreign Exchange exposure with respect to payables and loans are managed by continuously monitoring the exchange rates and premiums for forward cover and such exposure is hedged on a short term basis when commercially expedient to do so.

### Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year

| Commodity Name | Exposure in INR towards the particular commodity | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives |          |                      |          |       |
|----------------|--|---|---|----------|----------------------|----------|-------|
|                |  |   | Domestic market   |          | International market |          | Total |
|                |  |   | OTC   | Exchange | OTC                  | Exchange |       |
| NIL            | NIL  | NIL   | NIL   | NIL      | NIL                  | NIL      | NIL   |

### PLANT LOCATION

|   |  |   |
|---|--|---|
| <b>HOWRAH</b><br>14 & 15 Swarnamoyee Road<br>Shibpur, Howrah 711 103<br>Phone: 033-2668 4706<br>Fax: 033-2668 2956  | <b>SIKANDRABAD*</b><br>A-38, Industrial Area, Bulandshar Road,<br>Sikandrabad (UP)-203 205<br>Phone : 05735-224511, 222431           | <b>PUDUCHERRY</b><br>53-56 Pandasozhanallur Village<br>Nettapakkam Commune<br>Puducherry - 605 106<br>Phone : 0413-269 9574/171 |
| <b>JAMMU</b><br>SIDCO Industrial Growth Centre,<br>Sambha, Dist. Jammu<br>Jammu & Kashmir – 184 121<br>Phone : 09123-243644, 246539<br>(* includes British Paints Division) | <b>GOA</b><br>316-317 Kundaim Industrial Estate<br>Kundaim, North Goa<br>Phone : 0832-239 5610/ 6407<br>Fax : 0832-239 5663/239 5610 | <b>RISHRA</b><br>103, G.T. Road<br>Rishra, Hooghly- 712 248<br>Phone : 033-2672 0640/41/42<br>Fax: 033-2672 0491                |



|   |   |   |
|---|---|---|
| <b>SURAJPUR*</b><br>D-19/4-5-6 & D-20, Site- B, Surajpur Industrial Area, Greater Noida - 201 306, Dist: Gautam Budhh Nagar (U.P)<br>Phone : 0120-2561320 | <b>JEJURI</b><br>Plot No. G-35, Additional Jejuri Industrial Area Tal- Purandar, Pune - 412 303<br>Phone : 02115254816/17/18/19             | <b>HINDUPUR</b><br>Plot No. 262, Industrial Growth Centre Thumukunta Village, Hindupur - 515 211 Dist: Anantapur, Andhra Pradesh<br>Phone: 08556-297245 |
| <b>HINDUPUR*</b><br>Plot No. 32 (part), Gollapuram Industrial Park, Hindupur - 515 211, Ananthapuram District, Andhra Pradesh<br>Phone: 9676070165        | <b>ASSAM (NALBARI)*</b><br>IIDC of AIDC, Nathkuchi- 2, Near North East Mega Food Park, Tihu, Nalbari (Assam) - 781 355<br>Phone: 7086085604 | <b>ASSAM (NALTOLI)</b><br>IIDC Centre Project Bhomoraguri/Naltali District Nagaon, Assam  |
| <b>TALOJA</b><br>Plot no. J-90, MIDC Taloja, Panvel Raigad - 410208 Maharashtra (India)   |   |   |

\* **British Paints Division**

### **REGISTRARS AND SHARE TRANSFER AGENTS AND ADDRESS FOR CORRESPONDENCE:**

**M/s C B Management Services (P) Ltd**

P-22 Bondel Road, Kolkata 700 019  
Phone: 91 33 4011 6700, 4011 6725  
Fax No.: 91 33 4011 6739  
E-mail: [rta@cbmsl.com](mailto:rta@cbmsl.com)

### **COMPLIANCE OFFICER:**

**Mr ANIRUDDHA SEN, Senior Vice President and Company Secretary**

### **FOR ANY QUERY RELATING TO YOUR SHAREHOLDING, PLEASE SEND YOUR QUERY/E-MAIL AT:**

- 1. BERGER PAINTS INDIA LIMITED**  
Berger House, 129, Park Street, Kolkata 700 017  
Phone: 91 33 2229 9724/28  
Fax No.: 91 33 2227 7288  
E-mail: [consumerfeedback@bergerindia.com](mailto:consumerfeedback@bergerindia.com)
- 2. M/S C B MANAGEMENT SERVICES (P) LTD.**  
AT THE ABOVE ADDRESS

### **MANDATORY REQUIREMENT OF PAN:**

SEBI, vide its circular dated 7th January, 2010 has made it mandatory to furnish PAN copy in the following cases:

1. Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders;
2. Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
3. Transposition of shares: in case of change in order of names in which physical shares are held jointly in the names of two or more shareholders.



Credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad are as follows:-

| Name of Entity       | Instrument             | Rating                   |
|----------------------|------------------------|--------------------------|
| CRISIL LIMITED       | Bank Loan Rating       | CRISIL AAA               |
| Care Ratings Limited | Commercial Paper Issue | CARE A1+<br>(A One Plus) |
| CRISIL LIMITED       | Commercial Paper Issue | CRISIL A1+               |

There was no revision during the year.

#### DISCLOSURES AS PER PARA F OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

As required by Regulation 34(3) read with Para F of Schedule V of the Listing Regulations, the details of Suspense Account are disclosed here:

| SR. NO.      | PARTICULARS  | NO. OF SHAREHOLDER(S) | OUTSTANDING SHARES (FACE VALUE OF ₹1/-) |
|--------------|--|-----------------------|---|
| 1.           | Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year.              | 358                   | 12,41,435                               |
| 2.           | Subsequent Transferred from suspense account to IEPF A/C on 25.4.2018  | 44                    | 2,12,755                                |
| <b>TOTAL</b> |  | <b>314</b>            | <b>10,28,680</b>                        |
| 3.           | Number of shareholders who approached issuer for transfer of shares from Suspense Account during 1st April, 2018 to 25th April, 2018 | 6                     | 17,830                                  |
| 4.           | Number of shareholders to whom shares were transferred from Suspense Account from 1st April, 2018 to 25th April, 2018.               | 6                     | 17,830                                  |
| 5.           | Number of shareholders who approached issuer for transfer of shares from Suspense Account from 25th April, 2018 to 31st March, 2019  | 11                    | 56,815                                  |
| 6.           | Number of shareholders to whom shares were transferred of from Suspense Account From 25th April, 2018 to 31st March, 2019.           | 11                    | 56,815                                  |
| 7.           | Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year i.e. 31.03.2019     | 297                   | 9,54,035                                |

Place: Kolkata  
Dated: 30th May, 2019

On behalf of the Board of Directors  
**Kuldip Singh Dhingra**  
Chairman

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members of  
Berger Paints India Ltd  
Berger House,  
129 Park Street,  
Kolkata: 700017

1. The Corporate Governance Report prepared by Berger Paints India Ltd (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This Report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Director's Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;



- iv. Obtained and read the minutes of the following meetings held between April 1, 2018 to March 31, 2019:
  - (a) Board of Directors;
  - (b) Audit Committee;
  - (c) Annual General Meeting;
  - (d) Compensation and Nomination and Remuneration Committee;
  - (e) Share Transfer Committee;
  - (f) Stakeholders' Relationship and Investor Grievance Committee;
  - (g) Business Process & Risk Management Committee;
  - (h) Corporate Social Responsibility Committee; and
  - (i) Committee of Directors on regular matter.
- v. Obtained necessary representations and declarations from Directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this Report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

### Other matters and Restriction on Use

9. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No. 301003E/E300005

per Bhaswar Sarkar

Partner

Membership No.: 055596

UDIN: 19055596AAAAA5338

Place of Signature: Kolkata

Dated: May 30, 2019

**ANNEXURE D**

**CERTIFICATE PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
**The Members of**  
**Berger Paints India Limited**  
Berger House  
129, Park Street  
Kolkata 700 017  
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Berger Paints India Limited** having CIN: L51434WB1923PLC004793 and having registered office at Berger House, 129, Park Street, Kolkata 700 017, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications {including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)} as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr. No. | Name of Director        | DIN      | Date of appointment in Company |
|---------|-------------------------|----------|--------------------------------|
| 1.      | Pulak Chandan Prasad    | 00003557 | 13.11.2009                     |
| 2.      | Naresh Gujral           | 00028444 | 20.08.2014                     |
| 3.      | Rishma Kaur             | 00043154 | 14.04.2011                     |
| 4.      | Kuldip Singh Dhingra    | 00048406 | 17.07.1991                     |
| 5.      | Gurbachan Singh Dhingra | 00048465 | 14.05.1993                     |
| 6.      | Kamal Ranjan Das        | 00048491 | 20.05.1993                     |
| 7.      | Anoop Hoon              | 00686289 | 01.02.2019                     |
| 8.      | Gopal Krishna Pillai    | 02340756 | 12.09.2014                     |
| 9.      | Kanwardip Singh Dhingra | 02696670 | 03.08.2011                     |
| 10.     | Sonu Halan Bhasin       | 02872234 | 01.02.2019                     |
| 11.     | Dhirendra Swarup        | 02878434 | 08.09.2014                     |
| 12.     | Abhijit Roy             | 03439064 | 11.02.2011                     |

Ensuring the eligibility of, for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 30th May, 2019

Sd/-  
Atul Kumar Labh  
**Practising Company Secretary**  
Membership No. : FCS - 4848  
CP No : 3238





## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BERGER PAINTS INDIA LIMITED

#### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Berger Paints India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Key audit matters  | How our audit addressed the key audit matter  |
|--|---|
| Recognition of revenue from sale of goods(as described in note 3.4 of the standalone Ind AS financial statements)  |   |
| <p>The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Company expects to receive for those goods from customers. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration).</p> <p>The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that requires judgment in determining sales revenues.</p> <p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>   | <p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. Considered the Company’s revenue recognition policy and assessed its compliance in terms of Ind AS 115 ‘Revenue from contracts with customers’;</li> <li>2. Assessed the design and tested the operating effectiveness of internal controls related to sales and applicable rebates / discounts;</li> <li>3. Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested recognition of revenue;</li> <li>4. Performed test of details, by selecting on a sample basis rebates and discount schemes as approved by the management to assess its accounting;</li> <li>5. Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents including customer’s confirmation; and,</li> <li>6. Assessed the relevant disclosures made within the Ind AS financial statements.</li> </ol>   |
| Assessment of impairment of Investments in subsidiaries (as described in note 28 of the standalone Ind AS financial statements)  |   |
| <p>The carrying values of the Company’s investments in subsidiaries are assessed annually by management for potential indicators of impairment by reference to the requirements under Ind AS 36 “Impairment of Assets”. Accordingly, management has identified impairment indicators in respect of certain subsidiaries. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment was required to be recognised. For the purpose of the above impairment testing, management has determined the value in use and the fair value less costs to sell as applicable. Value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.</p> <p>Accordingly, we identified the assessment of potential impairment of investments in subsidiaries as a key audit matter because impairment assessment involves significant degree of management judgement in determining the key assumptions.</p> | <p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. We have obtained and discussed with management and evaluated the key judgements / assumptions underlying management’s assessment of potential indicators of impairment;</li> <li>2. Where potential indicators of impairment were identified, we evaluated management’s impairment assessments and assumptions around the key drivers of the cash flow forecasts, discount rates, expected growth rates and terminal growth rates used by comparison with available financial information including considerations of the audited consolidated financial statements of the subsidiary.</li> <li>3. We evaluated management estimates used in determination of fair value less costs to sell by consideration of available market and financial information.</li> <li>4. We also performed sensitivity analysis to determine the impact of changes in the key assumptions, both individually and in aggregate.</li> <li>5. We took assistance of the valuation specialists to assess the key assumptions and methodologies used by the Company in computing the recoverable amount. In making this assessment, we also assessed the objectivity independence and competency of the valuation specialists.</li> </ol> |



### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “**Annexure 2**” to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**  
Partner  
Membership No.: 055596

Place of Signature: Kolkata  
Date: May 30, 2019



## **ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF BERGER PAINTS INDIA LIMITED**

### **TO THE MEMBERS OF BERGER PAINTS INDIA LIMITED (‘THE COMPANY’)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in Property, plant and equipment are held in the name of the Company, except for certain immovable properties aggregating ₹ 1.81 crores as at March 31, 2019 acquired through schemes of amalgamation/arrangements as set out in note 4(a)(i) to the standalone Ind AS financial statements.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/ to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Company’s products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service-tax, duty of custom, duty of excise, value added-tax, goods and service-tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.



- (c) According to the records of the Company, dues of sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the Statute   | Nature of Dues   | Amount<br>(₹ in Crores) | Period to which the amount<br>relates (Financial Year)        | Forum where<br>Dispute is pending                            |
|---|--|-------------------------|---|--|
| The Central Excise Act, 1944, Finance Act, 1994 and Customs Act, 1962   | Excise Duty/<br>Service Excise<br>Duty/Service Tax/<br>Customs | 1.91                    | 1997-98, 1998-99, 2001-02 to<br>2016-17                       | Adjudicating Authority                                       |
|   |  | 1.42                    | 2005-06 to 2009-10, 2012-13 to<br>2013-14, 2015-16 to 2016-17 | Commissioner<br>(Appeals)                                    |
|   |  | 17.59                   | 1977-78, 1989-90, 1997-99,<br>2000-02, 2003-04 to 2015-16     | Customs Excise Service<br>Tax Appellate Tribunal<br>(CESTAT) |
| The Central Sales Tax<br>Act, 1956 and The Value<br>Added Tax Act, 2005 | Sales Tax  | 14.17                   | 1996-97, 1999-2006, 2012-13                                   | Appellate and<br>Revisional Board                            |
|   |  | 13.32                   | 1983-85, 1988-90, 1991-94,<br>1995-97, 1999-2018              | Appellate Authority  |
|   |  | 2.54                    | 1997-2004, 2007-08, 2009-10,<br>2011-12                       | Taxation Tribunal  |
|   |  | 1.02                    | 1994-97, 2003-05, 2007-08                                     | High Court   |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any dues to government or debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans during the year. Consequently, reporting under clause (ix) is not applicable and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**  
Partner  
Membership Number: 055596  
Place: Kolkata  
Date: May 30, 2019

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF BERGER PAINTS INDIA LIMITED**

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

We have audited the internal financial controls over financial reporting of Berger Paints India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 with Reference to these Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, 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.

#### **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

#### **per Bhaswar Sarkar**

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 30, 2019

**BALANCE SHEET AS AT MARCH 31, 2019**

|  |       | ₹ in Crores          |                      |
|--|-------|----------------------|----------------------|
|  | Notes | As at March 31, 2019 | As at March 31, 2018 |
| <b>ASSETS</b>  |       |                      |                      |
| <b>Non-current assets</b>  |       |                      |                      |
| Property, plant and equipment  | 4     | 996.56               | 911.04               |
| Capital work-in-progress   | 4     | 147.73               | 87.27                |
| Intangible assets  | 4     | 7.36                 | 4.29                 |
| <b>Financial assets</b>  |       |                      |                      |
| (a) Investments  | 5a    | 331.80               | 303.18               |
| (b) Loans and deposits   | 5b    | 16.42                | 19.99                |
| (c) Other financial assets   | 5c    | 4.14                 | 2.53                 |
| Income tax assets (net)  | 6     | 19.33                | 46.14                |
| Other non-current assets   | 7     | 32.84                | 31.05                |
|  |       | <b>1,556.18</b>      | <b>1,405.49</b>      |
| <b>Current assets</b>  |       |                      |                      |
| Inventories  | 8     | 1,149.13             | 939.36               |
| <b>Financial assets</b>  |       |                      |                      |
| (a) Investments  | 9a    | 245.51               | 227.59               |
| (b) Trade receivables  | 9b    | 574.33               | 598.01               |
| (c) Cash and cash equivalents  | 9c    | 27.24                | 64.18                |
| (d) Bank balances other than (c) above   | 9d    | 104.53               | 56.39                |
| (e) Loans and deposits   | 5b    | 7.98                 | 1.96                 |
| (f) Other financial assets   | 5c    | 3.27                 | 2.89                 |
| Other current assets   | 7     | 169.09               | 208.83               |
|  |       | <b>2,281.08</b>      | <b>2,099.21</b>      |
|  |       | <b>3,837.26</b>      | <b>3,504.70</b>      |
| <b>Total assets</b>  |       |                      |                      |
| <b>EQUITY AND LIABILITIES</b>  |       |                      |                      |
| <b>Equity</b>  |       |                      |                      |
| Equity share capital   | 10    | 97.11                | 97.10                |
| Other equity   | 11    | 2,275.24             | 2,046.51             |
| <b>Total Equity</b>  |       | <b>2,372.35</b>      | <b>2,143.61</b>      |
| <b>Liabilities</b>   |       |                      |                      |
| <b>Non-current liabilities</b>   |       |                      |                      |
| <b>Financial liabilities</b>   |       |                      |                      |
| Deposits   | 12    | 11.94                | 3.54                 |
| Provisions   | 13    | 3.16                 | 2.92                 |
| Deferred tax liabilities (net)   | 14a   | 60.87                | 58.60                |
| Other non-current liabilities  | 15    | 2.45                 | 1.72                 |
|  |       | <b>78.42</b>         | <b>66.78</b>         |
| <b>Current liabilities</b>   |       |                      |                      |
| <b>Financial liabilities</b>   |       |                      |                      |
| (a) Borrowings   | 16a   | 215.34               | 143.27               |
| (b) Trade payables   |       |                      |                      |
| i) Total outstanding dues of micro enterprises and small enterprises                       |       | 46.38                | 17.84                |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 16b   | 921.76               | 914.73               |
| (c) Other financial liabilities  | 12    | 130.41               | 113.95               |
| Other current liabilities  | 15    | 50.39                | 85.00                |
| Provisions   | 13    | 18.67                | 15.98                |
| Current tax liabilities (net)  | 14c   | 3.54                 | 3.54                 |
|  |       | <b>1,386.49</b>      | <b>1,294.31</b>      |
|  |       | <b>1,464.91</b>      | <b>1,361.09</b>      |
|  |       | <b>3,837.26</b>      | <b>3,504.70</b>      |
| <b>Total liabilities</b>   |       |                      |                      |
| <b>Total equity and liabilities</b>  |       |                      |                      |
| <b>Summary of Significant accounting policies</b>  |       |                      |                      |

The accompanying notes are an integral part of the Ind AS financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
Firm Registration Number 301003E/E300005  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership Number : 055596  
Place: Kolkata  
Dated: May 30, 2019

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary





## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

|  | Notes | Year Ended<br>March 31, 2019 | ₹ in Crores<br>Year Ended<br>March 31, 2018 |
|--|-------|------------------------------|---|
| <b>Income</b>  |       |                              |   |
| Revenue from operations  | 19    | 5,515.55                     | 4,839.37                                    |
| Other income   | 20    | 53.63                        | 46.53                                       |
| <b>Total income</b>  |       | <b>5,569.18</b>              | <b>4,885.90</b>                             |
| <b>Expenses</b>  |       |                              |   |
| Cost of materials consumed   | 21    | 3,150.03                     | 2,470.43                                    |
| Purchases of traded goods  |       | 432.46                       | 405.57                                      |
| (Increase) in inventories of finished goods, work-in-progress and traded goods             | 22    | (168.67)                     | (87.66)                                     |
| Excise duty  |       | -                            | 115.58                                      |
| Employee benefits expense  | 23    | 311.67                       | 269.84                                      |
| Finance costs  | 24    | 20.79                        | 16.20                                       |
| Depreciation and amortisation expense  | 25    | 122.17                       | 111.92                                      |
| Other expenses   | 26    | 979.87                       | 922.21                                      |
| <b>Total expense</b>   |       | <b>4,848.32</b>              | <b>4,224.09</b>                             |
| <b>Profit before exceptional items and tax</b>   |       | <b>720.86</b>                | <b>661.81</b>                               |
| Exceptional items  | 26.3  | (28.60)                      | -   |
| <b>Profit before tax</b>   |       | <b>692.26</b>                | <b>661.81</b>                               |
| <b>Tax expense</b>   |       |                              |   |
| Current tax  |       | 249.86                       | 232.08                                      |
| Deferred tax/(Credit)  | 14a   | 3.37                         | (2.11)                                      |
|  |       | <b>253.23</b>                | <b>229.97</b>                               |
| <b>Profit for the year (I)</b>   |       | <b>439.03</b>                | <b>431.84</b>                               |
| <b>Other comprehensive income:</b>   |       |                              |   |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: |       |                              |   |
| Re-measurement gains and (losses) on defined benefit obligations (net)                     |       | (3.15)                       | 1.78  |
| Income tax effect thereof  |       | 1.10                         | (0.62)                                      |
| <b>Other comprehensive income/(loss) for the year, net of tax (II)</b>                     |       | <b>(2.05)</b>                | <b>1.16</b>                                 |
| <b>Total comprehensive income for the year, net of tax (I + II)</b>                        |       | <b>436.98</b>                | <b>433.00</b>                               |
| <b>Earnings per Equity Share of ₹1 each</b>  |       |                              |   |
| Basic  | 27    | 4.52                         | 4.45  |
| Diluted (rounded off upto two decimal places)  |       | 4.52                         | 4.45  |

**Summary of Significant accounting policies**

The accompanying notes are an integral part of the Ind AS financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
Firm Registration Number 301003E/E300005  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership Number : 055596  
Place: Kolkata  
Dated: May 30, 2019

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

### a. Equity Share Capital:

|   | As at March 31, 2019 |              | As at March 31, 2018 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | No. of shares        | ₹ in Crores  | No. of shares        | ₹ in Crores  |
| Equity shares of ₹ 1 each issued, subscribed and fully paid   |                      |              |                      |              |
| At the beginning of the year                                  | 97,10,31,428         | 97.10        | 97,09,86,647         | 97.10        |
| Add: Issue of Shares on exercise of Stock Options (Note 31) * | 98,283               | 0.01         | 44,781               | 0.00         |
| At the end of the year  | <b>97,11,29,711</b>  | <b>97.11</b> | <b>97,10,31,428</b>  | <b>97.10</b> |

\* Refer note 41

### b. Other equity

For the year ended March 31, 2019

₹ in Crores

| Particulars  | Reserves & Surplus (refer note 11) |                             |                   |                 |                 |                            | Total Equity    |
|--|------------------------------------|-----------------------------|-------------------|-----------------|-----------------|----------------------------|-----------------|
|  | Securities premium                 | Share based payment reserve | Retained earnings | Capital Reserve | General Reserve | Capital Redemption Reserve |                 |
| As at April 1, 2018                                  | 112.34                             | 2.20                        | 1,641.30          | 0.02            | 290.61          | 0.04                       | 2,046.51        |
| Profit for the year                                  | -                                  | -                           | 439.03            | -               | -               | -                          | 439.03          |
| Other comprehensive income for the year (net of tax) | -                                  | -                           | (2.05)            | -               | -               | -                          | (2.05)          |
| <b>Total Comprehensive Income for the year</b>       | -                                  | -                           | <b>436.98</b>     | -               | -               | -                          | <b>436.98</b>   |
| Share based payments (Note 31)                       | -                                  | 2.51                        | -                 | -               | -               | -                          | 2.51            |
| Exercise of share options (Note 31)                  | 2.28                               | (2.28)                      | -                 | -               | -               | -                          | -               |
| Share Options forfeited/ lapsed (Note 31)            | -                                  | (0.05)                      | -                 | -               | -               | -                          | (0.05)          |
| Dividends (Note 18)                                  | -                                  | -                           | (174.78)          | -               | -               | -                          | (174.78)        |
| Dividend distribution tax on dividend (Note 18)      | -                                  | -                           | (35.93)           | -               | -               | -                          | (35.93)         |
| <b>As at March 31, 2019</b>                          | <b>114.62</b>                      | <b>2.38</b>                 | <b>1,867.57</b>   | <b>0.02</b>     | <b>290.61</b>   | <b>0.04</b>                | <b>2,275.24</b> |



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

For the year ended March 31, 2018

₹ in Crores

| Particulars  | Reserves & Surplus (refer note 11) |                             |                   |                 |                 |                            | Total Equity    |
|--|------------------------------------|-----------------------------|-------------------|-----------------|-----------------|----------------------------|-----------------|
|  | Securities premium                 | Share based payment reserve | Retained earnings | Capital Reserve | General Reserve | Capital Redemption Reserve |                 |
| As at April 1, 2017                                  | 111.31                             | 0.87                        | 1,412.82          | 0.02            | 290.61          | 0.04                       | 1,815.67        |
| Profit for the year                                  | -                                  | -                           | 431.84            | -               | -               | -                          | 431.84          |
| Other comprehensive income for the year (net of tax) | -                                  | -                           | 1.16              | -               | -               | -                          | 1.16            |
| Total Comprehensive Income for the year              | -                                  | -                           | <b>433.00</b>     | -               | -               | -                          | <b>433.00</b>   |
| Share based payments (Note 31)                       | -                                  | 2.44                        | -                 | -               | -               | -                          | 2.44            |
| Exercise of share options (Note 31)                  | 1.03                               | (1.03)                      | -                 | -               | -               | -                          | -               |
| Share Options forfeited/ lapsed (Note 31)            | -                                  | (0.08)                      | -                 | -               | -               | -                          | (0.08)          |
| Dividends (Note 18)                                  | -                                  | -                           | (169.93)          | -               | -               | -                          | (169.93)        |
| Dividend distribution tax on Dividend (Note 18)      | -                                  | -                           | (34.59)           | -               | -               | -                          | (34.59)         |
| <b>As at March 31, 2018</b>                          | <b>112.34</b>                      | <b>2.20</b>                 | <b>1,641.30</b>   | <b>0.02</b>     | <b>290.61</b>   | <b>0.04</b>                | <b>2,046.51</b> |

### Summary of Significant accounting policies

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**

Firm Registration Number 301003E/E300005

Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number : 055596

Place: Kolkata

Dated: May 30, 2019

3

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

₹ in Crores

| Particulars   | 2018-19         | 2017-18         |
|---|-----------------|-----------------|
| <b>A. Cash flows from operating activities:</b>   |                 |                 |
| <b>Profit before tax</b>  | <b>692.26</b>   | <b>661.81</b>   |
| Adjustments to reconcile profit before tax to net cash flows :                                    |                 |                 |
| Depreciation and amortisation expense   | 122.17          | 111.92          |
| (Profit)/loss on sale/discard of Property, plant and equipment and intangible assets              | 1.64            | (0.05)          |
| Employee stock option cost  | 2.46            | 2.36            |
| Impairment in subsidiary (refer note 26.3)  | 28.60           | -               |
| Guarantee income  | (1.39)          | (0.92)          |
| Unrealised foreign exchange (gain)/loss   | (1.79)          | 2.10            |
| Net gain on sale of mutual fund investments   | (13.87)         | (18.11)         |
| Fair value gain on mutual fund investments  | (6.18)          | (4.41)          |
| Dividend income   | -               | (6.47)          |
| Finance costs   | 20.79           | 16.20           |
| Interest income   | (10.66)         | (0.87)          |
| <b>Operating profit before working capital changes</b>  | <b>834.03</b>   | <b>763.56</b>   |
| Adjustments for :   |                 |                 |
| Increase in trade payables  | 37.36           | 180.82          |
| Increase/(decrease) in other financial liabilities  | 22.95           | (8.10)          |
| Increase/(decrease) in other liabilities  | (33.88)         | 3.83            |
| Increase in provisions  | 2.69            | 1.67            |
| Decrease in loans, deposits and other financial assets  | (2.80)          | (2.93)          |
| (Increase)/decrease in other assets   | 43.80           | (145.88)        |
| (Increase)/decrease in trade receivables  | 23.68           | (88.56)         |
| Increase in inventories   | (209.77)        | (45.06)         |
| <b>Cash generated from operations</b>   | <b>718.06</b>   | <b>659.35</b>   |
| Direct taxes paid (net of refunds)  | (223.05)        | (259.92)        |
| <b>Net cash flows from operating activities (A)</b>   | <b>495.01</b>   | <b>399.43</b>   |
| <b>B. Cash flows from investing activities:</b>   |                 |                 |
| Purchase of Property plant and equipment and intangible assets including capital work in progress | (278.51)        | (193.33)        |
| Proceeds from sale of Property, plant and equipment and intangible assets                         | 1.24            | 1.33            |
| Investment in joint venture and subsidiaries  | (57.46)         | (94.87)         |
| Proceeds from sale of current investments   | 2128.51         | 2,150.47        |
| Purchase of current investments   | (2,126.38)      | (1,988.27)      |
| Proceeds from maturity of fixed deposits with banks   | 150.50          | 0.02            |
| Investment in fixed deposits with banks   | (198.50)        | (50.85)         |
| Dividend received   | -               | 6.47            |
| Interest received   | 10.63           | 0.11            |
| <b>Net cash flows used in investing activities (B)</b>  | <b>(369.97)</b> | <b>(168.92)</b> |
| <b>C. Cash flows from financing activities:</b>   |                 |                 |
| Proceeds from issuance of equity share capital *  | 0.01            | 0.00            |
| Net movement in cash credit and buyer's credit  | (86.51)         | 25.09           |
| Short term borrowings taken   | 3,281.60        | 2,577.81        |
| Repayment of short term borrowings  | (3,123.02)      | (2,577.81)      |
| Interest paid   | (20.51)         | (16.31)         |
| Dividend paid (including net dividend distribution tax)   | (210.53)        | (203.82)        |
| <b>Net cash flows used in financing activities (C)</b>  | <b>(158.96)</b> | <b>(195.04)</b> |
| Net increase/(decrease) in cash and cash equivalents [A+B+C]                                      | (33.92)         | 35.47           |
| Cash and cash equivalents as at the beginning of the year   | 61.16           | 25.69           |
| Cash and cash equivalents as at end of the year   | 27.24           | 61.16           |

Refer Note 9c for Components of Cash and Cash Equivalents

\* Refer Note 41

### Summary of Significant accounting policies

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**

Firm Registration Number 301003E/E300005

Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number : 055596

Place: Kolkata

Dated: May 30, 2019

3

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 1. Corporate Information

Berger Paints India Limited ('BPIL' or 'the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on three stock exchanges in India. The Company is engaged in the manufacturing and selling of paints. The Company caters primarily to domestic market. The registered office of the Company is located at Berger House, 129 Park Street, Kolkata-700 017.

These Ind AS financial statements were approved for issue in accordance with a resolution of the Board of directors on May 30, 2019.

### 2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the financial statements.

These Ind AS financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair values (refer accounting policy regarding financial instruments). The Ind AS financial statements are presented in INR and all values are rounded to the nearest crores in INR, except when otherwise indicated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 3. Summary of Significant Accounting Policies

#### 3.1. Current and Non Current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 3.2. Foreign Currencies

Items included in the Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Ind AS financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates (i.e. INR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

### 3.3. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.4. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

#### Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The revenue is based on the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, rights to return or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Company provides volume rebates to certain customers once the quantity of products purchased by the customers during the period exceeds a threshold specified in the contract. Generally, rebates are offset against the amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method.

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS on constraining estimates of variable consideration to are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "Financial instruments – initial recognition and subsequent measurement". Also refer note 3.24 below.

### 3.5. Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss, under Other Operating Revenue over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 3.6. Taxes

#### Current Income Tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred Tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Ind AS financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

#### Goods and Service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Service tax paid, except:

- When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 3.7. Property, Plant and Equipment

Property, plant and equipment and Capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 28 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Depreciation is provided on Straight line method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of property, plant and equipment where applicable, prescribed under Schedule II to the Companies Act 2013 with the exception of the following items for which useful lives as estimated by management based on technical evaluation are different from those specified in aforesaid Schedule II.

- Plant and Machinery: 9.67 years to 21.05 years
- Motor Vehicles: 6.67 years
- Tinting Machines: Based on useful lives of 60 months
- Leasehold Land and Building is amortized on a straight-line basis over the tenure of respective leases
- No depreciation is provided on freehold land

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.8. Intangible Assets

Intangible Assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life ranging from 3 to 5 years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 3.9. Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in Statement of Profit and Loss, when it is incurred.

## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.
- (b) the Company intends to complete the intangible asset and use or sell it.
- (c) the Company has ability to use or sell the intangible asset.
- (d) the Company can demonstrate how the intangible asset will generate probable future economic benefits.
- (e) the Company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) the Company has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### 3.10. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Discount on Commercial Papers is amortised over the tenor of the underlying instrument. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

### 3.11. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs (See note 3.10). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments (net of any incentives received from the lessor) are charged to Statement of Profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.





## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **3.12. Inventories**

Raw materials, stores and spares and Packing Materials are valued at lower of cost and estimated net realisable value. Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and Work-in-process are stated at the lower of cost and estimated net realisable value. Cost of inventories constitutes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

### **3.13. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### **3.14. Provisions and Contingencies**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Company records a provision for decommissioning costs for its certain manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit

## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements.

### 3.15. Employee Benefits

#### I. Defined Contribution Plan

##### a. Superannuation

Contribution made to Superannuation Fund for certain employees are recognised in the Statement of Profit and Loss as and when services are rendered by employees. The Company has no liability for future Superannuation Fund benefits other than its contribution.

##### b. Provident Fund

Contributions in respect of Employees who are not covered by Company's Employees Provident Fund Trust are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to Statement of Profit and Loss as and when services are rendered by employees. The Company has no obligation other than the contribution payable to the Regional Provident fund.

#### II. Defined Benefit Plan

##### a. Gratuity

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of The Payment of Gratuity Act, 1972. Retirement Gratuity for employees, is funded through a scheme of Life Insurance Corporation of India. The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to Statement of Profit and Loss in subsequent periods. The excess/shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain / loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

##### b. Provident Fund

In respect of the employees covered by the Company's Employee Provident Fund Trust in Point I b above, contributions to the Company's Employees Provident Fund Trust (administered by the Company as per the provisions of Employees' Provident Fund and Misc. Provisions Act, 1952) are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the balance sheet date, as an expense.



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### III. Long Term Compensated Absences

The Company treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### 3.16. Employees Stock Option

Stock options are granted to the employees under the stock option scheme. The cost of stock options granted to the employees (equity-settled awards) of the Company is the difference between fair value of equity instruments granted and the price at which options may be exercised by concerned employees. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

Aforesaid cost of stock options is recognised, together with a corresponding increase in Employee Stock Options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro-rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

#### 3.17. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### 3.18. Forward Currency Contracts

The Company uses forward currency contracts to hedge its foreign currency risks. Such forward currency contracts are initially measured at fair value on the date on which a forward currency contract is entered into and are subsequently re-measured at fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of forward contracts are recognised in the Statement of Profit and Loss as they arise.

#### 3.19. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### 3.20. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### A. Financial assets

#### i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income FVTOCI

##### **Debt instruments at amortised cost other than derivative contracts**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost on first time adoption of Ind AS as set out in Note 40. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

#### iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### B. Financial liabilities

#### i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowing or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

#### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognised in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

### **3.21. Cash dividend to equity holders of the Company**

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **3.22. Operating Segments**

The Business process and Risk Management Committee of the Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Business process and Risk Management Committee. The financial information presented to the Business process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the Ind AS financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

### **3.23. Business Combinations**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The assets and liabilities of the acquired entity are recognised at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. The components of equity of the acquired entity are added to the same components within the Company's equity. Any excess or shortfall of the consideration paid over the share capital of acquired entity is recognised as capital reserve under equity. The Ind AS financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

### 3.24. Changes in accounting policies and disclosures

#### New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of the said new accounting standards is described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have any significant impact on the Ind AS financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

#### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to contracts that are not completed as at 1 April 2018.

There was no material impact on the Ind AS financial statements of the Company on application of this new standard.

#### Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which a Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the Company must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any significant impact on the Company's Ind AS financial statements.

### 3.25 Standards Issued but not yet effective

#### 1. IND AS 116 – Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from present accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

The Company intends to adopt this standard from April 1, 2019 and is in the process of evaluating the impact of this standard on its Ind AS financial statements.

### 2. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company does not expect any significant impact of the amendment on its Ind AS financial statements.

### 3. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. The Company does not expect this amendment to have any impact on its Ind AS financial statements.

### 4. Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in Statement of Profit and Loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in Other Comprehensive Income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. The Company does not expect this amendment to have any significant impact on its Ind AS financial statements.



## NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 5. Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019. The Company does not expect this amendment to have any significant impact on its Ind AS financial statements.

#### Annual improvement to Ind AS (2018);

These improvements include:

#### 1. Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those 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 1 April 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

#### 2. Amendments to Ind AS 111: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

#### 3. Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in Statement of Profit and Loss, Other Comprehensive Income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its Ind AS financial statements.

#### 4. Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its Ind AS financial statements.

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note 4(a) - Property, plant and equipment**

₹ in Crores

| Particulars            | Gross Block at Cost |               |                |                      | Depreciation / Amortisation |               |  |                      | Net Block            |                      |
|------------------------|---------------------|---------------|----------------|----------------------|-----------------------------|---------------|--|----------------------|----------------------|----------------------|
|                        | As at April 1, 2018 | Additions     | Deletions      | As at March 31, 2019 | As at April 1, 2018         | For the Year  | On Deletions (accumulated upto the date of sale) | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Land                   |                     |               |                |                      |                             |               |  |                      |                      |                      |
| Freehold               | 10.07               | 2.66          | -              | 12.73                | -                           | -             | -  | -                    | 12.73                | 10.07                |
| Leasehold              | 8.72                | 25.40         | -              | 34.12                | 0.41                        | 0.34          | -  | 0.75                 | 33.37                | 8.31                 |
| Buildings              |                     |               |                |                      |                             |               |  |                      |                      |                      |
| Freehold #             | 374.57              | 32.97         | -              | 407.54               | 36.38                       | 15.09         | -  | 51.47                | 356.07               | 338.19               |
| Leasehold              | 12.96               | -             | -              | 12.96                | 0.95                        | 0.27          | -  | 1.22                 | 11.74                | 12.01                |
| Plant & Equipment ##   | 679.89              | 127.65        | (35.79)        | 771.75               | 198.37                      | 84.74         | (34.02)  | 249.09               | 522.66               | 481.52               |
| Furniture and Fixtures | 27.32               | 3.32          | (0.26)         | 30.38                | 9.23                        | 3.46          | (0.14)   | 12.55                | 17.83                | 18.09                |
| Computer ##            | 47.02               | 8.39          | (6.41)         | 49.00                | 19.39                       | 10.64         | (6.10)   | 23.93                | 25.07                | 27.63                |
| Office Equipment       | 10.57               | 3.11          | (0.18)         | 13.50                | 4.16                        | 2.23          | (0.16)   | 6.23                 | 7.27                 | 6.41                 |
| Vehicles               | 10.71               | 3.94          | (1.60)         | 13.05                | 1.90                        | 2.27          | (0.94)   | 3.23                 | 9.82                 | 8.81                 |
| <b>TOTAL</b>           | <b>1,181.83</b>     | <b>207.44</b> | <b>(44.24)</b> | <b>1,345.03</b>      | <b>270.79</b>               | <b>119.04</b> | <b>(41.36)</b>                                   | <b>348.47</b>        | <b>996.56</b>        | <b>911.04</b>        |

# Partly on leasehold land

## (i) Includes following assets (Color Bank) given under operating lease arrangements

₹ in Crores

| Particulars       | Gross Block at Cost |              |                |                      | Depreciation / Amortisation |              |  |                      | Net Block            |                      |
|-------------------|---------------------|--------------|----------------|----------------------|-----------------------------|--------------|--|----------------------|----------------------|----------------------|
|                   | As at April 1, 2018 | Additions    | Deletions      | As at March 31, 2019 | As at April 1, 2018         | For the Year | On Deletions (accumulated upto the date of sale) | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Plant & Equipment | 213.91              | 43.73        | (35.45)        | 222.19               | 108.53                      | 41.00        | (33.74)  | 115.79               | 106.40               | 105.38               |
| Computer          | 23.14               | 2.53         | (5.64)         | 20.03                | 12.11                       | 5.15         | (5.39)   | 11.87                | 8.16                 | 11.03                |
| <b>Total</b>      | <b>237.05</b>       | <b>46.26</b> | <b>(41.09)</b> | <b>242.22</b>        | <b>120.64</b>               | <b>46.15</b> | <b>(39.13)</b>                                   | <b>127.66</b>        | <b>114.56</b>        | <b>116.41</b>        |

(ii) Also refer note 32

(iii) For Property, plant and equipment existing on April 1, 2015 i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequently measurement is at cost.

(iv) For charge created on Property, plant and equipment refer note 33 (iii)





## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 4(a)(i)

Title deeds of immovable properties set out in Note 4(a) above, are in the name of the Company except those mentioned below which were transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

₹ in Crores

| Particulars                                  | No. of title deeds | Gross Carrying Amount  |                        | Net Carrying Amount    |                        | Held in the name of                       |
|--|--------------------|------------------------|------------------------|------------------------|------------------------|---|
|  |                    | As at 31st March, 2019 | As at 31st March, 2018 | As at 31st March, 2019 | As at 31st March, 2018 |   |
| Freehold land at Rishra, West Bengal         | 1                  | 1.36                   | 1.36                   | 1.36                   | 1.36                   | Berger Auto & Industrial Coatings Limited |
| Leasehold land at Panaji, Goa                | 1                  | 0.35                   | 0.35                   | 0.28                   | 0.28                   | Rajdoot Paints Private Limited            |
| Leasehold land at Sikandrabad, Uttar Pradesh | 1                  | 0.27                   | 0.27                   | 0.14                   | 0.15                   | Rajdoot Paints Private Limited            |
| Leasehold land at Chandigarh                 | 1                  | 0.05                   | 0.05                   | 0.03                   | 0.03                   | Rajdoot Paints Private Limited            |

### Note 4(b) - Intangible assets

₹ in Crores

| Particulars       | Gross Block at Cost |             |               |                      | Depreciation / Amortisation |              |  |                      | Net Block            |                      |
|-------------------|---------------------|-------------|---------------|----------------------|-----------------------------|--------------|--|----------------------|----------------------|----------------------|
|                   | As at April 1, 2018 | Additions   | Deletions     | As at March 31, 2019 | As at April 1, 2018         | For the Year | On Deletions (accumulated upto the date of sale) | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Computer Software | 13.17               | 6.20        | (0.17)        | 19.20                | 8.88                        | 3.13         | (0.17)   | 11.84                | 7.36                 | 4.29                 |
| <b>TOTAL</b>      | <b>13.17</b>        | <b>6.20</b> | <b>(0.17)</b> | <b>19.20</b>         | <b>8.88</b>                 | <b>3.13</b>  | <b>(0.17)</b>                                    | <b>11.84</b>         | <b>7.36</b>          | <b>4.29</b>          |

(i) For Property, plant and equipment existing on April 1, 2015, i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequently, measurement is at cost.

### Note 4(c) - Capital work in progress

₹ in Crores

| Particulars       | Gross Block at Cost |               |                 |                      |
|-------------------|---------------------|---------------|-----------------|----------------------|
|                   | As at April 1, 2018 | Additions     | Capitalisation  | As at March 31, 2019 |
| Buildings         | 4.31                | 108.30        | (32.97)         | 79.64                |
| Plant & Equipment | 82.94               | 124.23        | (139.15)        | 68.02                |
| Other assets      | 0.02                | 7.31          | (7.26)          | 0.07                 |
| <b>TOTAL</b>      | <b>87.27</b>        | <b>239.84</b> | <b>(179.38)</b> | <b>147.73</b>        |

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 4(d) - Property, plant and equipment

₹ in Crores

| Particulars            | Gross Block at Cost |               |               |                      | Depreciation        |               |  |                      | Net Block            |
|------------------------|---------------------|---------------|---------------|----------------------|---------------------|---------------|--|----------------------|----------------------|
|                        | As at April 1, 2017 | Additions     | Deletions     | As at March 31, 2018 | As at April 1, 2017 | For the Year  | On Deletions (accumulated upto the date of sale) | As at March 31, 2018 | As at March 31, 2018 |
| Land                   |                     |               |               |                      |                     |               |  |                      |                      |
| Freehold               | 10.07               | -             | -             | 10.07                | -                   | -             | -  | -                    | 10.07                |
| Leasehold              | 8.27                | 0.45          | -             | 8.72                 | 0.19                | 0.22          | -  | 0.41                 | 8.31                 |
| Buildings              |                     |               |               |                      |                     |               |  |                      |                      |
| Freehold #             | 361.92              | 12.65         | -             | 374.57               | 21.92               | 14.46         | -  | 36.38                | 338.19               |
| Leasehold              | 12.96               | -             | -             | 12.96                | 0.61                | 0.34          | -  | 0.95                 | 12.01                |
| Plant & Equipment ##   | 577.56              | 102.79        | (0.46)        | 679.89               | 121.88              | 76.69         | (0.20)   | 198.37               | 481.52               |
| Furniture and Fixtures | 21.79               | 5.56          | (0.03)        | 27.32                | 5.62                | 3.63          | (0.02)   | 9.23                 | 18.09                |
| Computer ##            | 36.43               | 10.73         | (0.14)        | 47.02                | 10.20               | 9.32          | (0.13)   | 19.39                | 27.63                |
| Office Equipment       | 8.47                | 2.13          | (0.03)        | 10.57                | 2.32                | 1.85          | (0.01)   | 4.16                 | 6.41                 |
| Vehicles               | 9.18                | 3.79          | (2.26)        | 10.71                | 1.04                | 2.14          | (1.28)   | 1.90                 | 8.81                 |
| <b>TOTAL</b>           | <b>1,046.65</b>     | <b>138.10</b> | <b>(2.92)</b> | <b>1,181.83</b>      | <b>163.78</b>       | <b>108.65</b> | <b>(1.64)</b>                                    | <b>270.79</b>        | <b>911.04</b>        |

Also refer note 4(a)(i)

# Partly on leasehold land

## (i) Includes following assets (Color Bank) given under operating lease arrangements

₹ in Crores

| Particulars       | Gross Block at Cost |              |           |                      | Depreciation        |              |  |                      | Net Block            |
|-------------------|---------------------|--------------|-----------|----------------------|---------------------|--------------|--|----------------------|----------------------|
|                   | As at April 1, 2017 | Additions    | Deletions | As at March 31, 2018 | As at April 1, 2017 | For the Year | On Deletions (accumulated upto the date of sale) | As at March 31, 2018 | As at March 31, 2018 |
| Plant & Equipment | 171.41              | 42.50        | -         | 213.91               | 69.13               | 39.40        | -  | 108.53               | 105.38               |
| Computer          | 19.21               | 3.93         | -         | 23.14                | 7.80                | 4.31         | -  | 12.11                | 11.03                |
| <b>Total</b>      | <b>190.62</b>       | <b>46.43</b> | <b>-</b>  | <b>237.05</b>        | <b>76.93</b>        | <b>43.71</b> | <b>-</b>   | <b>120.64</b>        | <b>116.41</b>        |

(ii) also refer note 32

(iii) For Property, plant and equipment existing on April 1, 2015 i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequently, measurement is at cost.

(iv) For charge created on Property, plant and equipment refer note 33 (iii).



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 4(e) - Intangible assets

₹ in Crores

| Particulars       | Gross Block at Cost |             |           | Amortisation         |                     |              |  | Net Block            |                      |
|-------------------|---------------------|-------------|-----------|----------------------|---------------------|--------------|--|----------------------|----------------------|
|                   | As at April 1, 2017 | Additions   | Deletions | As at March 31, 2018 | As at April 1, 2017 | For the Year | On Deletions (accumulated upto the date of sale) | As at March 31, 2018 | As at March 31, 2018 |
| Computer Software | 11.68               | 1.49        | -         | 13.17                | 5.61                | 3.27         | -  | 8.88                 | 4.29                 |
| <b>TOTAL</b>      | <b>11.68</b>        | <b>1.49</b> | <b>-</b>  | <b>13.17</b>         | <b>5.61</b>         | <b>3.27</b>  | <b>-</b>   | <b>8.88</b>          | <b>4.29</b>          |

- (i) For Property, plant and equipment existing on April 1, 2015, i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequently, measurement is at cost.

### Note 4(f) - Capital work-in-progress

₹ in Crores

| Particulars       | Gross Block at Cost |               |                 |                      |
|-------------------|---------------------|---------------|-----------------|----------------------|
|                   | As at April 1, 2017 | Additions     | Capitalisation  | As at March 31, 2018 |
| Buildings         | 10.10               | 6.86          | (12.65)         | 4.31                 |
| Plant & Equipment | 45.65               | 154.43        | (117.14)        | 82.94                |
| Other assets      | 0.48                | 7.85          | (8.31)          | 0.02                 |
| <b>TOTAL</b>      | <b>56.23</b>        | <b>169.14</b> | <b>(138.10)</b> | <b>87.27</b>         |

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 5a. Financial assets - Investments**

|  | Nominal Value per unit | Number of shares |                      |                      | ₹ in Crores          |                      |
|--|------------------------|------------------|----------------------|----------------------|----------------------|----------------------|
|  |                        | Currency         | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| <b>Non Current</b>   |                        |                  |                      |                      |                      |                      |
| <b>At fair value through profit and loss</b>   |                        |                  |                      |                      |                      |                      |
| Equity Shares - Unquoted (Fully Paid)  |                        |                  |                      |                      |                      |                      |
| Shaktikunj Apartments Limited *  | 1.00                   | ₹                | 1,498                | 1,498                | 0.00                 | 0.00                 |
| <b>At cost:</b>  |                        |                  |                      |                      |                      |                      |
| Equity Shares - Unquoted (Fully Paid)  |                        |                  |                      |                      |                      |                      |
| <u>Investment in Subsidiaries</u>  |                        |                  |                      |                      |                      |                      |
| Beepee Coatings Private Limited  | 10.00                  | ₹                | 25,00,000            | 25,00,000            | 2.50                 | 2.50                 |
| Berger Jenson & Nicholson (Nepal) Private Limited  | 100.00                 | NEPALESE RUPEE   | 3,45,421             | 3,45,421             | 4.46                 | 4.46                 |
| Berger Paints (Cyprus) Limited   | 1.71                   | EURO             | 69,69,863            | 62,21,490            | 83.93                | 73.81                |
| Less: Impairment loss (Refer note 26.3)  |                        |                  |                      |                      | (56.60)              | (28.00)              |
| Lusako Trading Limited   | 1.71                   | EURO             | 56,48,639            | 56,09,827            | 70.80                | 68.81                |
| SBL Specialty Coatings Private Limited (formerly known as Saboo Coatings Private Limited) (refer note iii)                     | 10.00                  | ₹                | 29,60,000            | 29,60,000            | 83.18                | 82.85                |
| Saboo Hesse Wood Coatings Private Limited (refer note ii)  | 1.00                   | ₹                | 1,03,03,580          | -                    | 1.50                 | -                    |
| Berger Rock Paints Private Limited (refer note i)  | 1.00                   | ₹                | 4,08,00,000          | -                    | 4.08                 | -                    |
| <u>Investment in Joint Ventures</u>  |                        |                  |                      |                      |                      |                      |
| Berger Becker Coatings Private Limited   | 100.00                 | ₹                | 2,70,850             | 2,70,850             | 2.71                 | 2.71                 |
| Berger Nippon Paint Automotive Coatings Private Ltd. (Formerly BNB Coatings India Private Limited/ BNB Coatings India Limited) | 1,000.00               | ₹                | 13,52,400            | 9,60,400             | 135.24               | 96.04                |
| <b>Total</b>   |                        |                  |                      |                      | <b>331.80</b>        | <b>303.18</b>        |
| <b>Aggregate amount of Unquoted Investments</b>  |                        |                  |                      |                      | <b>331.80</b>        | <b>303.18</b>        |
| <b>Aggregate amount of impairment in value of Investment</b>   |                        |                  |                      |                      | <b>56.60</b>         | <b>28.00</b>         |

Note :

- i) The Company has subscribed to 51% equity shares of Berger Rock Paints Private Limited (“Berger Rock”) representing 51% of the paid up equity share capital of Berger Rock upon incorporation of Berger Rock on September 25, 2018.
- ii) The Company has acquired 51 % of the paid up equity share capital of Saboo Hesse Wood Coating Private Limited after close of business hours on January 28, 2019.
- iii) During the previous year, the Company had acquired 100% of the paid up equity share capital of SBL Specialty Coatings Private Limited [formerly known as Saboo Coatings Private Limited (“SCPL”)] after close of business hours on June 5, 2017.

\* Refer Note 41



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 5b. Financial assets - Loans and Deposits

(Unsecured, considered good unless otherwise stated)

₹ in Crores

|                     | Non-Current             |                         | Current                 |                         |
|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                     | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| * Security deposits | 16.42                   | 19.99                   | 7.98                    | 1.96                    |
| <b>Total</b>        | <b>16.42</b>            | <b>19.99</b>            | <b>7.98</b>             | <b>1.96</b>             |

\*Refer note 34 for security deposits given to related party.

### Note 5c. Financial assets - Other financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

|  | Non-Current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Bank deposits with original maturity more than twelve months *                                     | -                       | 0.09                    | 0.07                    | 0.07                    |
| Advances to related parties - includes Share Application money pending allotment (Refer Note 34) # | 4.14                    | 2.44                    | -                       | -                       |
| Interest accrued on deposits   | -                       | -                       | 0.86                    | 0.83                    |
| Other receivables ##   | -                       | -                       | 2.34                    | 1.99                    |
| <b>Total</b>   | <b>4.14</b>             | <b>2.53</b>             | <b>3.27</b>             | <b>2.89</b>             |
| * includes deposits pledged against bank guarantees  |                         |                         |                         |                         |
| #  |                         |                         |                         |                         |
| Berger Paints (Cyprus) Limited (wholly owned subsidiary)   | 4.14                    | 2.44                    |                         |                         |
|  | <b>4.14</b>             | <b>2.44</b>             |                         |                         |
| ## includes receivable from related parties  |                         |                         |                         |                         |
| Berger Paints (Bangladesh) Limited   |                         |                         | 0.42                    | 0.39                    |
| Berger Jenson & Nicholson (Nepal) Private Limited  |                         |                         | 1.79                    | 1.30                    |
| <b>Total</b>   |                         |                         | <b>2.21</b>             | <b>1.69</b>             |

### Note 6. Income Tax Assets (net)

₹ in Crores

|  | Non-Current             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Advance payment of income tax [net of provision for tax of ₹1,086.75 Crores (March 31, 2018 – ₹836.89) Crores] | 19.33                   | 46.14                   |
| <b>Total</b>   | <b>19.33</b>            | <b>46.14</b>            |



**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 7. Other Assets**

(Unsecured, considered good unless otherwise stated)

₹ in Crores

|  | Non-Current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Capital advances                               | 22.21                   | 16.18                   | -                       | -                       |
| Advances other than capital advances           | -                       | -                       | 12.17                   | 8.33                    |
| Prepayments                                    | 4.01                    | 3.69                    | 9.76                    | 8.84                    |
| Subsidy receivable #                           | -                       | -                       | 51.60                   | 28.38                   |
| Balances with statutory/government authorities | 6.62                    | 11.18                   | 95.56                   | 163.28                  |
| <b>Total</b>                                   | <b>32.84</b>            | <b>31.05</b>            | <b>169.09</b>           | <b>208.83</b>           |

# In the previous year, Excise duty disclosed in Statement of Profit and Loss for the three months period ended June 30, 2017 is net of excise duty benefit of ₹8.16 crores. Subsequent to the implementation of GST w.e.f July 1, 2017, the Company has claimed subsidy available under "Scheme of Budgetary Support under GST Regime to the eligible units" located in specified States amounting to ₹51.60 crores (March 31, 2018: ₹28.38 crores).

**Note 8. Inventories**

(at the lower of cost and net realisable value)

₹ in Crores

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Raw materials [ Including in-transit ₹76.00 crores (March 31, 2018 - ₹56.00 crores)] | 317.88                  | 278.79                  |
| Packing materials [ Including in-transit ₹0.14 crore (March 31, 2018 - ₹0.09 crore)] | 20.36                   | 19.49                   |
| Work in progress   | 79.24                   | 62.66                   |
| Finished goods   | 649.31                  | 496.32                  |
| Traded goods [ Including in-transit ₹2.00 crores (March 31, 2018 - ₹2.00 crores)]    | 70.81                   | 71.71                   |
| Stores and Spares  | 11.53                   | 10.39                   |
| <b>Total</b>   | <b>1,149.13</b>         | <b>939.36</b>           |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 9a. Financial assets - Current Investments

|  | Nominal Value<br>₹ per unit | Number of units      |                      | ₹ in Crores          |                      |
|--|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|  |                             | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| <b>At fair value through profit and loss (FVTPL):</b>                |                             |                      |                      |                      |                      |
| <u>Investments in Mutual Funds - Unquoted</u>                        |                             |                      |                      |                      |                      |
| Axis Ultra Short Term Fund Direct Growth                             | 10                          | 54,81,550            | -                    | 5.76                 | -                    |
| DSP Savings Fund - Direct Growth Plan                                | 10                          | 14,39,591            | -                    | 5.36                 | -                    |
| Franklin India Liquid Fund Super Institutional Plan - Direct Growth  | 1000                        | 27,076               | -                    | 7.58                 | -                    |
| Franklin India Savings Fund Retail Option - Direct Growth            | 10                          | 10,12,506            | -                    | 3.56                 | -                    |
| HDFC Ultra Short Term Fund - Direct Growth                           | 10                          | 3,18,04,399          | -                    | 33.31                | -                    |
| ICICI Prudential Ultra Short Term Fund - Direct Growth               | 10                          | 1,60,99,537          | -                    | 31.87                | -                    |
| Kotak Savings Fund Direct Plan Growth                                | 10                          | 79,00,551            | -                    | 24.14                | -                    |
| UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth        | 1000                        | 34,642               | -                    | 10.60                | -                    |
| UTI Ultra Short Term Fund - Direct Growth Plan                       | 1000                        | 17,674               | -                    | 5.55                 | -                    |
| Kotak Low Duration Fund - Direct - Growth                            | 10                          | -                    | 1,49,089             | -                    | 32.66                |
| ICICI Prudential Savings Fund - Direct Plan - Growth                 | 100                         | -                    | 1,177                | -                    | 31.82                |
| Birla Sunlife Floating Rate Fund - Long term - Direct Growth         | 100                         | -                    | 7,40,774             | -                    | 15.95                |
| IDFC Ultra Short Term Fund - Direct - Growth                         | 10                          | -                    | 26,28,869            | -                    | 6.52                 |
| ICICI Prudential Income Opportunity Fund - Direct Plan - Growth      | 10                          | -                    | 46,11,451            | -                    | 11.42                |
| Birla Sunlife Savings Fund - Direct Growth                           | 100                         | 11,28,744            | 10,23,860            | 41.96                | 35.23                |
| Birla Sunlife Short Term Fund - Direct Growth                        | 10                          | -                    | 8,67,942             | -                    | 18.69                |
| Birla Sunlife Cash Plus - Direct Growth                              | 100                         | -                    | 2,27,514             | -                    | 6.35                 |
| ICICI Prudential Money Market Fund - Direct Growth                   | 10                          | 9,87,595             | 1,22,813             | 25.69                | 2.95                 |
| L&T Liquid Fund Direct Plan - Growth                                 | 10                          | -                    | 14,048               | -                    | 3.35                 |
| Kotak Floater Short Term - Direct - Growth                           | 1000                        | -                    | 11,195               | -                    | 3.19                 |
| HDFC FMP 92 D Fund - Direct - Growth                                 | 10                          | -                    | 2,19,70,314          | -                    | 22.13                |
| UTI Treasury Advantage Fund - Institutional Option - Direct - Growth | 1000                        | -                    | 83,216               | -                    | 20.08                |
| Birla Sunlife Floating Rate Fund Short term - Direct growth          | 10                          | 7,12,492             | -                    | 17.93                | -                    |
| Franklin India Short Term Income Plan - Weekly Dividend              | 1000                        | 10,320               | 10,320               | 4.33                 | 3.95                 |
| Franklin India Ultra Short Term Bond Fund - Direct - Growth          | 10                          | 95,99,250            | 40,73,155            | 25.33                | 9.83                 |
| HDFC Liquid Fund - Direct - Growth                                   | 1000                        | 6,899                | -                    | 2.54                 | -                    |
| UTI Money Market Fund - Institutional - Direct - Growth              | 1000                        | -                    | 17,817               | -                    | 3.47                 |
|  |                             |                      |                      |                      |                      |
| <b>Aggregate amount of Unquoted Investments</b>                      |                             |                      |                      | <b>245.51</b>        | <b>227.59</b>        |
| <b>Aggregate amount of Repurchase price of Unquoted Investments</b>  |                             |                      |                      | <b>245.51</b>        | <b>227.59</b>        |

Refer note 36 for determination of fair value.

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 9b. Financial Assets - Trade receivables**  
 Unsecured

₹ in Crores

|   | Non-Current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Unsecured, considered good #  | -                       | -                       | 574.33                  | 598.01                  |
| Trade receivables - credit impaired   | 8.57                    | 4.29                    | -                       | -                       |
|   | 8.57                    | 4.29                    | 574.33                  | 598.01                  |
| <b>Impairment allowance<br/>(allowance for bad and doubtful debts)</b>  |                         |                         |                         |                         |
| Trade receivables - credit impaired   | (8.57)                  | (4.29)                  | -                       | -                       |
| <b>Total</b>  | <b>-</b>                | <b>-</b>                | <b>574.33</b>           | <b>598.01</b>           |
| # Includes debts due from related parties   |                         |                         |                         |                         |
| Berger Jenson & Nicholson (Nepal) Private Limited   |                         |                         | 3.99                    | 7.55                    |
| Berger Becker Coatings Private Limited  |                         |                         | 0.84                    | 1.52                    |
| Saboo Coatings Private Limited (now known as SBL Specialty Coatings Private Limited)  |                         |                         | 0.98                    | 1.13                    |
| Berger Nippon Paint Automotive Coatings Private Ltd. (Formerly BNB Coatings India Private Limited/BNB Coatings India Limited) |                         |                         | 6.57                    | 5.40                    |
| Berger Paints Overseas Limited  |                         |                         | 2.62                    | 1.10                    |
| Berger Rock Paints Private Limited  |                         |                         | 6.89                    | -                       |

Trade receivables are non-interest bearing and generally has credit period from 30 to 90 days  
 For terms and conditions relating to related party receivables, refer Note 34.

**Note 9c. Financial assets - Cash and Cash Equivalents**

₹ in Crores

|   | Non-Current             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Balances with banks:  |                         |                         |
| – On current accounts   | 12.40                   | 6.82                    |
| – Deposits with original maturity of less than three months # | -                       | 46.44                   |
| Cheques/drafts on hand  | 14.24                   | 10.30                   |
| Cash on hand  | 0.60                    | 0.62                    |
| <b>Total</b>  | <b>27.24</b>            | <b>64.18</b>            |

**Note 9d. Financial assets - Other bank balances**

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| – Balance with banks in Unpaid Dividend Account   | 5.72                    | 5.54                    |
| – Deposits with original maturity of not less than three months but less than twelve months # | 98.81                   | 50.85                   |
| <b>Total</b>  | <b>104.53</b>           | <b>56.39</b>            |

# Deposits at Banks earn interest between 7.95% to 8.65% (March 31, 2018- 7.50% to 7.55%) and are made for periods between 61 to 215 days (March 31, 2018 - periods between 61 to 92 days)



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

|   | ₹ in Crores             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Balances with banks:  |                         |                         |
| – On current accounts                                       | 12.40                   | 6.82                    |
| – Deposits with original maturity of less than three months | -                       | 46.44                   |
| Cheques/drafts on hand                                      | 14.24                   | 10.30                   |
| Cash on hand  | 0.60                    | 0.62                    |
|   | <b>27.24</b>            | <b>64.18</b>            |
| Less – Bank Overdraft (Refer Note 16 a)                     | -                       | (3.02)                  |
| <b>Total</b>  | <b>27.24</b>            | <b>61.16</b>            |

### Note - 10. Equity

|  | ₹ in Crores             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Authorised Share Capital</b>  |                         |                         |
| 1,200,000,000 Equity Shares of ₹1 each<br>(March 31, 2018: 1,200,000,000 Equity Shares of ₹1 each)                         | 120.00                  | 120.00                  |
| <b>Issued Share Capital</b>  |                         |                         |
| 971,221,191 Equity Shares of ₹1 each fully paid up<br>(March 31, 2018: 971,122,908 Equity Shares of ₹1 each fully paid up) | 97.12                   | 97.11                   |
| <b>Subscribed and Paid-up Share Capital</b>  |                         |                         |
| 971,129,711 Equity Shares of ₹1 each fully paid up<br>(March 31, 2018: 971,031,428 Equity Shares of ₹1 each fully paid up) | 97.11                   | 97.10                   |

#### a) The reconciliation of share capital is given below:

|  | As at March 31, 2019 |              | As at March 31, 2018 |              |
|--|----------------------|--------------|----------------------|--------------|
|  | No. of Shares        | ₹ in Crores  | No. of Shares        | ₹ in Crores  |
| At the beginning of the year   | 97,10,31,428         | 97.10        | 97,09,86,647         | 97.10        |
| Add: Shares issued on exercise of Employee Stock Options<br>(Refer Note 31)* | 98,283               | 0.01         | 44,781               | 0.00         |
| At the end of the year   | <b>97,11,29,711</b>  | <b>97.11</b> | <b>97,10,31,428</b>  | <b>97.10</b> |

\*Refer Note 41

#### b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 each. Holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**c) Equity shares held by the holding company and/or the subsidiaries/associates of holding company**
**₹ in Crores**

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| U K Paints (India) Private Limited (Holding Company) | 48,65,45,399            | 48,65,45,399            |
| Jenson & Nicholson (Asia) Limited, UK                | 14,06,56,782            | 14,06,56,782            |
| Citland Commercial Credits Limited                   | 3,09,15,659             | 3,09,15,659             |
| Wang Investment Finance Pvt. Ltd.                    | 2,98,10,580             | 2,98,10,580             |
| Bigg Investment & Finance Pvt. Ltd.                  | 79,52,420               | 79,52,420               |

**d) Details of shareholders holding more than 5 percent of equity shares in the Company**

|  | As at March 31, 2019 |           | As at March 31, 2018 |           |
|--|----------------------|-----------|----------------------|-----------|
|  | No. of Shares        | % holding | No. of Shares        | % holding |
| U K Paints (India) Private Limited (Holding Company) | 48,65,45,399         | 50.11%    | 48,65,45,399         | 50.11%    |
| Jenson & Nicholson (Asia) Limited, UK                | 14,06,56,782         | 14.48%    | 14,06,56,782         | 14.49%    |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as declared under the relevant provisions of the Companies Act, 2013.

**e) Shares reserved for issue under Employee Stock Options:**

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note 31.

**Note - 11. Other equity**
**₹ in Crores**

|                               | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------|-------------------------|-------------------------|
| <b>Reserves &amp; Surplus</b> |                         |                         |
| Securities Premium            | 114.62                  | 112.34                  |
| Retained earnings             | 1,867.57                | 1,641.30                |
| General Reserve               | 290.61                  | 290.61                  |
| <b>Other reserves</b>         |                         |                         |
| Share based payment Reserve   | 2.38                    | 2.20                    |
| Capital Reserve               | 0.02                    | 0.02                    |
| Capital redemption Reserve    | 0.04                    | 0.04                    |
| <b>Total other equity</b>     | <b>2,275.24</b>         | <b>2,046.51</b>         |

**Securities Premium** - Premium received on equity shares issued including those under Employee Stock Option Plan are recognised in the securities premium account net of utilization for bonus shares issued.

**Retained Earnings** - Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit plans and Revaluation Reserve that had arisen from revaluation of Leasehold Land, Freehold Land and Freehold Buildings of the Company in 1989, 1985 and 1993 done by approved valuers. The aforementioned revaluation reserve is not a free reserve as per the Companies Act, 2013 and hence is not available for distribution as dividend.

**General Reserve** - Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than





## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

10% of the paid capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

**Share based payment reserve** - The Company has two Employee Stock Option Plans (ESOP) under which options to subscribe for the Company's shares have been granted to specific employees.

The Share based payment reserve is used to recognise the value of equity-settled share-based payments to employees as part of their remuneration. The year end balance is net of options exercised by the concerned employees. Refer to Note 31 for further details of these plans.

**Capital redemption reserve** - Represents amount equal to the face value of equity shares transferred at the time of buy-back of shares.

### Note 12. Other financial liabilities

₹ in Crores

|   | Non-Current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| (a) Other financial liabilities at amortized cost   |                         |                         |                         |                         |
| Interest accrued but not due on borrowings  | -                       | -                       | 0.04                    | -                       |
| Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due) | -                       | -                       | 5.72                    | 5.54                    |
| Deposits  | 11.94                   | 3.54                    | 44.37                   | 37.84                   |
| Capital creditors   | -                       | -                       | 35.03                   | 33.41                   |
| Accrued employee liabilities  | -                       | -                       | 40.77                   | 30.46                   |
| Other payables  | -                       | -                       | 2.39                    | 4.68                    |
| (b) Financial guarantee contracts [refer note 33(iii)]                                      |                         |                         | 2.09                    | 2.02                    |
| <b>Total</b>  | <b>11.94</b>            | <b>3.54</b>             | <b>130.41</b>           | <b>113.95</b>           |

### Note 13. Provisions

₹ in Crores

|  | Non-Current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Provision for employee benefits                        |                         |                         |                         |                         |
| - Provision for gratuity (Refer Note 30)               | -                       | -                       | 1.43                    | 2.12                    |
| - Provision for leave encashment                       | -                       | -                       | 17.24                   | 13.86                   |
| Others   |                         |                         | -                       | -                       |
| - Provision for decommissioning (Refer Note (a) below) | 3.16                    | 2.92                    | -                       | -                       |
| <b>Total</b>   | <b>3.16</b>             | <b>2.92</b>             | <b>18.67</b>            | <b>15.98</b>            |

#### (a) Provision for decommissioning

₹ in Crores

|                                 |             |             |
|---------------------------------|-------------|-------------|
| At the beginning of the year    | 2.92        | 2.71        |
| Discount unwinding for the year | 0.24        | 0.21        |
| At the end of the year          | <b>3.16</b> | <b>2.92</b> |

Provision for decommissioning/dismantling of Property, Plant and Equipment.

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 14a. Deferred tax assets & liabilities (net)

₹ in Crores

| Nature - (liability) / asset                                  |                      |                      | Statement of Profit and Loss and Other Comprehensive Income (expense/income) |                           |
|---|----------------------|----------------------|--|---------------------------|
|   | As at March 31, 2019 | As at March 31, 2018 | Year ended March 31, 2019  | Year ended March 31, 2018 |
| <b>Deferred tax liabilities</b>                               |                      |                      |  |                           |
| Arising out of temporary differences in depreciable assets    | 69.34                | 63.05                | (6.29)   | (8.14)                    |
| Financial Assets at fair value through profit and loss        | 2.16                 | 1.54                 | (0.62)   | (0.51)                    |
| Others  | -                    | -                    | -  | 9.59                      |
| <b>Total (A)</b>  | <b>71.50</b>         | <b>64.59</b>         | <b>(6.91)</b>  | <b>0.94</b>               |
| <b>Deferred tax assets</b>                                    |                      |                      |  |                           |
| Expenses allowable on payment / actual basis for tax purposes | 8.70                 | 5.53                 | (3.17)   | (1.78)                    |
| Decommissioning liability                                     | 0.58                 | 0.21                 | (0.37)   | 0.35                      |
| Others through other comprehensive income                     | 1.35                 | 0.25                 | (1.10)   | 0.62                      |
| Others  | -                    | -                    | -  | 0.26                      |
| <b>Total (B)</b>  | <b>10.63</b>         | <b>5.99</b>          | <b>(4.64)</b>  | <b>(0.55)</b>             |
| <b>Net deferred tax (liabilities)/assets (B-A)</b>            | <b>(60.87)</b>       | <b>(58.60)</b>       | <b>2.27</b>  | <b>(1.49)</b>             |

### Reconciliation of deferred tax liabilities (net)

₹ in Crores

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Opening balance   | 58.60                | 60.09                |
| Tax expense/(income) during the period recognised in Statement of Profit and Loss | 3.37                 | (2.11)               |
| Tax expense/(income) during the period recognised in OCI                          | (1.10)               | 0.62                 |
| Closing balance   | <b>60.87</b>         | <b>58.60</b>         |

During the year ended March 31, 2019 and March 31, 2018, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders.



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 14b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Income tax on the Company's taxable profit differs from the theoretical amount that would have arisen had the enacted rate of corporate tax in India (34.944%) being applied to such taxable profits as explained below :

₹ in Crores

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>Accounting Profit before income tax</b>  | 692.26                       | 661.81                       |
| Profit before income tax multiplied by standard rate of corporate tax in India of 34.944% (March 31, 2018: 34.608%) | 241.90                       | 229.04                       |
| Effects of:   |                              |                              |
| Permanent differences affecting income tax expense:   |                              |                              |
| – Additional deduction allowed in respect of R&D activities carried out by the company                              | (3.51)                       | (2.22)                       |
| – Disallowance of exceptional item (impairment) (refer Note 26.3)   | 10.00                        | -                            |
| – Utilisation of unrecognised tax losses of BJN India on amalgamation   | -                            | (0.80)                       |
| – Other miscellaneous disallowances   | 3.74                         | 4.57                         |
| <b>Net effective income tax</b>   | <b>252.13</b>                | <b>230.59</b>                |

| Tax expense reported in the Statement of Profit and Loss             |               |               |
|--|---------------|---------------|
| Current tax  | 249.86        | 232.08        |
| Deferred tax   | 3.37          | (2.11)        |
| Income tax expense/(credit) recognised in Other Comprehensive Income | (1.10)        | 0.62          |
|  | <b>252.13</b> | <b>230.59</b> |

### Note 14(c). Current tax liabilities (net)

₹ in Crores

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Provision for income tax [net of advance tax of ₹117.42 Crores (March 31, 2018 ₹117.42 Crores)] | 3.54                         | 3.54                         |
| <b>Total</b>  | <b>3.54</b>                  | <b>3.54</b>                  |

### Note 15. Other liabilities

₹ in Crores

|                          | Non-Current             |                         | Current                 |                         |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                          | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Others                   |                         |                         |                         |                         |
| – Advance from customers | -                       | -                       | 18.18                   | 18.68                   |
| – Statutory liabilities  | -                       | -                       | 30.60                   | 65.21                   |
| – Other liabilities      | 2.45                    | 1.72                    | 1.61                    | 1.11                    |
| <b>Total</b>             | <b>2.45</b>             | <b>1.72</b>             | <b>50.39</b>            | <b>85.00</b>            |

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 16a. Financial Liabilities- Current borrowings

₹ in Crores

|                             | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------|-------------------------|-------------------------|
| <b>Secured</b>              |                         |                         |
| From Banks                  |                         |                         |
| Bank overdraft              | -                       | 3.02                    |
| Cash credit                 | 53.74                   | 140.25                  |
| Working capital demand loan | 76.60                   | -                       |
| <b>Unsecured</b>            |                         |                         |
| Commercial Paper            | 85.00                   | -                       |
| <b>Total</b>                | <b>215.34</b>           | <b>143.27</b>           |

Cash Credits from banks are secured by way of first charge on book debts and other current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Cash Credit is repayable on demand and carries interest at 7.30% to 12.10 % per annum (March 31, 2018: 7.30%-11.75% per annum).

Working Capital demand loan from banks are secured by way of first charge on book debts and other current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Working capital demand loan is repayable within April 30, 2019 and carries interest at 9.50% -10.25% per annum (March 31, 2018: Nil).

Commercial paper carries interest at 9.50% per annum (March 31, 2018: Nil) and is repayable by April 11, 2019.

#### Amendments to Ind AS 7 Statement of Cash Flows:

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period is as under.

#### Changes in liabilities arising from financing activities

₹ in Crores

| Particulars               | April 1, 2018 | Cash flows | Exchange difference | March 31, 2019 |
|---------------------------|---------------|------------|---------------------|----------------|
| <b>Current Borrowings</b> |               |            |                     |                |
| Bank overdraft            | 3.02          | (3.02)     | -                   | -              |
| Cash credit               | 140.25        | (86.51)    | -                   | 53.74          |
| Secured Loan              | -             | 76.60      | -                   | 76.60          |
| Commercial paper          | -             | 85.00      | -                   | 85.00          |

| Particulars               | April 1, 2017 | Cash flows | Exchange difference | March 31, 2018 |
|---------------------------|---------------|------------|---------------------|----------------|
| <b>Current Borrowings</b> |               |            |                     |                |
| Bank overdraft            | 5.19          | (2.17)     | -                   | 3.02           |
| Cash credit               | 30.20         | 110.05     | -                   | 140.25         |
| Buyers' Credit            | 84.29         | (84.96)    | 0.67                | -              |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 16b. Financial Liabilities- Trade Payables

₹ in Crores

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| i) Total outstanding dues of micro enterprises and small enterprises (refer note below)  | 46.38                   | 17.84                   |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises   |                         |                         |
| Acceptances  | 146.70                  | 137.08                  |
| Outstanding dues of creditors other than acceptances<br>[includes Rs 48.67 crores (March 31, 2018: ₹ 45.94 crores payable to related parties)] | 775.06                  | 777.65                  |
| <b>Total</b>   | <b>921.76</b>           | <b>914.73</b>           |
| <b>Total (i + ii)</b>  | <b>968.14</b>           | <b>932.57</b>           |

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under to the extent the Company has received intimation from the suppliers regarding their status under the Act.   |                         |                         |
| Principal amount remaining unpaid at the end of the year  | 44.24                   | 16.33                   |
| Interest due thereon remaining unpaid at the end of the year  | 2.14                    | 1.51                    |
|   | <b>46.38</b>            | <b>17.84</b>            |
| Delayed payment of Principal amount paid beyond appointed date during the entire financial year   | 41.67                   | 27.00                   |
| Interest actually paid under Section 16 of the Act during the entire accounting year  | -                       | -                       |
| Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.  | 0.24                    | 0.33                    |
| Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid)   | 0.30                    | 0.06                    |
| Interest accrued and remaining unpaid at the end of the year  | 0.63                    | 0.43                    |
| The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises for the purpose of disallowances as deductible expenditure under Section 23 of this Act | 2.14                    | 1.51                    |

#### Terms and conditions of the above trade payables:

Trade payables are non interest bearing and are normally settled on 45-90 days terms.

For terms and conditions of transactions with related parties, refer Note 34.



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 17 The carrying value and fair value of financial instruments by category as at end of the year are as follows:-

### Note 17a. Financial Assets

₹ in Crores

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Financial Assets - Non Current</b>              |                         |                         |
| <u>At Fair Value through profit or loss</u>        |                         |                         |
| Investments *                                      | 0.00                    | 0.00                    |
|  |                         |                         |
| <u>At Amortised Cost</u>                           |                         |                         |
| (a) Loans and deposits                             | 16.42                   | 19.99                   |
| (b) Other financial assets                         | 4.14                    | 2.53                    |
|  | <b>20.56</b>            | <b>22.52</b>            |
|  |                         |                         |
| <u>At Deemed Cost/Subsequent additions at cost</u> |                         |                         |
| a) Investments                                     | 331.80                  | 303.18                  |
|  |                         |                         |
| <b>Total Non current financial assets (a)</b>      | <b>352.36</b>           | <b>325.70</b>           |
|  |                         |                         |
| Financial assets - current                         |                         |                         |
| <u>At fair value through profit or loss</u>        |                         |                         |
| (a) Investments                                    | 245.51                  | 227.59                  |
|  |                         |                         |
| <u>At Amortised cost</u>                           |                         |                         |
| (a) Trade receivables                              | 574.33                  | 598.01                  |
| (b) Cash and cash equivalents                      | 27.24                   | 64.18                   |
| (c) Bank balances other than (b) above             | 104.53                  | 56.39                   |
| (d) Loans and deposits                             | 7.98                    | 1.96                    |
| (e) Other financial assets                         | 3.27                    | 2.89                    |
| <b>Total Current financial assets (b)</b>          | <b>962.86</b>           | <b>951.02</b>           |
|  |                         |                         |
| <b>Total financial assets (a + b)</b>              | <b>1,315.22</b>         | <b>1,276.72</b>         |

\* Refer Note 41



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 17b. Financial liabilities

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Financial Liabilities - Non Current</b>  |                         |                         |
| <u>At Amortised Cost</u>  |                         |                         |
| (a) Other Financial Liabilities   |                         |                         |
| -Deposits   | 11.94                   | 3.54                    |
| <b>Total Non Current Financial Liabilities (a)</b>  | <b>11.94</b>            | <b>3.54</b>             |
| <b>Financial Liabilities - Current</b>  |                         |                         |
| <u>At fair value through profit and loss</u>  |                         |                         |
| <u>Other Financial liabilities</u>  |                         |                         |
| Foreign exchange forward contracts  | -                       | -                       |
| Financial guarantee contracts   | 2.09                    | 2.02                    |
| <u>At Amortised Cost</u>  |                         |                         |
| (a) Borrowings  | 215.34                  | 143.27                  |
| (b) Trade Payables  |                         |                         |
| i) Total outstanding dues of micro enterprises and small enterprises                        | 46.38                   | 17.84                   |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises  | 921.76                  | 914.73                  |
| (c) Other Financial liabilities   |                         |                         |
| Interest accrued but not due on borrowings  | 0.04                    | -                       |
| Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due) | 5.72                    | 5.54                    |
| Others  |                         |                         |
| Deposits  | 44.37                   | 37.84                   |
| Capital creditors   | 35.03                   | 33.41                   |
| Accrued employee liabilities  | 40.77                   | 30.46                   |
| Other payables  | 2.39                    | 4.68                    |
|   |                         |                         |
| <b>Total Current financial liabilities (b)</b>  | <b>1,313.89</b>         | <b>1,189.79</b>         |
|   |                         |                         |
| <b>Total financial liabilities (a + b)</b>  | <b>1,325.83</b>         | <b>1,193.33</b>         |

Also refer Note 36 for fair value heirarchy.

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 18. Distribution made and proposed**
**₹ in Crores**

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Dividends on equity shares declared and paid:</b>                                  |                         |                         |
| Final dividend for March 31, 2018- ₹1.80 per share (March 31, 2017 - ₹1.75 per share) | 174.78                  | 169.93                  |
| Dividend Distribution Tax on final dividend   | 35.93                   | 34.59                   |
|   | <b>210.71</b>           | <b>204.52</b>           |
| <b>Proposed dividends on equity shares:</b>   |                         |                         |
| Final dividend for March 31, 2019- ₹1.90 per share (March 31, 2018 - ₹1.80 per share) | 184.51                  | 174.78                  |
| Dividend Distribution Tax on proposed dividend  | 37.93                   | 35.93                   |
|   | <b>222.44</b>           | <b>210.71</b>           |

As at March 31, 2019, proposed dividend on equity shares are subject to approval in the ensuing Annual General Meeting. Pending such approval proposed dividend and dividend distribution tax thereon have not been recognised in these Ind AS financial statements.

**Note 19. Revenue from Operations**
**₹ in Crores**

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Sale of products net of rebates and discounts (including excise duty) [refer note below]* | <b>5,457.05</b>              | <b>4,792.67</b>              |
| Contract revenue**  | 3.35                         | -                            |
| Other operating revenue   |                              |                              |
| Scrap sales   | 10.79                        | 8.34                         |
| Others  | 44.36                        | 38.36                        |
| <b>Total</b>  | <b>5,515.55</b>              | <b>4,839.37</b>              |

Revenue from operations for period up to June 30, 2017 includes excise duty. From July 1, 2017 onwards excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST from its customers on behalf of the Government and hence, GST is not included in Revenue from operations. Revenue from operations includes excise duty collected from customers of ₹ Nil (March 31, 2018: ₹134.28 crores). Revenue from operations net of excise duty is ₹ 5,515.55 (March 31, 2018 ₹4,705.09 crores). In view of the aforesaid change in indirect taxes, Revenue from operations for year ended March 31, 2019 is not comparable with the amount reported for the year ended March 31, 2018.

\* Revenue from sale of products are recognised when goods are transferred at a point in time.

\*\* Contract revenue is recognised over a period of time.



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 20. Other income

₹ in Crores

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Interest Income   |                              |                              |
| Investment in Deposits with banks carried at amortised cost   | 4.70                         | 0.87                         |
| Others  | 5.96                         | -                            |
| Dividend income from subsidiary                               | -                            | 6.47                         |
| Other non operating income                                    |                              |                              |
| Net gain on sale of mutual fund investments measured at FVTPL | 13.87                        | 18.11                        |
| Fair value gain on mutual fund investments measured at FVTPL  | 6.18                         | 4.41                         |
| Others  | 22.92                        | 16.67                        |
| <b>Total</b>  | <b>53.63</b>                 | <b>46.53</b>                 |

### Note 21. Cost of materials consumed

₹ in Crores

|                                    | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|------------------------------------|------------------------------|------------------------------|
| <u>Raw Materials Consumed</u>      |                              |                              |
| Opening Stock                      | 278.79                       | 231.36                       |
| Purchases                          | 2,762.08                     | 2,155.48                     |
| Closing stock                      | (317.88)                     | (278.79)                     |
|                                    | <b>2,722.99</b>              | <b>2,108.05</b>              |
| <u>Packing Material Consumed</u>   |                              |                              |
| Opening Stock                      | 19.49                        | 15.64                        |
| Purchases                          | 427.91                       | 366.23                       |
| Closing stock                      | (20.36)                      | (19.49)                      |
|                                    | <b>427.04</b>                | <b>362.38</b>                |
| <b>Cost of materials consumed*</b> | <b>3,150.03</b>              | <b>2,470.43</b>              |

\* Also refer note 39 for expenses on research and development

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 22. (Increase) in inventories of finished goods, work-in-progress and traded goods**

₹ in Crores

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>Opening Stock</b>  |                              |                              |
| Work-in-progress  | 62.66                        | 56.34                        |
| Finished goods  | 496.32                       | 517.71                       |
| Traded goods  | 71.71                        | 63.58                        |
|   | <b>630.69</b>                | <b>637.63</b>                |
| <b>Closing Stock</b>  |                              |                              |
| Work-in-progress  | 79.24                        | 62.66                        |
| Finished goods  | 649.31                       | 496.32                       |
| Traded goods  | 70.81                        | 71.71                        |
|   | <b>799.36</b>                | <b>630.69</b>                |
| *(Increase) in Excise Duty on Stock of Finished Goods                                 | -                            | (94.60)                      |
| <b>(Increase) in inventories of finished goods, work-in-progress and traded goods</b> | <b>(168.67)</b>              | <b>(87.66)</b>               |

\*Includes reversal of excise duty on Inventory as at March 31, 2017. Due to implementation of GST in the previous year, there is no excise duty element on the inventory as at March 31, 2018 and March 31, 2019.

**Note 23. Employee benefits expense**

₹ in Crores

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Salaries and wages  | 267.28                       | 228.73                       |
| Contribution to provident and other funds (Refer Note 30) | 15.76                        | 16.30                        |
| Employee stock option cost (Refer Note 31)                | 2.46                         | 2.36                         |
| Staff welfare expenses                                    | 26.17                        | 22.45                        |
| <b>Total</b>  | <b>311.67</b>                | <b>269.84</b>                |

Also refer note no 39 for expenses on research and development.

**Note 24. Finance Costs**

₹ in Crores

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Interest on debt and borrowings                     | 20.55                        | 15.99                        |
| Unwinding of discount on provisions (Refer Note 13) | 0.24                         | 0.21                         |
| <b>Total</b>  | <b>20.79</b>                 | <b>16.20</b>                 |





## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 25. Depreciation and amortization expense

₹ in Crores

|                                   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|-----------------------------------|------------------------------|------------------------------|
| Depreciation of tangible assets   | 119.04                       | 108.65                       |
| Amortization of intangible assets | 3.13                         | 3.27                         |
| <b>Total</b>                      | <b>122.17</b>                | <b>111.92</b>                |

### Note 26. Other expenses

₹ in Crores

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Freight, octroi and delivery  | 353.65                       | 307.53                       |
| Power and fuel (also refer note 39)   | 49.48                        | 40.00                        |
| Consumption of stores   | 9.93                         | 8.23                         |
| Repairs   |                              |                              |
| - Plant and machinery   | 18.05                        | 15.02                        |
| - Building  | 0.28                         | 0.68                         |
| - Others  | 3.01                         | 1.80                         |
| Rent (Refer Note 32)  | 54.65                        | 50.70                        |
| Rates and Taxes   | 5.19                         | 7.01                         |
| Travelling  | 48.79                        | 47.88                        |
| Advertisement and Sales Promotion Expenses                                  | 180.01                       | 222.23                       |
| Insurance   | 2.00                         | 1.78                         |
| Processing Charges  | 49.04                        | 44.12                        |
| Directors' sitting fees   | 0.01                         | 0.02                         |
| Foreign Exchange Loss (net)   | 8.41                         | 1.43                         |
| Commission to Non-Executive Directors                                       | 0.45                         | 0.45                         |
| Loss on sale/discard of Property, plant and equipment and intangible assets | 1.64                         | -                            |
| Audit Fees (Refer Note 26.1)  | 0.65                         | 0.61                         |
| CSR expenditure (Refer Note 26.2)   | 13.47                        | 10.43                        |
| Miscellaneous Expenses ( also refer note 39) #                              | 181.16                       | 162.29                       |
| <b>Total</b>  | <b>979.87</b>                | <b>922.21</b>                |

# Bad debts written off ₹6.93 Crores (March 31, 2018 ₹8.38 Crores)

### Note 26.1 Auditor's Remuneration

₹ in Crores

|  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>As Auditor:</b>                           |                              |                              |
| Audit fees                                   | 0.47                         | 0.47                         |
| Tax audit fee                                | 0.04                         | 0.04                         |
| Miscellaneous certificates and other matters | 0.08                         | 0.08                         |
| Reimbursement of expenses                    | 0.06                         | 0.02                         |
| <b>Total</b>                                 | <b>0.65</b>                  | <b>0.61</b>                  |

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 26.2 Details of CSR expenditure:**
**₹ in Crores**

|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| a) Gross amount required to be spent by the Company during the year | 12.19                        | 10.34                        |
| (b) Amount spent during the year:                                   |                              |                              |
| (i) Construction/Acquisition of an asset                            | -                            | -                            |
| (ii) Purposes other than (i) above                                  | 13.47                        | 10.43                        |
| <b>Total</b>  | <b>13.47</b>                 | <b>10.43</b>                 |

Corporate Social Responsibility expensed ₹13.47 crores (March 31, 2018: ₹10.43 crores) includes Company's own programme for promoting employment enhancing vocational skill programme named 'iTrain'.

**Note 26.3. Exceptional Items**
**₹ in Crores**

|                          | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--------------------------|------------------------------|------------------------------|
| Impairment in subsidiary | (28.60)                      | -                            |
| <b>Total</b>             | <b>(28.60)</b>               | <b>-</b>                     |

The Company had in an earlier year provided for impairment amounting to ₹28 crores in the carrying value of its investment in its wholly owned subsidiary, Berger Paints Cyprus Limited (BPCL) on account of losses sustained by the ultimate wholly owned subsidiary Berger Paints Overseas Limited (BPOL) due to downturn in Russian economy which were reflected in the consolidated financial position of the Company. BPOL continues to make losses and hence, the Company has made an assessment of the fair value less costs to sell off the investments in Berger Paints Overseas Limited taking into account management's best estimate of the estimated fair value less costs to sell off the carrying value of assets and liabilities of the wholly owned subsidiary. Based on the above and as matter of prudence, a further provision of ₹28.60 crores has been recognised in the current year towards impairment of such investment and has been accounted for as an exceptional item in the Statement of Profit and Loss.



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 27. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and earnings per share data used in the basic and diluted EPS computations:

₹ in Crores

|  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Net Profit after tax for calculation of Basic and Diluted Earnings Per Share * (₹ in crores) (I)   | 439.03                       | 431.84                       |
| Weighted average number of shares (II)   |                              |                              |
| - Basic  | 97,10,61,301                 | 97,10,00,633                 |
| - Diluted (refer note below)   | 97,12,01,378                 | 97,12,47,574                 |
| Earning per equity share [nominal value of Re 1 per share [(I)/(II)]   |                              |                              |
| - Basic  | 4.52                         | 4.45                         |
| - Diluted  | 4.52                         | 4.45                         |
|  |                              |                              |
| * Net Profit after tax for calculation of Basic and Diluted Earnings Per Share is net off exceptional item (refer note 26.3 for details) |                              |                              |
| <u>Effect of dilution:</u>   |                              |                              |
| Weighted average number of equity shares in calculating Basic Earnings Per Share   | 97,10,61,301                 | 97,10,00,633                 |
| Dilution - Stock options granted under ESOP  | 1,40,077                     | 2,46,941                     |
| Weighted average number of equity shares in calculating diluted EPS  | 97,12,01,378                 | 97,12,47,574                 |

### Note 28. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

#### Judgements, Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Ind AS Financial Statements.

#### Defined Employer Benefit plans

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 30.

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Fair value measurement of financial instruments and guarantees

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

### Depreciation on Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Decommissioning Liability

Decommissioning Liability has been recognised for items of property plant and equipment built or installed on specified leasehold land the terms of which said leases include decommissioning of such assets on expiry of the lease prior to handing over to the lessor. The decommissioning costs as at the end of the lease period have been estimated based on current costs by the Company's own technical experts and have been escalated to the end of the leasehold period using suitable inflation factors. The said escalated cost as at the end of the lease period is now discounted to the present value of such liability by applying Company's weighted average cost of capital.

### Impairment of Investment

The carrying amount of the Company's investments are assessed at the end of each reporting period to determine whether there is any indication that an asset may be impaired. If any such indication exists, then the Company estimates the recoverable amount of the asset. The recoverable amount of the asset is computed as the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. Such fair value is derived using valuation techniques (i.e. the Discounted Cash Flow (DCF) model) or management's best estimate of the estimated fair value of the carrying value of assets and liabilities. The inputs to the Discounted Cash Flow models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Key assumptions on which management has based its determination of recoverable amount includes estimated long term growth rates , weighted average cost of capital, estimated operating margins etc. Cash flow projections take into account past experience and represent management's best estimate about future development. Details about impairment of investments recognised during the year has been further explained in Note 26.3.

### Note 29. Information on joint ventures

#### Description of Company's interest in the joint venture Companies

| Name of the entity   | As at<br>March 31, 2019   |                             | As at<br>March 31, 2018   |                             |
|--|---------------------------|-----------------------------|---------------------------|-----------------------------|
|  | Proportion of<br>Interest | Country of<br>Incorporation | Proportion of<br>Interest | Country of<br>Incorporation |
| Berger Becker Coatings Private Limited   | 48.98%                    | India                       | 48.98%                    | India                       |
| Berger Nippon Paint Automotive Coatings Private Ltd.(Formerly BNB Coatings India Private Limited/BNB Coatings India Limited) | 49.00%                    | India                       | 49.00%                    | India                       |
| Surefire Management Services Ltd. ("SMS")  | 75.00%                    | United Kingdom              | 75.00%                    | United Kingdom              |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 30. Gratuity and other post-employment benefit plans

#### (I) Defined benefit plans

##### (a) Gratuity

- (i) The following table summarizes the components of net defined benefit expense towards gratuity recognised in the Statement of Profit and loss and OCI and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Changes in the present value of defined benefit obligation</b>           |                         |                         |
| Present value of defined benefit obligation as at year beginning            | 31.53                   | 30.14                   |
| Current Service Cost  | 2.70                    | 2.28                    |
| Interest Cost   | 2.30                    | 2.10                    |
| Past Service cost (Plan amendments)   | -                       | 1.65                    |
| <u>Remeasurements (gains)/losses</u>  |                         |                         |
| - Actuarial (gains)/losses arising from changes in financial assumptions    | 0.43                    | (1.09)                  |
| - Actuarial (gains)/losses arising from changes in experience               | 2.83                    | (0.78)                  |
| Benefits Paid   | (2.69)                  | (2.77)                  |
| <b>Present value of defined benefit obligation as at year end</b>           | <b>37.10</b>            | <b>31.53</b>            |
| <b>Changes in fair value of plan assets</b>                                 |                         |                         |
| Fair Value of Plan Assets as at year beginning                              | 29.41                   | 28.06                   |
| Interest Income   | 2.39                    | 2.03                    |
| <u>Remeasurements (gains)/losses</u>  |                         |                         |
| -Return on plan assets, (excluding amount included in net Interest expense) | 0.11                    | (0.09)                  |
| Employer's Contribution   | 6.45                    | 2.18                    |
| Benefits Paid   | (2.69)                  | (2.77)                  |
| <b>Fair Value of Plan Assets as at year end</b>                             | <b>35.67</b>            | <b>29.41</b>            |
| <b>Amounts Recognised in the Balance Sheet</b>                              |                         |                         |
| Present value of defined benefit obligation at the year end                 | 37.10                   | 31.53                   |
| Fair Value of the Plan Assets at the year end                               | 35.67                   | 29.41                   |
| <b>(Liability) Recognised in the Balance Sheet</b>                          | <b>(1.43)</b>           | <b>(2.12)</b>           |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 30. Gratuity and other post-employment benefit plans (Contd.)

₹ in Crores

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Expense recognised in the Statement of Profit and Loss:</b> |                              |                              |
| Cost of current service and plan amendments                    | 2.70                         | 3.93                         |
| Net Interest Cost/(Income)                                     | (0.09)                       | 0.07                         |
| <b>Net Cost Recognised in the Statement of Profit and Loss</b> | <b>2.61</b>                  | <b>4.00</b>                  |
| <b>Expense recognised in the Other Comprehensive Income:</b>   |                              |                              |
| Remeasurements (gains)/losses                                  | 3.15                         | (1.78)                       |
| <b>Net Cost Recognised in the Other Comprehensive Income:</b>  | <b>3.15</b>                  | <b>(1.78)</b>                |

(ii) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

| Significant Actuarial Assumptions | As at<br>March 31, 2019                                     | As at<br>March 31, 2018                                     |
|-----------------------------------|---|---|
| Discount Rate                     | 7.50%   | 7.65%   |
| Employee turnover                 | 3.00%   | Age wise<br>0.10%-0.50%                                     |
| Salary increase                   | 5.00%   | 5.00%   |
| Mortality Rate                    | Indian Assured Lives<br>(Mortality 2006-08<br>modified) Ult | Indian Assured Lives<br>(Mortality 2006-08<br>modified) Ult |

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Actuary.

The discount rate is based on the government securities yield.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

(iii) Major category of Plan Assets of the fair value of the total plan assets are as follows:-

|                                  | AS at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------|-------------------------|-------------------------|
| Assets under scheme of insurance | 100%                    | 100%                    |

(iv) A quantitative sensitivity analysis for significant assumptions are as shown below:

| Assumptions                          | As at<br>March 31, 2019 |             | As at<br>March 31, 2018 |             |
|--------------------------------------|-------------------------|-------------|-------------------------|-------------|
|                                      | Discount rate           |             | Discount rate           |             |
| Sensitivity Level                    | 1% increase             | 1% decrease | 1% increase             | 1% decrease |
|                                      | (₹ Crores)              | (₹ Crores)  | (₹ Crores)              | (₹ Crores)  |
| Impact on defined benefit obligation | (2.60)                  | 2.97        | (2.72)                  | 3.18        |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 30. Gratuity and other post-employment benefit plans (Contd.)

(iv) A quantitative sensitivity analysis for significant assumptions are as shown below: (Contd.)

| Assumptions                          | As at<br>March 31, 2019 |             | As at<br>March 31, 2018 |             |
|--------------------------------------|-------------------------|-------------|-------------------------|-------------|
|                                      | Future Salary increase  |             | Future Salary increase  |             |
| Sensitivity Level                    | 1% increase             | 1% decrease | 1% increase             | 1% decrease |
|                                      | (₹ crores)              | (₹ crores)  | (₹ crores)              | (₹ crores)  |
| Impact on defined benefit obligation | 2.93                    | (2.62)      | 3.17                    | (2.77)      |

Impact on defined benefit obligation:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

#### (v) Risk Exposure

Since the employees gratuity fund is a defined benefit plan, the liability to be provided will be subject to interest rate risk since the future valuation of benefit depends upon the yield of government bonds for matching maturities.

#### (vi) Defined Benefit Liability and Employer Contributions

Since the employees gratuity fund is a defined benefit plan maintained by Life Insurance Corporation of India, the return is generated from a pool of assets invested by them and any deficit in the liability and return on plan assets is funded by the Company on a yearly basis.

(vii) In 2018-19, the Company expects to contribute ₹1.43 crores (March 31, 2018: ₹2.12 crores) to gratuity.

#### (viii) Maturity profile of the defined benefit obligation

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Weighted Average duration of the defined benefit obligation | 10 Years                | 12 Years                |
|   |                         |                         |
|   | ₹ in Crores             | ₹ in Crores             |
| Within the next 12 months (next annual reporting period)    | 2.26                    | 0.55                    |
| Between 2 and 5 years                                       | 16.89                   | 10.99                   |
| Between 5 and 10 years                                      | 26.00                   | 17.11                   |

#### (b) Provident Fund

Provident Fund for certain eligible employees is administered by the Company through "Berger Paints Provident Fund (Covered)" as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a trust provide that in a provident fund set up by the employer, any shortfall in the rate of interest on member contributions as compared to the relevant rate of interest declared by the Government of India for this purpose will have to be met by the employer. Such provident fund would in effect be a defined benefit plan in accordance with the requirement of Ind AS 19 - Employee Benefits.

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 30. Gratuity and other post-employment benefit plans (Contd.)

#### (b) Provident Fund (Contd.)

The Actuary has carried out actuarial valuation of interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Professional Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regards to interest rate guarantee obligation of the Company as at the balance sheet date. Further during the year, the Company's contribution of ₹5.76 crores (March 31, 2018: ₹4.93 crores) to the Provident Fund Trust, has been expensed under "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Discount rate                          | 7.50%                   | 7.65%                   |
| Expected rate of return on Plan Assets | 8.65%                   | 8.55%                   |

#### (c) Other Defined Benefit Plans

The amounts for "Other Defined Benefit Plans" are below the rounding off norm adopted by the Company (refer Note 41) and hence the disclosures as required under Ind AS 19 - "Employee Benefits" have not been given.

#### (II) Defined contribution plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans:

₹ in Crores

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Provident and Family Pension Fund (applicable for eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner) | 1.60                    | 1.80                    |
| Superannuation Fund  | 2.11                    | 1.99                    |

### Note 31. Employee Stock Option Plan

Berger Paints India Limited Employee Stock Option Scheme, 2010

The Berger Paints India Limited – Employee Stock Option Plan [‘the Plan’] was approved at the Annual General Meeting of the Company held on 29th July, 2010. The objective of the plan is to:

- 1) Attract, retain and motivate Employees,
- 2) Create and share wealth with the Employees,
- 3) Recognise and reward employee performance with shares and
- 4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:
  - a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
  - b) “Exercise Date” means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.
  - c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.
  - d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 31. Employee Stock Option Plan (Contd.)

- e) The Exercise Price of an Option shall be the face value of ₹2/- per Share. However, due to sub-division of Company's share from F.V of ₹2/- to ₹1/- w.e.f from 9th January, 2015, the Compensation & Nomination & Remuneration Committee made fair and reasonable adjustments with respect to ESOP's earlier approved and granted by the Compensation & Nomination & Remuneration Committee.
- f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.
- g) Subject to Participant's continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c) balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.
- h) The Date of grant of options : 1st August, 2010.

### Berger Paints India Limited Employee Stock Option Plan 2016

The Berger Paints India Limited – Employee Stock Option Plan 2016 [‘the Plan’] was approved at the Annual General Meeting of the Company held on 3rd August, 2016. The objective of the plan is to:

- 1) Attract, retain and motivate Employees,
- 2) Create and share wealth with the Employees,
- 3) Recognise and reward employee performance with shares and
- 4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:
  - a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
  - b) “Exercise Date” means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.
  - c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.
  - d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.
  - e) The Exercise Price of an Option shall be the face value of ₹1/- per share
  - f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.
  - g) Subject to Participant's continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c) balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.
  - h) The Date of grant of options : 9th November, 2016.

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 31. Employee Stock Option Plan (Contd.)**

|    |  | <b>As at<br/>March 31, 2019</b> | <b>As at<br/>March 31, 2018</b> |
|----|--|---------------------------------|---------------------------------|
| a. | Number of Stock Options outstanding (ESOP Plan 2010: Grant III)  | -                               | 1,390                           |
|    | Number of Stock Options outstanding (ESOP Plan 2010: Grant IV)   | -                               | 1,172                           |
|    | Total Number of Options in force (Additional grant Options vested in lieu of bonus issues from ESOP 2010 balances on 21.11.2016)   | -                               | 1,025                           |
|    | Number of Stock Options outstanding (ESOP Plan 2016: Grant I)  | 42,163                          | 88,022                          |
|    | Number of Stock Options outstanding (ESOP Plan 2016: Grant II)   | 98,496                          | 1,56,384                        |
|    |  | 1,40,659                        | 2,47,993                        |
| b. | Number of Options granted during the year  |                                 |                                 |
|    | ESOP Plan 2016: Grant II   | -                               | 1,61,184                        |
| c. | Number of Options vested (ESOP Plan 2016: Grant I)   | 43,472                          | 45,397                          |
|    | Number of Options vested (ESOP Plan 2016: Grant II)  | 50,608                          | -                               |
|    |  | 94,080                          | 45,397                          |
| d. | Number of Options exercised (ESOP Plan 2010 : Grant III)   | 1,390                           | -                               |
|    | Number of Options exercised (ESOP Plan 2010 : Grant IV)  | 1,172                           | -                               |
|    | Number of Additional Grant Options exercised in lieu of bonus issues from ESOP Plan 2010 balances on 21.11.2016  | 1,025                           | -                               |
|    | Number of Options exercised (ESOP Plan 2016: Grant I) [Number of ESOP exercised from vested options on 09.11.2017 : 616 and Number of ESOP exercised from vested options on 09.11.2018 : 43,472] | 44,088                          | 44,781                          |
|    | Number of Options exercised (ESOP Plan 2016: Grant II)   | 50,608                          | -                               |
|    |  | 98,283                          | 44,781                          |
| e. | Number of Shares arising on exercise (ESOP Plan 2010 : Grant III)  | 1,390                           | -                               |
|    | Number of Shares arising on exercise (ESOP Plan 2010 : Grant IV)   | 1,172                           | -                               |
|    | Number of Additional Shares arising as result on exercise from ESOP Plan 2010 balances on 21.11.2016   | 1,025                           | -                               |
|    | Number of Shares arising on exercise (ESOP Plan 2016: Grant I)   | 44,088                          | 44,781                          |
|    | Number of Shares arising on exercise (ESOP Plan 2016: Grant II)  | 50,608                          | -                               |
|    |  | 98,283                          | 44,781                          |
| f. | Number of Options lapsed (ESOP Plan 2016: Grant I)   | 1,771                           | 5,467                           |
|    | Number of Options lapsed (ESOP Plan 2016: Grant II)  | 7,280                           | 4,800                           |
|    |  | 9,051                           | 10,267                          |
| g. | Variation of terms of Option   | None during the period          | None during the period          |
| h. | Total Number of Options in force (ESOP Plan 2010: Grant III)   | -                               | 1,390                           |
|    | Total Number of Options in force (ESOP Plan 2010: Grant IV)  | -                               | 1,172                           |
|    | Total Number of Options in force (Additional grant Options vested in lieu of bonus issues from ESOP Plan 2010 balances on 21.11.2016)  | -                               | 1,025                           |
|    | Total Number of Options in force (ESOP Plan 2016: Grant I)   | 42,163                          | 88,022                          |
|    | Total Number of Options in force (ESOP Plan 2016: Grant II)  | 98,496                          | 1,56,384                        |
|    |  | 1,40,659                        | 2,47,993                        |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 31. Employee Stock Option Plan (Contd.)

|    |  | As at<br>March 31, 2019 | As at<br>March 31, 2018      |
|----|--|-------------------------|------------------------------|
| i. | Weighted Average exercise price of the Share Options   |                         |                              |
|    | Outstanding at the beginning of the year   | ₹1                      | ₹1                           |
|    | Granted during the year  | ₹1                      | ₹1                           |
|    | Forfeited during the year  | -                       | -                            |
|    | Exercised during the year  | ₹1                      | ₹1                           |
|    | Expired during the year  | ₹1                      | ₹1                           |
|    | Outstanding at the end of the year   | ₹1                      | ₹1                           |
|    | Exercisable at the end of the period   | ₹1                      | ₹1                           |
| j. | Weighted Average share price of options exercised during the year on the date of exercise  | ₹1                      | ₹1                           |
| k. | Weighted Average fair value of the Options granted during the year   |                         |                              |
|    | i. ESOP Plan 2016 Grant I (Fair value as on 31.03.2018)  | NA                      | NA                           |
|    | ii. ESOP Plan 2016 Grant II (Fair value as on 31.03.2018)  | NA                      | ₹250.74                      |
| l. | A description of the method and significant assumptions used during the year to estimate the fair value of Options granted, including the following weighted average information:- |                         |                              |
|    | The Black Scholes Option Pricing Model for dividend paying stock has been used to compute the fair value of the Options. The significant assumptions are:                          |                         |                              |
|    | i. Date of grant   |                         |                              |
|    | a. ESOP Plan 2016  | NA                      | 09.11.2016                   |
|    | ii. Weighted average share price   | ₹323.75                 | ₹256.70                      |
|    | iii. Exercise Price  | ₹1                      | ₹1                           |
|    | iv. Risk Free Interest rate  | 7.35%                   | 7.40%                        |
|    | v. Expected Life.  |                         |                              |
|    | a. For options vested on 01.08.2015  | -                       | 0.33 years                   |
|    | b. For options vested on 01.08.2016  | 0.33 years              | 1.33 years                   |
|    | c. For options vested on 09.11.2017  | 1.61 years              | 2.61 years                   |
|    | d. For options yet to be vested  | 2.61 years              | 3 years from the vesting day |
|    | vi. Expected Volatility  | 22%                     | 20%                          |
|    | vii. Expected dividend yield   | 0.47%                   | 0.67%                        |
|    | viii. Weighted Average fair value as on grant date   |                         |                              |
|    | a. ESOP Plan 2016 (Grant date: 09.11.2016)   | ₹229.10                 | ₹229.10                      |
|    | b. Additional grant in lieu of bonus issues from ESOP Plan 2010 balances (Grant date: 21.11.2016)  | ₹218.21                 | ₹218.21                      |
|    | c. ESOP Plan 2016 (Grant II) - 09.11.2017  | ₹247.75                 | ₹247.75                      |

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 31. Employee Stock Option Plan (Contd.)**

|     |  | As at<br>March 31, 2019 | As at<br>March 31, 2018         |
|-----|--|-------------------------|---------------------------------|
| ix. | The price of the underlying share in the market at the time of option grant:                       |                         |                                 |
|     | a. ESOP Plan 2010 Grant-III- 31.07.2012  | ₹138.70                 | ₹138.70                         |
|     | b. ESOP Plan 2010 Grant IV- 31.07.2013   | ₹205.45                 | ₹205.45                         |
|     | c. Additional grant on 21.11.2016 in lieu of bonus issues from ESOP Plan 2010 balances- 18.11.2016 | ₹187.10                 | ₹187.10                         |
|     | d. ESOP Plan 2016 Grant I - 08.11.2016   | ₹234.85                 | ₹234.85                         |
|     | e. ESOP Plan 2016: Grant II - 09.11.2017   | ₹253.70                 | ₹253.70                         |
| x.  | Time to maturity   |                         |                                 |
|     | a. For options vested on 01.08.2015 (Grant III)  | -                       | 0.33 years                      |
|     | b. For options vested on 01.08.2016 (Grant IV)   | NA*                     | 1.33 years                      |
|     | c. Additional grants vested on 21.11.2016  | NA*                     | 0.33 years and<br>1.33 years    |
|     | d. ESOP 2016 Plan Grant I vested on 08.11.2017   | 1.61 years              | 2.61 years                      |
|     | e. For options yet to be vested  | 2.61 years              | 3 years from the<br>vesting day |

Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the ESOP.

The fair values of our ESOP are based on the market value of our stock on the date of grant.

m. The following table summarizes information about Share Options outstanding as at year end:-

| Range of exercise prices per option (₹) | As at<br>March 31, 2019    |   |                                     |
|---|----------------------------|---|-------------------------------------|
|   | No. of options outstanding | Weighted average remaining contractual life | Weighted average exercise price (₹) |
| 1                                       | NA*                        | NA*   | 1                                   |
| 1                                       | NA*                        | NA*   | 1                                   |
| 1                                       | 42,163                     | 1.61 years                                  | 1                                   |
| 1                                       | 98,496                     | 2.61 years                                  | 1                                   |

| Range of exercise prices per option (₹) | As at<br>March 31, 2018    |   |                                     |
|---|----------------------------|---|-------------------------------------|
|   | No. of options outstanding | Weighted average remaining contractual life | Weighted average exercise price (₹) |
| 1                                       | 1,946                      | 0.33 years                                  | 1                                   |
| 1                                       | 1,641                      | 1.33 years                                  | 1                                   |
| 1                                       | 88,022                     | 2.61 years                                  | 1                                   |
| 1                                       | 1,56,384                   | Yet to be vested                            | 1                                   |

\*No outstanding options [For options vested on 01.08.2016 (Grant IV) and additional grant in lieu of bonus issues from ESOP Plan 2010 balances (Grant date 21.11.2016)] since all were vested and exercised till date 31.03.2019.



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 32. Leases

#### Operating lease – Company as lessee

The Company's leasing arrangements for various depots, offices etc are in the nature of operating leases which are cancellable at the option of the Company. These leases have a life between 1 year to 20 years ( March 31, 2018 - 1 year to 20 years ) which is renewable by mutual consent of concerned parties. No contingent rent is payable by the Company in respect of the above leases. Some of the lease agreements have price escalation clauses. Related lease rentals have been disclosed under the head "Rent" in Note 26 of Statement of Profit and Loss. There are no restrictions placed upon the Company by such leases.

#### Operating lease – Company as lessor

The Company has given Color Bank (tinting machines) on operating lease to its dealers. The Company enters into 3- 5 years cancellable lease agreements. However the corresponding lease rentals may be receivable for a shorter period or may be waived off/refunded on achievement of certain sales targets by the concerned dealers. The minimum aggregate lease payments to be received in future is considered as ₹ Nil. Accordingly the disclosure of the minimum lease payments receivable at the Balance sheet date is not made. The amounts received from customers pending to be refunded back are recognised as liabilities and are included in "Deposits" under "Other financial liabilities" in Note 12. Also refer note 4.

### Note 33. Commitment and Contingencies

#### a. Commitments

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 86.14                   | 38.55                   |

#### b. Contingent Liabilities

##### (i) Claims against the Company not acknowledged as debts:

₹ in Crores

| Legal claim contingency           | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------|-------------------------|-------------------------|
| Sales Tax                         | 28.53                   | 28.45                   |
| Excise Duty, Service Tax, Customs | 21.05                   | 25.79                   |
|                                   | <b>49.58</b>            | <b>54.24</b>            |

The Company has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same and hence has not been provided for in the books. The future cash flows on account of the above cannot be determined unless the judgements/decisions are received from the ultimate judicial forums. No reimbursements is expected to arise to the Company in respect of above cases.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the Company.

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Guarantees excluding financial guarantees</b>  |                         |                         |
| ii. Outstanding Bank guarantees   | 30.23                   | 9.89                    |
|   |                         |                         |
| <b>Financial guarantees</b>   |                         |                         |
| iii. Corporate guarantees issued by the Company to certain banks for loans taken by some of its subsidiaries and amount outstanding as at the year end (Refer note a and b below) | 268.86                  | 258.93                  |

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- a) The Company has mortgaged certain immovable properties with Standard Chartered Bank and has also created charge on certain fixed moveable assets with DBS Bank in relation to loan extended to its subsidiary, M/s Lusako Trading Limited.
- b) The loan is utilised by the said subsidiary for its business purposes. Also refer note 12 and 34.

### 34a. Disclosure in respect of Related Parties pursuant to Ind AS 24

#### List of Related Parties

#### I. Parent and Subsidiary Companies:

| Name of related parties   | Nature of relationship                                    | Principal Place of business |
|---|---|-----------------------------|
| U K Paints (India) Private Limited *  | Holding Company   | India                       |
| Berger Jenson & Nicholson (Nepal) Private Limited   | Wholly Owned Subsidiary                                   | Nepal                       |
| Beepee Coatings Private Limited   | Wholly Owned Subsidiary                                   | India                       |
| Berger Paints (Cyprus) Limited  | Wholly Owned Subsidiary                                   | Cyprus                      |
| Lusako Trading Limited  | Wholly Owned Subsidiary                                   | Cyprus                      |
| SBL Specialty Coatings Private Limited<br>(Formerly known as Saboo Coatings Private Limited)<br>(w.e.f. June 5, 2017) | Wholly Owned Subsidiary                                   | India                       |
| Berger Rock Paints Private Limited<br>(w.e.f. September 25, 2018)   | Subsidiary  | India                       |
| Saboo Hesse Wood Coatings Private Limited<br>(w.e.f. January 28, 2019)  | Subsidiary  | India                       |
| Berger Paints Overseas Limited  | Wholly Owned Subsidiary of Berger Paints (Cyprus) Limited | Russia                      |
| Bolix S.A.  | Wholly Owned Subsidiary of Lusako Trading Limited         | Poland                      |
| BUILD-TRADE sp. z. o.o.   | Wholly Owned Subsidiary of Bolix S.A.                     | Poland                      |
| Bolix UKRAINA sp. z. o.o.   | Wholly Owned Subsidiary of Bolix S.A.                     | Ukraine                     |
| Soltherm External Insulations Limited   | Wholly Owned Subsidiary of Bolix S.A.                     | United Kingdom              |
| Soltherm Insulations Thermique Exterieur SAS  | Wholly Owned Subsidiary of Bolix S.A.                     | France                      |
| Surefire Management Services Limited  | Joint Venture of Bolix S.A.                               | United Kingdom              |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### II. Other related parties with whom transactions have taken place during the year:

#### a) Key Management Personnel

| Name of related parties    | Nature of relationship  |
|----------------------------|---|
| Mr Kuldip Singh Dhingra    | Director  |
| Mr Gurbachan Singh Dhingra | Director  |
| Mr Kanwardip Singh Dhingra | Executive director and relative of Mr Gurbachan Singh Dhingra |
| Ms Rishma Kaur             | Executive director and relative of Mr Kuldip Singh Dhingra    |
| Mr Abhijit Roy             | Managing Director & CEO                                       |
| Mr Srijit Dasgupta         | Director - Finance & Chief Financial Officer                  |
| Mr Aniruddha Sen           | Senior Vice President & Company Secretary                     |
| Mr Kamal Ranjan Das        | Independent Director  |
| Mr Naresh Gujral           | Independent Director  |
| Mr Dhirendra Swarup        | Independent Director  |
| Mr Gopal Krishna Pillai    | Independent Director  |
| Mr Anoop Hoon              | Independent Director w.e.f February 1, 2019                   |
| Mrs Sonu Halan Bhasin      | Independent Director w.e.f February 1, 2019                   |

#### b) Others

| Name of related parties                                 | Nature of relationship       |
|---|------------------------------|
| Berger Becker Coatings Private Limited                  | Joint Venture of the Company |
| Berger Nippon Paint Automotive Coatings Private Limited | Joint Venture of the Company |
| Jenson & Nicholson (Asia) Limited *                     | Fellow Subsidiary            |
| Berger Paints (Bangladesh) Limited                      | Fellow Subsidiary            |
| Citland Commercial Credits Limited                      | Fellow Subsidiary            |
| Wang Investment Finance Private Limited                 | Fellow Subsidiary            |



**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**II. Other related parties with whom transactions have taken place during the year: (Contd)**

| Name of related parties  | Nature of relationship                        |
|--|---|
| Kanwar Properties Private Limited                                    | Fellow Subsidiary                             |
| Berger Paints Provident Fund (Covered)                               | Post-employment benefit plan of the Company   |
| Berger Paints Officers (Non-Management Category) Superannuation Fund | Post-employment benefit plan of the Company   |
| Berger Paints Management Staff Superannuation Fund                   | Post-employment benefit plan of the Company   |
| BAICL Employees Superannuation Fund                                  | Post-employment benefit plan of the Company   |
| BAICL Employees Gratuity Fund  | Post-employment benefit plan of the Company   |
| Seaward Packaging Private Limited                                    | Entity controlled by Key Managerial Personnel |
| Flex Properties Private Limited                                      | Entity controlled by Key Managerial Personnel |
| Wazir Estates Private Limited  | Entity controlled by Key Managerial Personnel |
| Bigg Investment & Finance Private Limited                            | Entity controlled by Key Managerial Personnel |
| KSD Family Trust   | Mr Kuldip Singh Dhingra - Settlor Trustee     |
| GBS Dhingra Family Trust   | Mr Gurbachan Singh Dhingra - Settlor Trustee  |
| Mrs Meeta Dhingra  | Spouse of Mr Kuldip Singh Dhingra             |
| Mrs Vinu Dhingra   | Spouse of Mr Gurbachan Singh Dhingra          |
| Mrs Jessima Kumar  | Daughter of Mr Kuldip Singh Dhingra           |
| Ms Dipti Dhingra   | Daughter of Mr Kuldip Singh Dhingra           |
| Mrs Sunaina Kohli  | Daughter of Mr Gurbachan Singh Dhingra        |
| Mrs Anshna Sawhney   | Daughter of Mr Gurbachan Singh Dhingra        |

\* The parties hold more than 10% of the equity shares in the Company. (refer Note 10d)

**34b. Disclosure in respect of Related Parties pursuant to Ind AS 24**
**A. During the year the following transactions were carried out with the related parties in the ordinary course of business:**
**₹ in Crores**

| Transaction   | Related Party   | Year ended<br>March 31, 2019                      | Year ended<br>March 31, 2018 |      |
|---|---|---|------------------------------|------|
| Sale of Goods (includes sale of raw materials, packing materials, intermediates, traded goods and stores) | Berger Becker Coatings Private Limited                  | 0.70  | 1.57                         |      |
|   | Berger Jenson & Nicholson (Nepal) Private Limited       | 14.09   | 9.54                         |      |
|   | Berger Nippon Paint Automotive Coatings Private Limited | 21.23   | 18.67                        |      |
|   | Berger Rock Paints Private Limited                      | 4.52  | -                            |      |
|   | Wazir Estates Private Limited                           | -   | 0.04                         |      |
|   | Berger Paints (Bangladesh) Limited                      | 0.07  | 0.70                         |      |
|   | Berger Paints Overseas Limited                          | 2.90  | 1.10                         |      |
|   | U K Paints (India) Private Limited                      | 0.37  | 0.40                         |      |
|   | SBL Specialty Coatings Private Limited                  | 2.67  | 1.75                         |      |
|   | Mr Kuldip Singh Dhingra                                 | 0.03  | 0.03                         |      |
|   | Mr Gurbachan Singh Dhingra *                            | 0.00  | 0.00                         |      |
|   | Seaward Packaging Private Limited *                     | -   | 0.00                         |      |
|   | Royalty Income  | Berger Jenson & Nicholson (Nepal) Private Limited | 1.97                         | 1.85 |
|   | Consultancy Income                                      | Berger Paints (Bangladesh) Limited                | 0.21                         | 0.29 |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

A. During the year the following transactions were carried out with the related parties in the ordinary course of business: (Contd)

₹ in Crores

| Transaction  | Related Party  | Year ended<br>March 31, 2019       | Year ended<br>March 31, 2019 |      |
|--|--|------------------------------------|------------------------------|------|
| Software License Income #  | Berger Nippon Paint Automotive Coatings Private Limited              | 2.53                               | -                            |      |
| Interest Income  | SBL Specialty Coatings Private Limited                               | -                                  | 0.09                         |      |
| Purchase of Goods (includes purchase of raw materials, packing materials and traded goods) | U K Paints (India) Private Limited                                   | 73.56                              | 68.15                        |      |
|  | Berger Becker Coatings Private Limited                               | 0.05                               | -                            |      |
|  | SBL Specialty Coatings Private Limited *                             | 0.67                               | 0.00                         |      |
|  | Seaward Packaging Private Limited                                    | 45.99                              | 37.88                        |      |
|  | Berger Nippon Paint Automotive Coatings Private Limited              | 1.84                               | 0.64                         |      |
| Processing Charges   | U K Paints (India) Private Limited                                   | 22.00                              | 18.57                        |      |
|  | Beepee Coatings Private Limited                                      | 25.29                              | 24.45                        |      |
| Rent Expenses  | U K Paints (India) Private Limited                                   | 2.45                               | 3.94                         |      |
|  | Flex Properties Private Limited                                      | 0.15                               | 0.18                         |      |
|  | Beepee Coatings Private Limited                                      | 0.07                               | 0.06                         |      |
|  | Kanwar Properties Private Limited                                    | 0.55                               | 0.38                         |      |
|  | Berger Nippon Paint Automotive Coatings Private Limited              | 0.06                               | 0.07                         |      |
|  | Mr Kuldip Singh Dhingra  | 0.21                               | 0.24                         |      |
|  | Mr Gurbachan Singh Dhingra   | 0.21                               | 0.24                         |      |
|  | Security Deposit Refunded  | U K Paints (India) Private Limited | 0.11                         | 0.11 |
|  | Sale of Property, plant and equipment                                | Berger Rock Paints Private Limited | 0.62                         | -    |
|  |  | Berger Paints Overseas Limited     | 0.02                         | -    |
| Corporate Guarantee Income   | Lusako Trading Limited   | 1.39                               | 0.91                         |      |
| Processing Income  | Berger Nippon Paint Automotive Coatings Private Limited              | 3.09                               | 2.22                         |      |
| Shared Services Income   | Berger Rock Paints Private Limited                                   | 0.06                               | -                            |      |
| Rendering of Manpower Services   | U K Paints (India) Private Limited                                   | 0.02                               | 0.02                         |      |
|  | Berger Becker Coatings Private Limited                               | 0.17                               | 0.16                         |      |
| Machinery Rental Income  | Beepee Coatings Private Limited                                      | 0.43                               | 0.39                         |      |
| Warehouse Rental Income  | Berger Rock Paints Private Limited                                   | 0.10                               | -                            |      |
| Contribution to Provident Fund   | Berger Paints Provident Fund (Covered)                               | 15.21                              | 13.26                        |      |
| Contribution to Gratuity Fund  | BAICL Employees Gratuity Fund  | 0.06                               | 0.05                         |      |
| Contribution to Superannuation Fund  | Berger Paints Officers (Non-Management Category) Superannuation Fund | 0.64                               | 0.58                         |      |
|  | Berger Paints Management Staff Superannuation Fund                   | 1.61                               | 1.28                         |      |
|  | BAICL Employees Superannuation Fund                                  | 0.08                               | 0.08                         |      |
| Directors' Commission & Fees   | Mr Kuldip Singh Dhingra  | 0.10                               | 0.10                         |      |
|  | Mr Gurbachan Singh Dhingra   | 0.10                               | 0.10                         |      |
|  | Mr Kamal Ranjan Das  | 0.03                               | 0.03                         |      |
|  | Mr Naresh Gujral   | 0.07                               | 0.07                         |      |
|  | Mr Dharendra Swarup  | 0.07                               | 0.07                         |      |
|  | Mr Gopal Krishna Pillai  | 0.07                               | 0.07                         |      |
| Short Term Loan Given  | SBL Specialty Coatings Private Limited                               | -                                  | 4.00                         |      |

**NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**A. During the year the following transactions were carried out with the related parties in the ordinary course of business: (Contd)**
**₹ in Crores**

| Transaction                               | Related Party   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|---|------------------------------|------------------------------|
| Short Term Loan Repaid                    | SBL Specialty Coatings Private Limited                  | -                            | 4.00                         |
| Equity Contribution                       | Berger Nippon Paint Automotive Coatings Private Limited | 39.20                        | -                            |
|   | Berger Rock Paints Private Limited                      | 4.08                         | -                            |
|   | Berger Paints (Cyprus) Limited                          | 10.12                        | 8.69                         |
|   | Lusako Trading Limited                                  | 0.53                         | 1.29                         |
| Corporate Guarantee Obligation            | Lusako Trading Limited                                  | 1.46                         | -                            |
| Share Application Money Pending Allotment | Berger Paints (Cyprus) Limited                          | 4.14                         | 2.44                         |
| Key Management Personnel Compensation     | Mr Abhijit Roy  | 3.08                         | 2.58                         |
|   | Mr Srijit Dasgupta                                      | 1.54                         | 1.40                         |
|   | Mr Aniruddha Sen  | 1.11                         | 0.94                         |
|   | Mr Kanwardip Singh Dhingra                              | 0.45                         | 0.23                         |
|   | Ms Rishma Kaur  | 0.45                         | 0.23                         |
| Dividend Payment                          | U K Paints (India) Private Limited                      | 87.58                        | 85.15                        |
|   | Jenson & Nicholson (Asia) Limited                       | 25.32                        | 24.61                        |
|   | Others  | 18.22                        | 17.66                        |
| Dividend Receipt                          | Berger Jenson & Nicholson (Nepal) Private Limited       | -                            | 6.47                         |
| Impairment of Investment                  | Berger Paints (Cyprus) Limited                          | 28.60                        | -                            |

# netted off with the respective expenses in the financial statements.

**B. Balances outstanding at the year end (including commitments):**
**₹ in Crores**

| Outstanding    | Related Party  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------|--|-------------------------|-------------------------|
| <b>Payable</b> | U K Paints (India) Private Limited                                   | 25.22                   | 24.79                   |
|                | Beepee Coatings Private Limited                                      | 10.35                   | 11.84                   |
|                | Seaward Packaging Private Limited                                    | 12.93                   | 9.45                    |
|                | Berger Paints Officers (Non-Management Category) Superannuation Fund | 0.05                    | -                       |
|                | Berger Paints Management Staff Superannuation Fund                   | 0.12                    | -                       |
|                | BAICL Employees Superannuation Fund                                  | 0.01                    | -                       |
|                | Bolix S.A.   | -                       | 0.11                    |
|                | Flex Properties Private Limited *                                    | 0.01                    | 0.00                    |
|                | Wazir Estates Private Limited *                                      | 0.00                    | 0.00                    |
|                | Mr Abhijit Roy   | 0.62                    | 0.52                    |
|                | Mr Srijit Dasgupta   | 0.04                    | 0.16                    |
|                | Mr Aniruddha Sen   | 0.04                    | 0.05                    |
|                | Mr Kanwardip Singh Dhingra   | 0.03                    | 0.05                    |
|                | Ms Rishma Kaur   | 0.02                    | 0.04                    |
|                | Mr Kuldip Singh Dhingra *  | 0.00                    | 0.01                    |
|                | Mr Gurbachan Singh Dhingra   | 0.01                    | 0.01                    |



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### B. Balances outstanding at the year end (including commitments): (Contd.)

₹ in Crores

| Outstanding  | Related Party   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|---|-------------------------|-------------------------|
| <b>Receivable</b>  | Berger Becker Coatings Private Limited                  | 0.84                    | 1.52                    |
|  | Berger Jenson & Nicholson (Nepal) Private Limited       | 5.78                    | 8.85                    |
|  | Berger Nippon Paint Automotive Coatings Private Limited | 6.57                    | 5.40                    |
|  | Berger Rock Paints Private Limited                      | 6.89                    | -                       |
|  | SBL Specialty Coatings Private Limited                  | 0.98                    | 1.13                    |
|  | Berger Paints (Bangladesh) Limited                      | 0.42                    | 0.39                    |
|  | Berger Paints Overseas Limited                          | 2.62                    | 1.10                    |
| <b>Security Deposit Receivable</b>   | U K Paints (India) Private Limited                      | 0.22                    | 0.33                    |
|  | Kanwar Properties Private Limited                       | 0.08                    | 0.08                    |
|  | Mr Kuldip Singh Dhingra                                 | 0.01                    | 0.01                    |
|  | Mr Gurbachan Singh Dhingra                              | 0.01                    | 0.01                    |
| <b>Share Application Money Pending Allotment</b>   | Berger Paints (Cyprus) Limited                          | 4.14                    | 2.44                    |
| <b>Corporate Guarantee Obligation</b>  | Lusako Trading Limited                                  | 2.09                    | 2.02                    |
| <b>Corporate Guarantee outstanding</b><br>(Also Refer Note 33 for details of security given) | Lusako Trading Limited                                  | 264.23                  | 248.47                  |
|  | Berger Becker Coatings Private Limited                  | 4.63                    | 10.21                   |
|  | Beepee Coatings Private Limited                         | -                       | 0.26                    |

### C. Details of remuneration to Key Managerial Personnel is given below

₹ in Crores

| Particulars                    | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--------------------------------|------------------------------|------------------------------|
| - Short-term employee benefits | 5.87                         | 4.80                         |
| - Post employment benefits     | 0.61                         | 0.51                         |
| - Share based payment          | 0.17                         | 0.06                         |
|                                | <b>6.65</b>                  | <b>5.38</b>                  |

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 31 for further details of the scheme.

\* Refer Note 41

Refer Note 5a for details of investments held.

#### Notes:

Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash except as otherwise mentioned.

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 35. Segment Information

The Company is engaged in the business of manufacturing and selling of paints. Based on the nature of products, production process, regulatory environment, customers and distribution methods there are no reportable segment(s) other than "Paints".

### Note 36. Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### a) Financial assets and liabilities measured at fair value through profit and loss at March 31, 2019

| ₹ in Crores                                 |         |         |         |        |
|---|---------|---------|---------|--------|
|   | Level 1 | Level 2 | Level 3 | Total  |
| Financial Assets                            |         |         |         |        |
| Investment in Mutual Funds                  | -       | 245.51  | -       | 245.51 |
| Investment in unquoted equity instruments * | -       | -       | 0.00    | 0.00   |
| Financial Liabilities                       |         |         |         |        |
| Financial Guarantee Contracts               | -       | -       | 2.09    | 2.09   |

#### Financial assets and liabilities measured at fair value through profit and loss at March 31, 2018

| ₹ in Crores                                |         |         |         |        |
|--|---------|---------|---------|--------|
|  | Level 1 | Level 2 | Level 3 | Total  |
| Financial Assets                           |         |         |         |        |
| Investment in Mutual Funds                 | -       | 227.59  | -       | 227.59 |
| Investment in unquoted equity instruments* | -       | -       | 0.00    | 0.00   |
| Financial Liabilities                      |         |         |         |        |
| Financial Guarantee Contracts              | -       | -       | 2.02    | 2.02   |

\* refer Note 41

#### Description of significant unobservable inputs to valuation:

|  | Valuation technique | Significant unobservable techniques |
|--|---------------------|-------------------------------------|
| Financial Guarantee Contracts -Also refer note 33(iii) | DCF Method          | Interest saved approach             |

#### (b) Financial instruments at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(c) During the year there has been no transfer from one level to another.

(d) Also refer note 17a and 17b.





## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 37. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations. The Company enters into derivative transactions by way of forward exchange contracts to hedge its payables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The BPRMC provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by personnels that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk, liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and financial derivative. The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2019. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations. The following assumptions have been made in calculating the sensitivity analyses:

- ▶ The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018
- ▶ The sensitivity of equity is calculated as at March 31, 2019 for the effects of the assumed changes of the underlying risk

#### Interest rate risk

The Company has incurred short term debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk. Borrowing issued at fixed rates expose the Company to fair value interest rate risk. The Company's interest rate risk management policy includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

Some of the Company's borrowings are index linked, that is their cost is linked to changes in the London inter-bank offer rate (Libor).

Although the Company has significant variable rate interest bearing liabilities at March 31, 2019, there would not be any material impact on pretax profit and pretax equity of the Company on account of any anticipated fluctuations in interest

#### Foreign currency risk

The Company has a policy of entering into foreign exchange forward contracts to manage risk of foreign exchange fluctuations on borrowings and payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities by way of direct imports or financing of imports through foreign currency instruments.

The Company proactively hedged its currency exposures in case of a significant movement in exchange rates for imports and in case the hedged cost of foreign currency instrument is lower than the domestic cost of borrowing in case of short term import financing.

As at March 31, 2019, the Company hedged 28 % (March 31, 2018: 2%) for 6 - 9 months, of its expected foreign currency payables. This foreign currency risk on payables is hedged by using foreign currency forward contracts.

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD/Euro/JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in Crores

|                       |      | Change in USD rate(%) | Effect on profit before tax | Effect on pre-tax equity |
|-----------------------|------|-----------------------|-----------------------------|--------------------------|
| <b>March 31, 2019</b> | USD  | 5%                    | (5.84)                      | (5.84)                   |
|                       | USD  | -5%                   | 5.84                        | 5.84                     |
|                       | EURO | 5%                    | (0.07)                      | (0.07)                   |
|                       | EURO | -5%                   | 0.07                        | 0.07                     |
|                       | JPY  | 5%                    | (0.03)                      | (0.03)                   |
|                       | JPY  | -5%                   | 0.03                        | 0.03                     |
| <b>March 31, 2018</b> | USD  | 5%                    | (1.98)                      | (1.98)                   |
|                       | USD  | -5%                   | 1.98                        | 1.98                     |
|                       | EURO | 5%                    | (0.07)                      | (0.07)                   |
|                       | EURO | -5%                   | 0.07                        | 0.07                     |

### Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

### Equity price risk

The Company does not have any investments in listed securities or in Equity Mutual Funds and thereby is not exposed to any Equity price risk.

### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

### Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by BPRMC and corrective actions taken.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in Note 12 except for financial guarantees. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 36 and the liquidity table below.



## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in Crores

|                                  | On demand     | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total           |
|----------------------------------|---------------|--------------------|----------------|--------------|-----------|-----------------|
| <b>Year ended March 31, 2019</b> |               |                    |                |              |           |                 |
| Borrowings                       | 53.74         | 161.60             | -              | -            | -         | 215.34          |
| Financial Liabilities            |               |                    |                |              |           |                 |
| Other financial liabilities      | 5.72          | 87.57              | 35.03          | 11.94        | -         | 140.26          |
| Financial Guarantee              | 268.86        | -                  | -              | -            | -         | 268.86          |
| Trade payables                   | 2.14          | 966.00             | -              | -            | -         | 968.14          |
|                                  | <b>330.46</b> | <b>1,215.17</b>    | <b>35.03</b>   | <b>11.94</b> | <b>-</b>  | <b>1,592.60</b> |
| <b>Year ended March 31, 2018</b> |               |                    |                |              |           |                 |
| Borrowings                       | 143.27        | -                  | -              | -            | -         | 143.27          |
| Financial Liabilities            |               |                    |                |              |           |                 |
| Other financial liabilities      | 5.54          | 70.57              | 37.84          | 3.54         | -         | 117.49          |
| Financial Guarantee              | 258.93        | -                  | -              | -            | -         | 258.93          |
| Trade payables                   | 1.51          | 931.06             | -              | -            | -         | 932.57          |
|                                  | <b>409.25</b> | <b>1,001.63</b>    | <b>37.84</b>   | <b>3.54</b>  | <b>-</b>  | <b>1,452.26</b> |

### Note 38. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company only avails short term borrowings to bridge its working capital gap and finances its capital expenditure through internal generation of funds. The Company has a generally low debt equity ratio.

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Borrowings (note 16a)                     | 215.34                  | 143.27                  |
| Less: cash and cash equivalents (note 9c) | (27.24)                 | (64.18)                 |
| <b>Net debt</b>                           | <b>188.10</b>           | <b>79.09</b>            |
| Total capital                             | 2,372.35                | 2,143.61                |
| <b>Capital and net debt</b>               | <b>2,560.45</b>         | <b>2,222.70</b>         |
| Gearing ratio                             | 7%                      | 4%                      |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

## NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

### Note 39 Expenditure on Research & Development

- a. Details of Research & Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below.

|                                 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------|-------------------------|-------------------------|
| Employee benefits expense       | 10.96                   | 10.05                   |
| Cost of materials consumed      | 1.20                    | 0.99                    |
| Power and fuel                  | 0.39                    | 0.39                    |
| Depreciation of tangible assets | 2.04                    | 1.95                    |
| Miscellaneous expenses          | 1.14                    | 1.17                    |
|                                 | <b>15.73</b>            | <b>14.55</b>            |

₹ in Crores

- b. Details of Capital expenditures incurred for Research & Development are given below:

|                      |              |              |
|----------------------|--------------|--------------|
| Capital Expenditures | 3.75         | 1.40         |
|                      | <b>3.75</b>  | <b>1.40</b>  |
| <b>Total</b>         | <b>19.48</b> | <b>15.95</b> |

Above includes allowable expenditure under section 35(2AB) of the Income Tax Act for a research & development unit situated in Howrah, Kolkata which focuses on reasearch on new and existing paint products, reformulation for cost optiimization, environment friendly products etc.

#### Details are mentioned below :

Capital expenditure ₹ 2.20 Crores (March 31, 2018 ₹0.51 crores)

Revenue expenditure ₹ 10.41 Crores (March 31, 2018 ₹9.54 crores)

### Note 40

The figures of previous year have been regrouped/rearranged wherever considered necessary.

### Note 41

All figures are in Rupees Crores. Figures marked with (\*) are below the rounding off norm adopted by the Company.

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
Firm Registration Number 301003E/E300005  
Chartered Accountants

per **Bhaswar Sarkar**

Partner  
Membership Number : 055596  
Place: Kolkata  
Dated: May 30, 2019

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary



## FINANCIAL SUMMARY OF BERGER PAINTS INDIA LIMITED (STANDALONE) – FIVE YEARS AT A GLANCE

|  | ₹ Crores        |                 |                 |                 |                      |
|--|-----------------|-----------------|-----------------|-----------------|----------------------|
|  | 2018-19*        | 2017-18*        | 2016-17*        | 2015-16*        | 2014-15 <sup>^</sup> |
| Gross Revenue                                | 5,515.55        | 4,839.37        | 4,723.52        | 4,305.91        | 4,212.94             |
| Revenue from Operations (Net of Excise Duty) | 5,515.55        | 4,723.79        | 4,225.32        | 3,857.81        | 3,806.51             |
| % Growth                                     | 16.80           | 11.80           | 9.53            | 1.35            | 12.46                |
| Other Income                                 | 53.60           | 46.53           | 48.31           | 36.20           | 34.19                |
| Materials Consumed                           | 3,413.82        | 2,788.34        | 2,442.09        | 2,287.64        | 2,226.14             |
| Employee Benefits Expense                    | 311.67          | 269.84          | 244.51          | 203.76          | 178.21               |
| Other Expenses                               | 979.87          | 922.21          | 876.60          | 758.80          | 926.76               |
| Operating Profit - EBITDA                    | 863.82          | 789.93          | 710.43          | 643.81          | 509.59               |
| % to Net Revenue                             | 15.66           | 16.72           | 16.81           | 16.69           | 13.39                |
| Depreciation/Amortization                    | 122.17          | 111.92          | 98.00           | 88.07           | 78.62                |
| Finance Cost                                 | 20.79           | 16.20           | 7.76            | 17.05           | 34.72                |
| Profit Before Tax & Exceptional Item         | 720.86          | 661.81          | 604.67          | 538.69          | 396.25               |
| Exceptional Items                            | (28.60)         | -               | 58.67           | -               | -                    |
| Profit Before Tax                            | 692.26          | 661.81          | 663.34          | 538.69          | 396.25               |
| Tax Expense                                  | 253.23          | 229.97          | 219.25          | 182.43          | 130.22               |
| Profit After Tax                             | 439.03          | 431.84          | 444.09          | 356.26          | 266.03               |
| Return On Net Worth ( % )                    | 18.51           | 20.15           | 23.22           | 22.38           | 19.79                |
| Dividend - including Tax on Dividend         | 210.71          | 204.52          | 116.85          | 108.49          | 104.35               |
| Retained Earnings                            | 439.03          | 431.84          | 444.09          | 356.26          | 161.68               |
| <b>Shareholders' Funds:</b>                  |                 |                 |                 |                 |                      |
| Share Capital                                | 97.11           | 97.10           | 97.10           | 69.35           | 69.33                |
| Reserves and Surplus                         | 2,275.24        | 2,046.51        | 1,815.67        | 1,522.79        | 1,274.97             |
| <b>Total</b>                                 | <b>2,372.35</b> | <b>2,143.61</b> | <b>1,912.77</b> | <b>1,592.14</b> | <b>1,344.30</b>      |
| Deferred Tax Liability (Net)                 | 60.87           | 58.60           | 60.09           | 46.39           | 32.81                |
| Borrowings                                   | 215.34          | 143.27          | 119.68          | 66.51           | 288.49               |
| Other current and non-current liabilities    | 1,188.70        | 1,159.22        | 994.80          | 807.02          | 644.31               |
| <b>EQUITY AND LIABILITIES</b>                | <b>3,837.26</b> | <b>3,504.70</b> | <b>3,087.34</b> | <b>2,512.06</b> | <b>2,309.91</b>      |
| Fixed Assets                                 | 1,151.65        | 1,002.60        | 945.17          | 752.86          | 736.45               |
| Investments                                  | 577.31          | 530.77          | 577.62          | 415.14          | 243.93               |
| Other current and non-current assets         | 2,108.30        | 1,971.33        | 1,564.55        | 1,344.06        | 1,329.53             |
| <b>ASSETS</b>                                | <b>3,837.26</b> | <b>3,504.70</b> | <b>3,087.34</b> | <b>2,512.06</b> | <b>2,309.91</b>      |
| Debt - Equity Ratio                          | 0.09:1          | 0.07:1          | 0.06 : 1        | 0.04 : 1        | 0.21 : 1             |
| Cash Earnings Per Share (₹)*                 | 5.78            | 5.60            | 5.58            | 4.58            | 4.97                 |
| Earnings Per Share - Basic (₹)*              | 4.52            | 4.45            | 4.57            | 3.67            | 3.84                 |
| Earnings Per Share - Diluted (₹)*            | 4.52            | 4.45            | 4.57            | 3.67            | 3.84                 |
| Book Value Per Share (₹)*                    | 24.40           | 22.07           | 19.70           | 16.40           | 19.39                |
| Dividend per share (₹)*                      | 1.90            | 1.80            | 1.75            | 1.65            | 1.25                 |
| Number of employees                          | 3,450           | 3,130           | 2,993           | 2,802           | 2,666                |

<sup>^</sup> Figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956. Hence these numbers are not comparable with previous years.

\* Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. However, Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years. Return on net worth , Earnings per Share , Dividend per share, Cash earnings per share and Book Value per share for these years are computed on the basis of figures as per IND AS . Hence the numbers are not comparable with previous years.



**FORM AOC-1**

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]  
**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES**

**Part "A" : Subsidiaries**

₹ in Crores

| Sl. No. | Name of subsidiary   | Reporting Period | Reporting Currency | Berger Jenson & Nicholson (Nepal) Private Limited | Beepee Coatings Private Limited | SBL Specialty Coatings Private Limited (Formerly known as Saboo Coatings Private Limited) | Berger Paints (Cyprus) Limited | Lusko Trading Limited | Berger Paints Overseas Limited | Bolix S.A | BuildTrade sp. z.o.o | Bolix UKRAINA sp. z.o.o | Soltherm External Insulations Limited | Soltherm Insulations Thermique Extérieure SAS | Saboo Hesse Wood Coatings Private Limited | Berger Rock Paints Private Limited |  |
|---------|--|------------------|--------------------|---|---------------------------------|---|--------------------------------|-----------------------|--------------------------------|-----------|----------------------|-------------------------|---------------------------------------|---|---|------------------------------------|--|
| 1       |  |                  |                    |   |                                 |   |                                |                       |                                |           |                      |                         |                                       |   |   |                                    |  |
| 2       |  |                  |                    |   |                                 |   |                                |                       |                                |           |                      |                         |                                       |   |   |                                    |  |
| 3       | Exchange Rate as on last date of relevant Financial year in case of foreign subsidiaries |                  |                    | 1.60  | 1.00                            | 1.00  | 69.79                          | 69.79                 | 1.00                           | 18.56     | 18.56                | 2.49                    | 88.55                                 | 79.78   | 1.00                                      | 1.00                               |  |
| 4       | Share Capital  |                  |                    | 2.16  | 2.50                            | 2.96  | 99.10                          | 89.66                 | 1.40                           | 18.56     | 0.20                 | 0.09                    | 0.27                                  | 0.04  | 2.02                                      | 8.00                               |  |
| 5       | Reserves & surplus   |                  |                    | 171.79  | 12.76                           | 28.06   | (7.23)                         | (82.40)               | (42.59)                        | 186.69    | (1.31)               | 0.01                    | 0.47                                  | 0.08  | (2.03)                                    | (0.94)                             |  |
| 6       | Total assets   |                  |                    | 218.60  | 21.52                           | 48.94   | 91.92                          | 276.42                | 52.04                          | 301.16    | 1.02                 | 0.10                    | 10.37                                 | 0.32  | 5.54                                      | 14.26                              |  |
| 7       | Total liabilities  |                  |                    | 44.65   | 6.26                            | 17.92   | 0.05                           | 269.16                | 93.23                          | 95.91     | 2.13                 | -                       | 9.63                                  | 0.20  | 5.55                                      | 7.20                               |  |
| 8       | Investments  |                  |                    | -   | -                               | -   | -                              | -                     | -                              | -         | -                    | -                       | -                                     | -   | -   | -                                  |  |
| 9       | Turnover   |                  |                    | 197.15  | 24.88                           | 106.27  | -                              | -                     | (9.77)                         | 247.90    | -                    | 2.71                    | 22.37                                 | 1.57  | 1.35                                      | 1.51                               |  |
| 10      | Profit before taxation   |                  |                    | 53.46   | 3.78                            | 13.20   | (0.24)                         | (3.76)                | (17.59)                        | 10.45     | (0.01)               | 0.37                    | 0.36                                  | 0.04  | 0.10                                      | (0.94)                             |  |
| 11      | Provision for taxation   |                  |                    | 13.14   | 1.05                            | 3.88  | -                              | -                     | -                              | 1.67      | -                    | -                       | 0.19                                  | 0.01  | (0.01)                                    | -                                  |  |
| 12      | Profit after taxation  |                  |                    | 40.32   | 2.73                            | 9.32  | (0.24)                         | (3.76)                | (17.59)                        | 8.78      | (0.01)               | 0.37                    | 0.17                                  | 0.03  | 0.11                                      | (0.94)                             |  |
| 13      | Proposed Dividend  |                  |                    | -   | -                               | -   | -                              | -                     | -                              | -         | -                    | -                       | -                                     | -   | -   | -                                  |  |
| 14      | % of shareholding  |                  |                    | 100%  | 100%                            | 100%  | 100%                           | 100%                  | 100%                           | 100%      | 100%                 | 100%                    | 100%                                  | 100%  | 51%                                       | 51%                                |  |

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

For and on behalf of the Board of Directors

**Kuldip Singh Dhingra** - Chairman

**Gurbachan Singh Dhingra** - Vice-Chairman

**Abhijit Roy** - Managing Director & CEO

**Srijit Dasgupta** - Director -Finance & CFO

**Aniruddha Sen** - Sr. Vice President & Company Secretary

Place : Kolkata

Date : 30th May, 2019

**Part "B": Associates and Joint Ventures**

**STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES**

| Sl. No. | Name of associates / Joint Ventures  | Berger Becker Coatings Private Limited (INR) | Berger Nippon Paint Automotive Coatings Private Limited "Formerly BNB Coatings India Pvt. Ltd." (INR) | Surefire Management Services Limited (GBP)                               |
|---------|--|--|---|--|
|         |  | Joint Venture                                | Joint Venture   | Joint Venture  |
| 1       | Latest audited Balance Sheet Date  | 31-Mar-19                                    | 31-Mar-19   | 31-Dec-18  |
| 2       | Shares of Associates/Joint Ventures held by the company on the year end    |  |   |  |
|         | i) Number  | 2,70,850                                     | 13,52,400   | 75,000   |
|         | ii) Amount of Investment in Associates/Joint Ventures                      | 2.71   | 135.24  | 0.72   |
|         | iii) Extend of Holding %   | 48.98%                                       | 49.00%  | 75%  |
| 3       | Description of how there is significant influence                          | shareholding more than 20%                   | shareholding more than 20%  | Bolix is a shareholder with 2 out of 4 directors nominated by Bolix S.A. |
| 4       | Reasons why the associates/joint ventures is not consolidated              | BPIL does not have substantive rights        | BPIL does not have substantive rights   | Bolix is a shareholder with 2 out of 4 directors nominated by Bolix S.A. |
| 5       | Net worth attributable to shareholding as per latest audited Balance Sheet | 114.44                                       | 265.87  | 0.79   |
| 6       | Profit / Loss for the year   |  |   |  |
|         | i) Considered in consolidation   | 5.75   | (6.91)  | 0.16   |
|         | ii) Not Considered in consolidation  | 5.99   | (7.19)  | 0.17   |

**Notes:** The following information shall be furnished at the end of the statement :

- Names of associates or joint ventures which are yet to commence operations - Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year- Not Applicable

For and on behalf of the Board of Directors

**Kuldip Singh Dhingra** - Chairman

**Gurbachan Singh Dhingra** - Vice-Chairman

**Abhijit Roy** - Managing Director & CEO

**Srijit Dasgupta** - Director -Finance & CFO

**Aniruddha Sen** - Sr. Vice President & Company Secretary

Place : Kolkata

Date : 30th May, 2019

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BERGER PAINTS INDIA LIMITED

#### Report on the Audit of the Consolidated Ind AS Financial Statements

##### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Berger Paints India Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and joint ventures comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“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 and its joint ventures as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Ind AS Financial Statements’ section of our report. We are independent of the Group in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.



| Key audit matters   | How our audit addressed the key audit matter   |
|---|--|
| <p>Recognition of revenue from sale of goods(as described in Note 3.6 of the consolidated Ind AS financial statements)</p> <p>The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Group expects to receive for those goods from customers. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration).</p> <p>The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that requires judgment in determining sales revenues.</p> <p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>   | <p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. Considered the Group's revenue recognition policy and assessed its compliance in terms of Ind AS 115 'Revenue from contracts with customers';</li> <li>2. Assessed the design and tested the operating effectiveness of internal controls related to sales and applicable rebates / discounts;</li> <li>3. Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested recognition of revenue;</li> <li>4. Performed test of details, by selecting on a sample basis rebates and discount schemes as approved by the management to assess its accounting.</li> <li>5. Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents including customer's confirmation; and,</li> <li>6. Assessed the relevant disclosures made within the Ind AS financial statements.</li> </ol>  |
| <p>Assessment of Impairment of Goodwill(as described in Note 27 of the consolidated Ind AS financial statements)</p> <p>The group has goodwill in consolidated financial statements for the year ended March 31, 2019 including significant amount of goodwill recognized in one of its step- down subsidiary. These are allocated to Cash Generating Units (CGUs) and are tested annually for impairment. This testing is done by computing the value in use based on discounted cash flow method. The value in use so determined is compared with the carrying values and if there is a deficit, impairment loss is recognised.</p> <p>The inputs to the impairment testing model which have the most significant impact on CGU recoverable value include:</p> <ul style="list-style-type: none"> <li>– Projected revenue growth, operating margins and operating cash-flows;</li> <li>– Stable long-term growth rates till perpetuity; and</li> <li>– Discount rates</li> </ul> <p>Considering that the impairment assessment requires consideration of above inputs that involves significant degree of management judgement, we have identified this to be a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>➤ We assessed the group's methodology applied in determining the CGUs to which goodwill is allocated.</li> <li>➤ We focused our analysis on management assumptions in respect of future sales growth rate, operating margins and operating cash flows, perpetuity growth rate and discount rate used to compute the CGU's recoverable value including considerations of the audited consolidated financial statements of the subsidiary.</li> <li>➤ In respect of the goodwill recognized in the books of the step-down subsidiary, we made enquiries on audit procedures performed by the component auditor.</li> </ul> <p>As reported to us, the audit procedures carried out by component auditor for the subsidiary includes the following:</p> <ol style="list-style-type: none"> <li>A. Evaluating the methodology applied by the subsidiary company in determining the CGUs to which goodwill is allocated.</li> <li>B. Verifying the recoverable amount ascertained by the management of the subsidiary company under Discounted Cash Flow method based on business projection and valuation assumptions as described in the notes to the audited financial statements of the subsidiary company.</li> <li>C. Discussion of potential changes in key drivers as compared to previous year / actual performance with management of the subsidiary company to verify the inputs and assumptions used in the cash flow forecasts.</li> </ol> <ul style="list-style-type: none"> <li>➤ We took assistance of the valuation specialists to assess the key assumptions and methodologies used by the component auditor in computing the recoverable amount. In making this assessment, we also assessed the objectivity independence and competency of the valuation specialists.</li> <li>➤ We performed sensitivity analysis to determine the impact of changes in the key assumptions, both individually and in aggregate</li> </ul> |

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

### **Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of joint ventures 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 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and its joint ventures are responsible for assessing the ability of the Group and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and its joint ventures are also responsible for overseeing the financial reporting process of the Group and its joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.





As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of twelve (12) subsidiaries (including six step down subsidiaries) whose Ind AS financial statements include total assets of ₹658.46 crores as at March 31, 2019, and total revenues of ₹591.20 crores and net cash outflows of ₹1.30 crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹5.93 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of two joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS 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 and the financial statements and other financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon 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 Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under



Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and its joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and joint ventures incorporated in India, refer to our separate Report in “**Annexure 1**” to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors is in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated Ind AS financial statements – Refer Note 32 to the consolidated Ind AS financial statements;
  - ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and joint ventures incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership No.: 055596

Place of Signature: Kolkata

Date: May 30, 2019

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF BERGER PAINTS INDIA LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Berger Paints India Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Berger Paints India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

Our responsibility is to express an opinion on the Holding Company's, its subsidiaries and joint venture, which are incorporated in India, internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal



financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 Ind AS 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 Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to 3 subsidiary companies and 1 joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint venture incorporated in India.

For **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**  
Partner  
Membership Number: 055596

Place of Signature: Kolkata  
Date: May 30, 2019



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019**

|  |       | ₹ in Crores          |                      |
|--|-------|----------------------|----------------------|
|  | Notes | As at March 31, 2019 | As at March 31, 2018 |
| <b>ASSETS</b>  |       |                      |                      |
| <b>Non-current assets</b>  |       |                      |                      |
| Property plant and equipment   | 4     | 1094.78              | 997.83               |
| Capital work-in-progress   | 4     | 169.89               | 97.16                |
| Goodwill   | 4     | 269.25               | 264.57               |
| Other intangible assets  | 4     | 8.10                 | 4.77                 |
| Investments in joint ventures  | 5a    | 144.12               | 105.54               |
| Financial assets   |       |                      |                      |
| (a) Investments*   | 5b    | 0.00                 | 0.00                 |
| (b) Loans and deposits   | 5c    | 16.91                | 20.43                |
| (c) Other financial assets   | 5d    | 5.68                 | 2.53                 |
| Deferred tax assets (net)  | 13b   | 0.71                 | 0.74                 |
| Income tax assets (net)  | 13c   | 20.37                | 46.53                |
| Other non-current assets   | 6     | 38.34                | 35.07                |
|  |       | <u>1768.15</u>       | <u>1575.17</u>       |
| Foreign currency monetary item translation difference account                              |       | 10.91                | 8.91                 |
| <b>Current Assets</b>  |       |                      |                      |
| Inventories  | 7     | 1233.53              | 1007.34              |
| Financial assets   |       |                      |                      |
| (a) Investments  | 8a    | 250.80               | 227.59               |
| (b) Trade receivables  | 8b    | 671.48               | 692.40               |
| (c) Cash and cash equivalents  | 8c    | 57.07                | 83.59                |
| (d) Bank balances other than (c) above   | 8d    | 181.41               | 121.38               |
| (e) Loans and deposits   | 5c    | 7.98                 | 1.96                 |
| (f) Other financial assets   | 5d    | 3.14                 | 3.81                 |
| Other current assets   | 6     | 178.19               | 221.24               |
|  |       | <u>2583.60</u>       | <u>2359.31</u>       |
|  |       | <u>4362.66</u>       | <u>3943.39</u>       |
| <b>TOTAL ASSETS</b>  |       |                      |                      |
| <b>EQUITY AND LIABILITIES</b>  |       |                      |                      |
| <b>Equity</b>  |       |                      |                      |
| Equity share capital   | 9     | 97.11                | 97.10                |
| Other equity   | 10a   | 2375.59              | 2097.41              |
| Equity attributable to equity holders of the parent  |       | <u>2472.70</u>       | <u>2194.51</u>       |
| Non-controlling interest   | 10b   | 3.45                 | -                    |
| <b>Total Equity</b>  |       | <u>2476.15</u>       | <u>2194.51</u>       |
| <b>Liabilities</b>   |       |                      |                      |
| <b>Non-Current Liabilities</b>   |       |                      |                      |
| Financial liabilities  |       |                      |                      |
| (a) Borrowings   | 14a   | 238.92               | 249.47               |
| (b) Other financial liabilities  | 11    | 15.94                | 7.27                 |
| Provisions   | 12    | 6.96                 | 4.56                 |
| Deferred tax liabilities (net)   | 13a   | 87.81                | 83.20                |
| Other non-current liabilities  | 15    | 3.85                 | 1.72                 |
|  |       | <u>353.48</u>        | <u>346.22</u>        |
| <b>Current Liabilities</b>   |       |                      |                      |
| Financial liabilities  |       |                      |                      |
| (a) Borrowings   | 14a   | 245.01               | 172.70               |
| (b) Trade payables   | 14b   |                      |                      |
| i) Total outstanding dues of micro enterprises and small enterprises                       |       | 46.82                | 17.84                |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 952.18               | 937.41               |
| (c) Other financial liabilities  | 11    | 193.30               | 144.70               |
| Other current liabilities  | 15    | 60.12                | 93.88                |
| Provisions   | 12    | 31.97                | 30.88                |
| Current tax liabilities (net)  | 13d   | 3.63                 | 5.25                 |
|  |       | <u>1533.03</u>       | <u>1402.66</u>       |
| <b>Total Liabilities</b>   |       | <u>1886.51</u>       | <u>1748.88</u>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |       | <u>4362.66</u>       | <u>3943.39</u>       |

\* Refer Note 40

**Summary of Significant accounting policies**

The accompanying notes are an integral part of the Ind AS financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
Firm Registration Number 301003E/E300005  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership Number : 055596  
Place: Kolkata  
Dated: May 30, 2019

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary



## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

|  | Notes   | Year Ended<br>March 31, 2019 | ₹ in Crores<br>Year Ended<br>March 31, 2018 |
|--|---------|------------------------------|---|
| <b>Income</b>  |         |                              |   |
| Revenue from operations  | 18      | 6061.86                      | 5282.12                                     |
| Other income   | 19      | 60.03                        | 45.87                                       |
| <b>Total Income</b>  |         | <b>6121.89</b>               | <b>5327.99</b>                              |
| <b>Expenses</b>  |         |                              |   |
| Cost of materials consumed   | 20      | 3416.50                      | 2678.14                                     |
| Purchases of traded goods  |         | 457.06                       | 431.79                                      |
| (Increase) in inventories of finished goods, work-in-progress and traded goods             | 21      | (173.95)                     | (99.97)                                     |
| Excise duty  |         | -                            | 116.39                                      |
| Employee benefits expense  | 22      | 408.51                       | 356.58                                      |
| Finance costs  | 23      | 32.33                        | 24.55                                       |
| Depreciation and amortisation expense  | 24      | 137.77                       | 124.21                                      |
| Other expenses   | 25      | 1072.17                      | 992.20                                      |
| <b>Total Expense</b>   |         | <b>5,350.39</b>              | <b>4,623.89</b>                             |
| <b>Profit before share of joint ventures, exceptional items and tax</b>                    |         | <b>771.50</b>                | <b>704.10</b>                               |
| Share of profit/(loss) in joint ventures   | 5       | (0.90)                       | 0.64  |
| <b>Profit before tax</b>   |         | <b>770.60</b>                | <b>704.74</b>                               |
| <b>Tax Expense</b>   |         |                              |   |
| Current tax  |         | 267.62                       | 245.64                                      |
| Deferred tax/(Credit)  | 13a,13b | 5.53                         | (1.73)                                      |
|  |         | <b>273.15</b>                | <b>243.91</b>                               |
| <b>Profit for the year (I)</b>   |         | <b>497.45</b>                | <b>460.83</b>                               |
| <b>Other Comprehensive income:</b>   |         |                              |   |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: |         |                              |   |
| Re-measurement gains and (losses) on defined benefit obligations (net)                     |         | (3.33)                       | 1.73  |
| Income tax effect thereof  |         | 1.14                         | (0.60)                                      |
| Share of Other comprehensive income in Joint Venture (net of tax)                          |         | 0.01                         | 0.05  |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods:     |         |                              |   |
| Exchange differences on translation of foreign operations                                  |         | (8.55)                       | 33.26                                       |
| <b>Other comprehensive income/(loss) for the year, net of tax (II)</b>                     |         | <b>(10.73)</b>               | <b>34.44</b>                                |
| <b>Total comprehensive income for the year, net of tax (I + II)</b>                        |         | <b>486.72</b>                | <b>495.27</b>                               |
| <b>Profit for the period attributable to:</b>  |         |                              |   |
| -Owners of the Company   |         | 497.86                       | 460.83                                      |
| -Non-controlling interest  |         | (0.41)                       | -   |
| <b>Other comprehensive income/(loss) for the year attributable to</b>                      |         |                              |   |
| -Owners of the Company   |         | (10.73)                      | 34.44                                       |
| -Non-controlling interest  |         | -                            | -   |
| <b>Total comprehensive income for the year attributable to</b>                             |         |                              |   |
| -Owners of the Company   |         | 487.13                       | 495.27                                      |
| -Non-controlling interest  |         | (0.41)                       | -   |
| *Earnings per equity share of ₹1 each  | 26      |                              |   |
| Basic (rounded off upto two decimal places)  |         | 5.13                         | 4.75  |
| Diluted (rounded off upto two decimal places)  |         | 5.13                         | 4.74  |
| * Refer Note 40  |         |                              |   |
| <b>Summary of Significant accounting policies</b>  |         |                              |   |
|  | 3       |                              |   |

The accompanying notes are an integral part of the Ind AS financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
Firm Registration Number 301003E/E300005  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership Number : 055596  
Place: Kolkata  
Dated: May 30, 2019

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

### a. Equity Share Capital:

|  | As at March 31, 2019 |              | As at March 31, 2018 |              |
|--|----------------------|--------------|----------------------|--------------|
|  | No. of shares        | ₹ in Crores  | No. of shares        | ₹ in Crores  |
| Equity shares of ₹1 each issued, subscribed and fully paid   |                      |              |                      |              |
| <b>At the beginning of the year</b>                          | 971,031,428          | 97.10        | 970,986,647          | 97.10        |
| Add: Issue of Shares on exercise of Stock Options (Note 30)* | 98,283               | 0.01         | 44,781               | 0.00         |
| <b>At the end of the year</b>                                | <b>971,129,711</b>   | <b>97.11</b> | <b>971,031,428</b>   | <b>97.10</b> |

\*Refer note 40

### b. Other equity

For the year ended March 31, 2019

| Particulars                                     | Reserves & Surplus (refer note 10) |                             |                   |                 |                 |                            | Items of OCI                         | Non-Controlling Interest | Total Equity   |
|---|------------------------------------|-----------------------------|-------------------|-----------------|-----------------|----------------------------|--------------------------------------|--------------------------|----------------|
|   | Securities premium                 | Share based payment reserve | Retained earnings | Capital Reserve | General Reserve | Capital Redemption reserve | Foreign Currency Translation Reserve |                          |                |
| <b>As at April 1, 2018</b>                      | 112.34                             | 2.20                        | 1677.73           | 0.19            | 302.87          | 0.04                       | 2.04                                 | -                        | 2097.41        |
| Profit for the year                             | -                                  | -                           | 497.86            | -               | -               | -                          | -                                    | (0.41)                   | 497.86         |
| Other comprehensive income for the year         | -                                  | -                           | (2.18)            | -               | -               | -                          | (8.55)                               | -                        | (10.73)        |
| <b>Total Comprehensive Income for the year</b>  | -                                  | -                           | 495.68            | -               | -               | -                          | (8.55)                               | (0.41)                   | 487.13         |
| Acquisition of a subsidiary                     | -                                  | -                           | -                 | -               | -               | -                          | -                                    | 3.86                     | -              |
| Exercise of share options (Note 30)             | 2.28                               | (2.28)                      | -                 | -               | -               | -                          | -                                    | -                        | -              |
| Cost of Share based payments (Note 30)          | -                                  | 2.51                        | -                 | -               | -               | -                          | -                                    | -                        | 2.51           |
| Transfer to housing reserves (Note 12)          | -                                  | -                           | (0.70)            | -               | -               | -                          | -                                    | -                        | (0.70)         |
| Share options forfeited/ lapsed (Note 30)       | -                                  | (0.05)                      | -                 | -               | -               | -                          | -                                    | -                        | (0.05)         |
| Dividends (Note 17)                             | -                                  | -                           | (174.78)          | -               | -               | -                          | -                                    | -                        | (174.78)       |
| Dividend distribution tax on dividend (Note 17) | -                                  | -                           | (35.93)           | -               | -               | -                          | -                                    | -                        | (35.93)        |
| <b>As at March 31, 2019</b>                     | <b>114.62</b>                      | <b>2.38</b>                 | <b>1962.00</b>    | <b>0.19</b>     | <b>302.87</b>   | <b>0.04</b>                | <b>(6.51)</b>                        | <b>3.45</b>              | <b>2375.59</b> |



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

### a. Equity Share Capital: (Contd.)

For the year ended March 31, 2018

| Particulars                                     | Reserves & Surplus (refer note 10) |                             |                   |                 |                 |                            | Items of OCI                         | Non-Controlling Interest | Total Equity   |
|---|------------------------------------|-----------------------------|-------------------|-----------------|-----------------|----------------------------|--------------------------------------|--------------------------|----------------|
|   | Securities premium                 | Share based payment reserve | Retained earnings | Capital Reserve | General Reserve | Capital Redemption reserve | Foreign Currency Translation Reserve |                          |                |
| As at April 1, 2017                             | 111.31                             | 0.87                        | 1420.40           | 0.19            | 302.87          | 0.04                       | (31.22)                              | -                        | 1804.46        |
| Profit for the year                             | -                                  | -                           | 460.83            | -               | -               | -                          | -                                    | -                        | 460.83         |
| Other comprehensive income for the year         | -                                  | -                           | 1.18              | -               | -               | -                          | 33.26                                | -                        | 34.44          |
| <b>Total Comprehensive Income for the year</b>  | -                                  | -                           | 462.01            | -               | -               | -                          | 33.26                                | -                        | 495.27         |
| Exercise of share options (Note 30)             | 1.03                               | (1.03)                      | -                 | -               | -               | -                          | -                                    | -                        | -              |
| Cost of Share based payments (Note 30)          | -                                  | 2.44                        | -                 | -               | -               | -                          | -                                    | -                        | 2.44           |
| Transfer to housing reserves (Note 12)          | -                                  | -                           | (0.16)            | -               | -               | -                          | -                                    | -                        | (0.16)         |
| Share options forfeited/lapsed (Note 30)        | -                                  | (0.08)                      | -                 | -               | -               | -                          | -                                    | -                        | (0.08)         |
| Dividends (Note 17)                             | -                                  | -                           | (169.93)          | -               | -               | -                          | -                                    | -                        | (169.93)       |
| Dividend distribution tax on Dividend (Note 17) | -                                  | -                           | (34.59)           | -               | -               | -                          | -                                    | -                        | (34.59)        |
| <b>As at March 31, 2018</b>                     | <b>112.34</b>                      | <b>2.20</b>                 | <b>1677.73</b>    | <b>0.19</b>     | <b>302.87</b>   | <b>0.04</b>                | <b>2.04</b>                          | <b>-</b>                 | <b>2097.41</b> |

Summary of Significant accounting policies

3

The accompanying notes are an integral part of the Ind AS financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
Firm Registration Number 301003E/E300005  
Chartered Accountants

per **Bhaswar Sarkar**  
Partner  
Membership Number : 055596  
Place: Kolkata  
Dated: May 30, 2019

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

| Particulars   | ₹ in Crores     |                 |
|---|-----------------|-----------------|
|   | <u>2018-19</u>  | <u>2017-18</u>  |
| <b>A. Cash flows from operating activities:</b>   |                 |                 |
| <b>Net Profit before tax</b>  | <b>770.60</b>   | <b>704.74</b>   |
| Adjustments to reconcile profit before tax to net cash flows :  |                 |                 |
| Depreciation and amortisation expense   | 137.77          | 124.21          |
| (Profit)/loss on sale/discard of property, plant and equipment and intangible assets                                | 1.77            | 0.01            |
| Employee stock option cost  | 2.46            | 2.36            |
| Foreign Currency translation  | (12.90)         | 9.00            |
| Unrealised foreign exchange (gain)/loss   | (1.79)          | (8.79)          |
| Finance costs   | 32.33           | 24.55           |
| Interest income   | (12.86)         | (6.78)          |
| Net gain on sale of mutual fund investments   | (13.87)         | (18.11)         |
| Fair value gain on mutual fund investments  | (6.22)          | (4.41)          |
| <b>Operating profit before working capital changes</b>  | <b>897.29</b>   | <b>826.78</b>   |
| Adjustments for :   |                 |                 |
| (Increase)/decrease in loans, deposits and other financial assets   | (1.20)          | 3.61            |
| (Increase)/decrease in trade receivables  | 20.91           | (114.26)        |
| (Increase)/decrease in other assets   | 45.37           | (154.97)        |
| Increase in inventories   | (226.19)        | (71.87)         |
| Increase in trade payables  | 45.55           | 194.05          |
| Increase in other financial liabilities   | 51.40           | 4.54            |
| Increase in provisions  | 3.25            | 3.29            |
| Increase/(decrease) in other liabilities  | (31.63)         | 7.64            |
| <b>Cash generated from operations</b>   | <b>804.75</b>   | <b>698.81</b>   |
| Direct taxes paid (net of refunds)  | (243.08)        | (276.91)        |
| <b>Net cash flows from operating activities (A)</b>   | <b>561.67</b>   | <b>421.90</b>   |
| <b>B. Cash flows from investing activities:</b>   |                 |                 |
| Purchase of Property plant and equipment and intangible assets including capital work in progress                   | (318.19)        | (292.87)        |
| Proceeds from sale of Property, plant and equipment and intangible assets   | 1.61            | 3.28            |
| Interest received   | 12.23           | 5.67            |
| Investment in joint venture and subsidiaries  | (40.28)         | 1.77            |
| Proceeds from sale of current investments   | 2126.38         | 2150.47         |
| Purchase of current investments   | (2129.50)       | (1988.27)       |
| Redemption/maturity of bank deposits having original maturity of more than three months but less than twelve months | (61.30)         | (63.48)         |
| <b>Net cash flows used in investing activities (B)</b>  | <b>(409.05)</b> | <b>(183.43)</b> |
| <b>C. Cash flows from financing activities:</b>   |                 |                 |
| Proceeds from issuance of equity share capital *  | 0.01            | 0.00            |
| Net movement in cash credit   | (57.30)         | 110.03          |
| Proceeds from borrowings  | 3242.17         | 2577.83         |
| Interest paid   | (30.47)         | (24.57)         |
| Dividend paid (including net dividend distribution tax)   | (210.52)        | (204.52)        |
| Repayment of borrowings   | (3123.02)       | (2658.90)       |
| <b>Net cash flows used in financing activities (C )</b>   | <b>(179.14)</b> | <b>(200.13)</b> |
| <b>Net increase in cash and cash equivalents [A+B+C]</b>  | <b>(26.52)</b>  | <b>38.34</b>    |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>83.59</b>    | <b>45.25</b>    |
| <b>Cash and cash equivalents as at end of the year</b>  | <b>57.07</b>    | <b>83.59</b>    |

Refer Note 8c for Components of Cash and cash Equivalents

\* Refer Note 40

Summary of significant accounting policies

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**

Firm Registration Number 301003E/E300005

Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number : 055596

Place: Kolkata

Dated: May 30, 2019

For and on behalf of Board of Directors

**Kuldip Singh Dhingra** - Chairman

**Gurbachan Singh Dhingra** - Vice-Chairman

**Abhijit Roy** - Managing Director & CEO

**Srijit Dasgupta** - Director - Finance & CFO

**Aniruddha Sen** - Sr. VP & Company Secretary





## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 1. Corporate Information

The consolidated Ind AS financial statements comprise financial statements of Berger Paints India Limited ('BPIL' or 'the Holding Company' or 'the Company') and its subsidiaries (collectively, the Group) for the year ended 31 March 2019. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on three recognised stock exchanges in India. The registered office of the Company is located at Berger House, 129 Park Street, Kolkata-700 017.

The Group is principally engaged in the manufacturing and selling of paints. The Company caters primarily to domestic market. Information on the Group's structure is provided in Note 28. Information on other related party relationships of the Group is provided in Note 33.

The consolidated Ind AS financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2019.

### 2. Significant Accounting Policies

#### 2.1 Basis of preparation

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS. The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair values. (refer accounting policy regarding financial instruments).

The consolidated Ind AS financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2.2 Basis of consolidation

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the group's accounting policies.

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.
- (d) The translation of the functional currencies into Indian Rupees (functional and presentation currency) of foreign subsidiaries is performed for assets and liabilities using closing exchange rates at the Balance Sheet date, for revenues, costs, and expenses using average rates prevailing during the period. The resultant exchange difference arising out of such transactions is recognized as part of Other Comprehensive Income as Foreign Currency Translation Reserve by the Holding Company until the disposal of Investment.
- (e) Joint Ventures are entities over which the Group has joint control along with third parties. Investments in Joint Ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the acquisition date.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 3. Summary of significant accounting policies

#### 3.1. Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

### 3.2. Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Statement of Profit and Loss.

When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Statement of Profit and Loss.

### 3.3. Current and Non-Current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

### 3.4. Foreign Currencies

The Group's consolidated Ind AS financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

The functional currency of BPIL, Beepee Coatings Private Limited (BCPL), Berger Rock Paints Private Limited (BRPPL), Berger Becker Coatings Private Limited (BBCPL) (Joint Venture) and Berger Nippon Paint Automotive Coatings Private Limited (BNPACPL) (Joint Venture) is Indian rupee. The functional currency of other subsidiaries included within the Group are the respective local currencies.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in Statement of Profit and Loss.

Any goodwill arising in the acquisition/business combination of a foreign operation on or after 1 April, 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/acquisitions, which occurred before the date of transition to Ind AS (1 April, 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

### 3.5. Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.6. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

#### Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The revenue is based on the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, rights to return or other contractual reductions. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Group provides volume rebates to certain customers once the quantity of products purchased by the customers during the period exceeds a threshold specified in the contract. Generally, rebates are offset against the amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method.

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS on constraining estimates of variable consideration to are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

#### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "Financial instruments – initial recognition and subsequent measurement".



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 3.7. Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss, under Other Operating Revenue over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### 3.8. Taxes

#### Current Income Tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred Tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Ind AS financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

### **Goods and Services tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of Goods and Services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **3.9. Property, Plant and Equipment**

Property, plant and equipment and Capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 28 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Depreciation is provided on Straight line method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of property, plant and equipment where applicable, prescribed under Schedule II to the Companies Act 2013 with the exception of the following items for which useful lives as estimated by management based on technical evaluation are different from those specified in aforesaid Schedule II.

- Plant and Machinery: 9.67 years to 21.05 years
- Motor Vehicles: 6.67 years
- Tinting Machines: Based on useful lives of 60 months
- Leasehold Land and Building is amortized on a straight-line basis over the tenure of respective leases
- No depreciation is provided on freehold land



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.10. Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life ranging from 3 to 5 years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 3.11. Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in Statement of Profit and Loss, when it is incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.
- (b) the Group intends to complete the intangible asset and use or sell it.
- (c) the Group has ability to use or sell the intangible asset.
- (d) the Group can demonstrate how the intangible asset will generate probable future economic benefits.
- (e) the Group has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) the Group has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### 3.12. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Discount on Commercial papers is amortised over the tenor

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

of the underlying instrument. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

### 3.13. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 3.12). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments (net of any incentives received from the lessor) are charged to Statement of Profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3.14. Inventories

Raw materials, stores and spares and Packing Materials are valued at lower of cost and estimated net realisable value. Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and Work-in-process are stated at the lower of cost and estimated net realisable value. Cost of inventories constitutes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.





## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

### 3.15. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### 3.16. Provisions and Contingencies

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group records a provision for decommissioning costs for its certain manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the consolidated Ind AS financial statements.



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 3.17. Employee Benefits

#### I. Defined Contribution Plan

##### a. Superannuation

Contribution made to Superannuation Fund for certain of employees of the Holding Company are recognised in the Statement of Profit and Loss as and when services are rendered by employees. The Holding Company has no liability for future Superannuation Fund benefits other than its contribution.

##### b. Provident Fund

Contributions in respect of Employees of Holding Company who are not covered by Holding Company's Employees Provident Fund Trust and in respect of other employees of the Group are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to Statement of Profit and Loss as and when services are rendered by employees. The Group has no obligation other than the contribution payable to the Regional Provident fund.

#### II. Defined Benefit Plan

##### a. Gratuity

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of The Payment of Gratuity Act, 1972. Retirement Gratuity for employees of the Holding Company, is funded through a scheme of Life Insurance Corporation of India. The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to Statement of Profit and Loss in subsequent periods. The excess / shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain / loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

##### b. Provident Fund

In respect of the employees covered by the Holding Company's Employee Provident Fund Trust in Point I b above, contributions to the Holding Company's Employees Provident Fund Trust (administered by the Holding Company as per the provisions of Employees' Provident Fund and Misc. Provisions Act, 1952) are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Holding Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the balance sheet date, as an expense.

#### III. Long Term Compensated Absences

The Group treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### 3.18. Employees Stock Option

Stock options are granted to the employees under the stock option scheme. The cost of stock options granted to the employees (equity-settled awards) of the Holding Company is the difference between fair value of equity instruments granted and the price at which options may be exercised by concerned employees. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Holding Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

Aforesaid cost of stock options is recognised, together with a corresponding increase in Employee Stock Options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Holding Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro-rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

### 3.19. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 3.20. Forward Currency Contracts

The Group uses forward currency contracts to hedge its foreign currency risks. Such forward currency contracts are initially measured at fair value on the date on which a forward currency contract is entered into and are subsequently re-measured at fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of forward contracts are recognized in the Statement of Profit and Loss as they arise.

### 3.21. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 3.22. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### A. Financial assets

##### i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income FVTOCI

##### Debt instruments at amortised cost other than derivative contracts

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost on first time adoption of Ind AS as set out in Note 40. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

##### iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred substantially all the risks and rewards of the asset

#### iv. Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### B. Financial liabilities

#### i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowing or payables, as appropriate.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### 3.23. Cash dividend to equity holders of the Holding Company

The Holding Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 3.24. Operating Segments

The Business process and Risk Management Committee of the Holding Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Group. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Holding Company has identified that Chief Operating Decision Maker function is being performed by the Business process and Risk Management Committee. The financial information presented to the Business process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Group. As the Group's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the consolidated Ind AS financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

### 3.25. Business Combinations

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The assets and liabilities of the acquired entity are recognised at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. The components of equity of the acquired entity are added to the same components within the Holding Company's equity. Any excess or shortfall of the consideration paid over the share capital of acquired entity is recognized as capital reserve under equity. The consolidated Ind AS financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

### 3.26. Changes in accounting policies and disclosures

#### a. New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of the said new accounting standards is described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have any significant impact on the consolidated Ind AS financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

#### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to contracts that are not completed as at 1 April 2018.

There was no material impact on the consolidated Ind AS financial statements of the Group on application of this new standard.

### **Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations**

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which a Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the Group must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any significant impact on the Group's consolidated Ind AS financial statements.

#### **b. Standards Issued but not yet effective**

##### **1. IND AS 116 – Leases**

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from present accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Group intends to adopt this standard from April 1, 2019 and is in the process of evaluating the impact of this standard on its consolidated Ind AS financial statements.

##### **2. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Group does not expect any significant impact of the amendment on its consolidated Ind AS financial statements.

### 3. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. The Group does not expect this amendment to have any impact on its consolidated Ind AS financial statements.

### 4. Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in Statement of Profit and Loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in Other Comprehensive Income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April, 2019. The Group does not expect this amendment to have any significant impact on its consolidated Ind AS financial statements.

### 5. Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April, 2019. The Group does not expect this amendment to have any significant impact on its consolidated Ind AS financial statements.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

### Annual improvement to Ind AS (2018);

These improvements include:

#### 1. Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those 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 1 April, 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

#### 2. Amendments to Ind AS 111: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April, 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

#### 3. Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in Statement of Profit and Loss, Other Comprehensive Income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated Ind AS financial statements.

#### 4. Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated Ind AS financial statements

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note 4(a) - Property plant and equipment**

₹ in Crores

| Particulars            | Gross Block at Cost |               |                |                        |                      | Depreciation        |                |               |   |                        |                      | Net Block            |                      |  |
|------------------------|---------------------|---------------|----------------|------------------------|----------------------|---------------------|----------------|---------------|---|------------------------|----------------------|----------------------|----------------------|--|
|                        | As at April 1, 2018 | Additions     | Deletions      | Translation Difference | As at March 31, 2019 | As at April 1, 2018 | Acquisition ** | For the Year  | Deletions (Accumulated upto the date of sale) | Translation Difference | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |  |
| Land                   |                     |               |                |                        |                      |                     |                |               |   |                        |                      |                      |                      |  |
| Freehold               | 13.35               | 2.66          | -              | 0.04                   | 16.05                | -                   | -              | -             | -   | -                      | -                    | 16.05                | 13.35                |  |
| Leasehold              | 8.99                | 25.40         | -              | -                      | 34.39                | 0.41                | -              | 0.34          | -   | -                      | 0.75                 | 33.64                | 8.58                 |  |
| Buildings              |                     |               |                |                        |                      |                     |                |               |   |                        |                      |                      |                      |  |
| Freehold #             | 397.76              | 35.10         | -              | (0.34)                 | 432.52               | 42.19               | -              | 17.15         | -   | (0.06)                 | 59.28                | 373.24               | 355.57               |  |
| Leasehold              | 28.09               | 0.42          | (0.05)         | -                      | 28.46                | 3.18                | 0.00           | 1.25          | (0.04)  | -                      | 4.39                 | 24.07                | 24.91                |  |
| Plant & Machinery ##   | 729.06              | 145.56        | (39.94)        | (0.07)                 | 834.61               | 207.45              | 0.17           | 91.67         | (37.45)                                       | 0.27                   | 262.11               | 572.50               | 521.61               |  |
| Furniture and Fixtures | 36.91               | 6.24          | (3.32)         | 0.14                   | 39.97                | 13.19               | 0.07           | 5.81          | (3.19)  | 0.07                   | 15.95                | 24.02                | 23.72                |  |
| Computer ##            | 47.20               | 8.51          | (6.41)         | -                      | 49.30                | 19.49               | 0.03           | 10.69         | (6.10)  | -                      | 24.11                | 25.19                | 27.71                |  |
| Office Equipment       | 11.14               | 3.77          | (0.19)         | -                      | 14.72                | 4.50                | 0.30           | 2.41          | (0.17)  | -                      | 7.04                 | 7.68                 | 6.64                 |  |
| Vehicles               | 18.79               | 8.05          | (3.32)         | 0.11                   | 23.63                | 3.05                | 0.16           | 4.90          | (2.90)  | 0.03                   | 5.24                 | 18.39                | 15.74                |  |
| <b>TOTAL</b>           | <b>1291.29</b>      | <b>235.71</b> | <b>(53.23)</b> | <b>(0.12)</b>          | <b>1473.65</b>       | <b>293.46</b>       | <b>0.73</b>    | <b>134.22</b> | <b>(49.85)</b>                                | <b>0.31</b>            | <b>378.87</b>        | <b>1094.78</b>       | <b>997.83</b>        |  |

# Partly on leasehold land

\*\* Indicates accumulated depreciation on assets acquired from Saboo Hesse Wood Coatings Private Limited after close of business hours on January 28, 2019.

- (i) For Property, plant and equipment existing on April 1, 2015 i.e its date of transition to Ind AS, the Group has used previous GAAP carrying values as deemed cost. Subsequently measurement is at cost.
- (ii) For charge created on Property, plant and equipment refer note 32 (c).

**Note 4(a)(i)**

Title deeds of immovable properties set out in Note 4(a) above, are in the name of the Company except those mentioned below which were transferred to and vested in the Holding Company pursuant to the respective Schemes of Arrangement in earlier years.

₹ in Crores

| Particulars                                  | No. of title deeds | Gross Carrying Amount |                      | Net Carrying Amount  |                      | Held in the name of                       |
|--|--------------------|-----------------------|----------------------|----------------------|----------------------|---|
|  |                    | As at March 31, 2019  | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |   |
| Freehold land at Rishra, West Bengal         | 1                  | 1.36                  | 1.36                 | 1.36                 | 1.36                 | Berger Auto & Industrial Coatings Limited |
| Leasehold land at Panaji, Goa                | 1                  | 0.35                  | 0.35                 | 0.28                 | 0.28                 | Rajdoot Paints Private Limited            |
| Leasehold land at Sikandrabad, Uttar Pradesh | 1                  | 0.27                  | 0.27                 | 0.14                 | 0.15                 | Rajdoot Paints Private Limited            |
| Leasehold land at Chandigarh                 | 1                  | 0.05                  | 0.05                 | 0.03                 | 0.03                 | Rajdoot Paints Private Limited            |

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note 4(b) - Goodwill**

₹ in Crores

| Particulars  | Gross Block at Cost |             |           |                        | Amortisation         |                     |             |              |   |                        | Net Block            |                      |                      |
|--------------|---------------------|-------------|-----------|------------------------|----------------------|---------------------|-------------|--------------|---|------------------------|----------------------|----------------------|----------------------|
|              | As at April 1, 2018 | Additions   | Deletions | Translation Difference | As at March 31, 2019 | As at April 1, 2018 | Acquisition | For the Year | Deletions (Accumulated upto the date of sale) | Translation Difference | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Goodwill *   | 264.57              | 1.90        | -         | 2.78                   | 269.25               | -                   | -           | -            | -   | -                      | -                    | 269.25               | 264.57               |
| <b>TOTAL</b> | <b>264.57</b>       | <b>1.90</b> | <b>-</b>  | <b>2.78</b>            | <b>269.25</b>        | <b>-</b>            | <b>-</b>    | <b>-</b>     | <b>-</b>                                      | <b>-</b>               | <b>-</b>             | <b>269.25</b>        | <b>264.57</b>        |

\* Includes Goodwill on consolidation ₹67.14 Crores (2017-18 ₹65.24 Crores).

**Note 4(c) - Other Intangible Assets**

₹ in Crores

| Particulars       | Gross Block at Cost |             |               |                        | Amortisation         |                     |             |              |   |                        | Net Block            |                      |                      |
|-------------------|---------------------|-------------|---------------|------------------------|----------------------|---------------------|-------------|--------------|---|------------------------|----------------------|----------------------|----------------------|
|                   | As at April 1, 2018 | Additions   | Deletions     | Translation Difference | As at March 31, 2019 | As at April 1, 2018 | Acquisition | For the Year | Deletions (Accumulated upto the date of sale) | Translation Difference | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Computer Software | 15.61               | 6.91        | (0.26)        | 0.31                   | 22.57                | 10.84               | 0.04        | 3.55         | (0.26)  | 0.30                   | 14.47                | 8.10                 | 4.77                 |
| <b>TOTAL</b>      | <b>15.61</b>        | <b>6.91</b> | <b>(0.26)</b> | <b>0.31</b>            | <b>22.57</b>         | <b>10.84</b>        | <b>0.04</b> | <b>3.55</b>  | <b>(0.26)</b>                                 | <b>0.30</b>            | <b>14.47</b>         | <b>8.10</b>          | <b>4.77</b>          |

i) For Property, plant and equipment existing on April 1, 2015 i.e its date of transition to Ind AS, the Group has used previous GAAP carrying values as deemed cost. Subsequently, measurement is at cost.

**## (i) Included following assets (color bank) given under operating lease**

₹ in Crores

| Particulars       | Gross Block at Cost |              |                |                        | Depreciation         |                     |             |              |   |                        | Net Block            |                      |                      |
|-------------------|---------------------|--------------|----------------|------------------------|----------------------|---------------------|-------------|--------------|---|------------------------|----------------------|----------------------|----------------------|
|                   | As at April 1, 2018 | Additions    | Deletions      | Translation Difference | As at March 31, 2019 | As at April 1, 2018 | Acquisition | For the Year | Deletions (Accumulated upto the date of sale) | Translation Difference | As at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Plant & Equipment | 218.94              | 44.62        | (36.10)        | -                      | 227.46               | 107.38              | -           | 42.60        | (34.39)                                       | -                      | 115.59               | 111.87               | 111.56               |
| Computer          | 24.62               | 2.53         | (5.64)         | -                      | 21.51                | 12.41               | -           | 5.15         | (5.39)  | -                      | 12.17                | 9.34                 | 12.21                |
| <b>Total</b>      | <b>243.56</b>       | <b>47.15</b> | <b>(41.74)</b> | <b>-</b>               | <b>248.97</b>        | <b>119.79</b>       | <b>-</b>    | <b>47.75</b> | <b>(39.78)</b>                                | <b>-</b>               | <b>127.76</b>        | <b>121.21</b>        | <b>123.77</b>        |

(ii) Also refer note 31

**Note 4(d) - Capital work in Progress**

₹ in Crores

| Particulars       | Gross Block at Cost |               |                 |
|-------------------|---------------------|---------------|-----------------|
|                   | As at April 1, 2018 | Additions     | Capitalisation  |
| Buildings         | 4.31                | 120.36        | (35.52)         |
| Plant & Equipment | 92.83               | 152.21        | (164.53)        |
| Other assets      | 0.02                | 7.81          | (7.60)          |
| <b>TOTAL</b>      | <b>97.16</b>        | <b>280.38</b> | <b>(207.65)</b> |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 4(e) - Property, plant and equipment

₹ in Crores

| Particulars            | Gross Block at Cost |               |               |                        | Depreciation         |                     |                |               |   |                        | Net Block            |                      |                      |
|------------------------|---------------------|---------------|---------------|------------------------|----------------------|---------------------|----------------|---------------|---|------------------------|----------------------|----------------------|----------------------|
|                        | As at April 1, 2017 | Additions     | Deletions     | Translation Difference | As at March 31, 2018 | As at April 1, 2017 | Acquisition ** | For the Year  | Deletions (Accumulated upto the date of sale) | Translation Difference | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Land                   |                     |               |               |                        |                      |                     |                |               |   |                        |                      |                      |                      |
| Freehold               | 12.57               | 0.46          | -             | 0.32                   | 13.35                | -                   | -              | -             | -   | -                      | -                    | 13.35                | 12.57                |
| Leasehold              | 8.54                | 0.45          | -             | -                      | 8.99                 | 0.19                | -              | 0.22          | -   | -                      | 0.41                 | 8.58                 | 8.35                 |
| Buildings              |                     |               |               |                        |                      |                     |                |               |   |                        |                      |                      |                      |
| Freehold #             | 378.18              | 17.03         | (0.34)        | 2.89                   | 397.76               | 23.89               | -              | 16.36         | -   | 1.94                   | 42.19                | 355.57               | 354.29               |
| Leasehold              | 27.22               | 0.87          | -             | -                      | 28.09                | 2.11                | 0.02           | 1.05          | -   | -                      | 3.18                 | 24.91                | 25.11                |
| Plant & Machinery ##   | 607.17              | 118.60        | (3.03)        | 6.32                   | 729.06               | 122.68              | 0.38           | 81.44         | (2.05)  | 5.00                   | 207.45               | 521.61               | 484.49               |
| Furniture and Fixtures | 26.48               | 9.97          | (0.90)        | 1.36                   | 36.91                | 7.15                | 0.07           | 5.69          | (0.88)  | 1.16                   | 13.19                | 23.72                | 19.33                |
| Computer ##            | 36.43               | 10.91         | (0.14)        | -                      | 47.20                | 10.19               | 0.06           | 9.37          | (0.13)  | -                      | 19.49                | 27.71                | 26.24                |
| Office Equipment       | 8.89                | 2.32          | (0.07)        | -                      | 11.14                | 2.53                | 0.01           | 1.97          | (0.01)  | -                      | 4.50                 | 6.64                 | 6.36                 |
| Vehicles               | 13.99               | 8.19          | (4.63)        | 1.24                   | 18.79                | 0.53                | 0.15           | 4.35          | (2.77)  | 0.79                   | 3.05                 | 15.74                | 13.46                |
| <b>TOTAL</b>           | <b>1119.47</b>      | <b>168.80</b> | <b>(9.11)</b> | <b>12.13</b>           | <b>1291.29</b>       | <b>169.27</b>       | <b>0.69</b>    | <b>120.45</b> | <b>(5.84)</b>                                 | <b>8.89</b>            | <b>293.46</b>        | <b>997.83</b>        | <b>950.20</b>        |

# Partly on leasehold land

- i) For Property, plant and equipment existing on April 1, 2015 i.e its date of transition to Ind AS, the Group has used previous GAAP carrying values as deemed cost. Subsequently, measurement is at cost.

### Note 4(f) - Goodwill

₹ in Crores

| Particulars  | Gross Block at Cost |              |           |                        | Amortisation         |                     |             |              |  |                        | Net Block            |                      |                      |
|--------------|---------------------|--------------|-----------|------------------------|----------------------|---------------------|-------------|--------------|--|------------------------|----------------------|----------------------|----------------------|
|              | As at April 1, 2017 | Additions    | Deletions | Translation Difference | As at March 31, 2018 | As at April 1, 2017 | Acquisition | For the Year | On Deletions (Accumulated upto the date of sale) | Translation Difference | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Goodwill *   | 178.90              | 64.18        | -         | 21.49                  | 264.57               | -                   | -           | -            | -  | -                      | -                    | 264.57               | 178.90               |
| <b>TOTAL</b> | <b>178.90</b>       | <b>64.18</b> | <b>-</b>  | <b>21.49</b>           | <b>264.57</b>        | <b>-</b>            | <b>-</b>    | <b>-</b>     | <b>-</b>   | <b>-</b>               | <b>-</b>             | <b>264.57</b>        | <b>178.90</b>        |

\* Includes Goodwill on consolidation ₹65.24 crores (2016-17 ₹1.06 crores). Goodwill of ₹64.18 crores is on account of acquisition of Saboo Coatings Private Limited during the year.



**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 4(g) - Other Intangible Assets**
**₹ in Crores**

| Particulars       | Gross Block at Cost |             |               |                        |                      | Amortisation        |                |              |   |                        | Net Block            |                      |                      |
|-------------------|---------------------|-------------|---------------|------------------------|----------------------|---------------------|----------------|--------------|---|------------------------|----------------------|----------------------|----------------------|
|                   | As at April 1, 2017 | Additions   | Deletions     | Translation Difference | As at March 31, 2018 | As at April 1, 2017 | Acquisition ** | For the Year | Deletions (Accumulated upto the date of sale) | Translation Difference | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Computer Software | 11.96               | 1.73        | (0.29)        | 2.21                   | 15.61                | 5.10                | 0.07           | 3.76         | (0.27)  | 2.18                   | 10.84                | 4.77                 | 6.86                 |
| <b>TOTAL</b>      | <b>11.96</b>        | <b>1.73</b> | <b>(0.29)</b> | <b>2.21</b>            | <b>15.61</b>         | <b>5.10</b>         | <b>0.07</b>    | <b>3.76</b>  | <b>(0.27)</b>                                 | <b>2.18</b>            | <b>10.84</b>         | <b>4.77</b>          | <b>6.86</b>          |

(i) For Property, plant and equipment existing on April 1, 2015 i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequently measurement is at cost.

\*\* Indicates accumulated depreciation on assets acquired from Saboo Coatings Private Limited during the year as at the June 5, 2017

**## (i) Included following assets ( color bank ) given under operating lease**
**₹ in Crores**

| Particulars       | Gross Block at Cost |              |               |                        |                      | Depreciation        |             |              |   |                        | Net Block            |                      |                      |
|-------------------|---------------------|--------------|---------------|------------------------|----------------------|---------------------|-------------|--------------|---|------------------------|----------------------|----------------------|----------------------|
|                   | As at April 1, 2017 | Additions    | Deletions     | Translation Difference | As at March 31, 2018 | As at April 1, 2017 | Acquisition | For the Year | Deletions (Accumulated upto the date of sale) | Translation Difference | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Plant & Equipment | 172.85              | 46.09        | -             | -                      | 218.94               | 67.28               | -           | 40.10        | -   | -                      | 107.38               | 111.56               | 105.57               |
| Computer          | 19.20               | 6.46         | (1.04)        | -                      | 24.62                | 7.79                | -           | 5.31         | (0.69)  | -                      | 12.41                | 12.21                | 11.41                |
| <b>Total</b>      | <b>192.05</b>       | <b>52.55</b> | <b>(1.04)</b> | <b>-</b>               | <b>243.56</b>        | <b>75.07</b>        | <b>-</b>    | <b>45.41</b> | <b>(0.69)</b>                                 | <b>-</b>               | <b>119.79</b>        | <b>123.77</b>        | <b>116.98</b>        |

(ii) Also refer note 31.

(iii) For charge created on Property, plant and equipment refer note 32 (c).

**Note 4(h) - Capital work in Progress**
**₹ in Crores**

| Particulars       | Gross Block at Cost |               |                 |                      |
|-------------------|---------------------|---------------|-----------------|----------------------|
|                   | As at April 1, 2017 | Additions     | Capitalisation  | As at March 31, 2018 |
| Buildings         | 13.49               | 8.72          | (17.90)         | 4.31                 |
| Plant & Equipment | 48.24               | 187.42        | (142.83)        | 92.83                |
| Other assets      | 0.48                | 7.61          | (8.07)          | 0.02                 |
| <b>TOTAL</b>      | <b>62.21</b>        | <b>203.75</b> | <b>(168.80)</b> | <b>97.16</b>         |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 5a. Investment in Joint Ventures

The Group has a 48.98% and 49% interest in Berger Becker Coatings Private Limited and Berger Nippon Paint Automotive Coatings Private Limited respectively (Company's Joint Venture with Becker Industrial Coatings Holding AB - Sweden and Nippon Paints Automotive Coatings Co. Ltd., Japan, which are involved in the manufacture and selling of paints). These joint ventures are private limited companies that are not listed on any public exchange. The Group's interest in joint ventures are accounted for using the equity method in the consolidated Ind AS financial statements. Both the joint ventures are individually immaterial to the reporting entity. Summarised financial information of the joint venture, based there Ind AS financial statements are set out below.

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Carrying amount of interest in joint ventures | 144.12                  | 105.54                  |
| Non-current assets                            | 240.60                  | 225.16                  |
| Current Assets                                | 274.67                  | 251.95                  |
| Non-Current Liabilities                       | (2.36)                  | (3.12)                  |
| Current Liabilities                           | (132.60)                | (171.36)                |
| Equity  | <b>380.31</b>           | <b>302.63</b>           |

₹ in Crores

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Total Income  | 525.91               | 489.21               |
| Expenses  | 522.09               | 473.88               |
| PAT   | (2.36)               | 8.70                 |
| Total Comprehensive Income  | (2.33)               | 8.79                 |
| Group's Share of Profit/(Loss) from joint ventures                                  | (0.90)               | 0.64                 |
| Group's share of Other Comprehensive Income/(Loss) for the year from joint ventures | 0.01                 | 0.05                 |
| Group's share of total comprehensive income for the year from joint ventures        | (0.89)               | 0.69                 |

### Note 5b. Financial Assets - Investments

₹ in Crores

|   | Nominal Value<br>per unit | Currency | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 |
|---|---------------------------|----------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Investments (Fully Paid)</b>                       |                           |          |                            |                            |                            |                            |
| <b>At fair value through profit and loss (FVTPL):</b> |                           |          |                            |                            |                            |                            |
| Equity Shares (Fully Paid) - Unquoted                 |                           |          |                            |                            |                            |                            |
| Shaktikunj Apartments Limited*                        | 1                         | ₹        | 1,498                      | 1,498                      | 0.00                       | 0.00                       |
| Charotar Gas Company*                                 | 10                        | ₹        | 10                         | 10                         | 0.00                       | 0.00                       |
| <b>Total Non-current Investments at cost</b>          |                           |          |                            |                            | <b>0.00</b>                | <b>0.00</b>                |

Investments at fair value through profit and loss (fully paid) reflect investment in unquoted equity securities. Refer note 35 for determination of their fair value.

\*Refer Note 40

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 5c. Financial assets - Loans and deposits**

(Unsecured, considered good unless otherwise stated)

₹ in Crores

|                   | Non-Current          |                      | Current              |                      |
|-------------------|----------------------|----------------------|----------------------|----------------------|
|                   | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Security Deposits | 16.91                | 20.42                | 7.98                 | 1.96                 |
| Other Loans       | -                    | 0.01                 | -                    | -                    |
| <b>Total</b>      | <b>16.91</b>         | <b>20.43</b>         | <b>7.98</b>          | <b>1.96</b>          |

**Note 5d. Financial assets - Other financial assets**

(Unsecured, considered good unless otherwise stated)

₹ in Crores

|   | Non-Current          |                      | Current              |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Bank Deposits with original maturity of more than twelve months#                                  | 1.54                 | 0.09                 | 0.07                 | 0.07                 |
| Security Deposits   | -                    | -                    | 0.03                 | 0.02                 |
| Advances to related parties - towards Share Application money pending allotment ##                | 4.14                 | 2.44                 | -                    | -                    |
| Interest accrued on deposits  | -                    | -                    | 2.40                 | 1.77                 |
| Other receivables *   | -                    | 0.00                 | 0.64                 | 1.95                 |
| <b>Total</b>  | <b>5.68</b>          | <b>2.53</b>          | <b>3.14</b>          | <b>3.81</b>          |
| # includes deposits pledged against bank guarantees   |                      |                      |                      |                      |
| ## remittance to Berger Paints (Cyprus) Limited towards share application money pending allotment |                      |                      |                      |                      |
| * includes receivable from related parties  |                      |                      |                      |                      |
| Berger Paints (Bangladesh) Limited (fellow subsidiary)  |                      |                      | 0.42                 | 0.39                 |
|   |                      |                      | <b>0.42</b>          | <b>0.39</b>          |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 6. Other assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

|  | Non-Current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Capital advances                               | 22.28                   | 16.50                   | 0.27                    | 0.28                    |
| Advances other than capital advances           | 0.54                    | 0.54                    | 15.02                   | 11.72                   |
| Prepayments                                    | 4.39                    | 3.87                    | 11.84                   | 9.01                    |
| Subsidy receivable #                           | -                       | -                       | 51.60                   | 28.38                   |
| Balances with statutory/government authorities | 11.13                   | 14.16                   | 99.46                   | 171.85                  |
| <b>Total</b>                                   | <b>38.34</b>            | <b>35.07</b>            | <b>178.19</b>           | <b>221.24</b>           |

#In the previous year, Excise duty disclosed in Statement of Profit and Loss for the three months period ended June 30, 2017 is net of excise duty benefit of ₹8.16 Crores. Subsequent to the implementation of GST w.e.f July 1, 2017, the Company has claimed subsidy available under "Scheme of Budgetary Support under GST Regime to the eligible units" located in specified States amounting to ₹51.60 Crores (March 31, 2018: ₹28.38 Crores).

### Note 7. Inventories

(at the lower of cost and net realisable value)

₹ in Crores

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Raw materials [ Including in-transit ₹76.00 crores (31st March 2018 - ₹56.00 crores)]            | 354.00                  | 304.34                  |
| Packing material (Containers)[ Including in-transit ₹0.14 crore (31st March 2018 - ₹0.09 crore)] | 23.87                   | 23.30                   |
| Work in progress   | 84.94                   | 68.54                   |
| Finished goods   | 673.78                  | 517.78                  |
| Traded goods [ Including in-transit ₹2.00 crores (31st March 2018 - ₹2.00 crores)]               | 78.42                   | 76.87                   |
| Stores and Spares  | 18.52                   | 16.51                   |
| <b>Total</b>   | <b>1,233.53</b>         | <b>1,007.34</b>         |

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note 8a. Financial assets - Current Investments**

|  | Nominal Value<br>₹ per unit | Number of units      |                      | ₹ in Crores          |                      |
|--|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|  |                             | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| <b>Investments at Fair value through profit and loss (FVTPL):</b>    |                             |                      |                      |                      |                      |
| <u>Investments in Mutual Funds - Unquoted</u>                        |                             |                      |                      |                      |                      |
| Axis Ultra Short Term Fund Direct Growth                             | 10                          | 5,481,550            | -                    | 5.76                 | -                    |
| DSP Savings Fund - Direct Growth Plan                                | 10                          | 1,439,591            | -                    | 5.36                 | -                    |
| Franklin India Liquid Fund Super Institutional Plan - Direct Growth  | 1000                        | 27,076               | -                    | 7.58                 | -                    |
| Franklin India Savings Fund Retail Option - Direct Growth            | 10                          | 1,012,506            | -                    | 3.56                 | -                    |
| HDFC Ultra Short Term Fund - Direct Growth                           | 10                          | 31,804,399           | -                    | 33.31                | -                    |
| ICICI Prudential Ultra Short Term Fund - Direct Growth               | 10                          | 16,099,537           | -                    | 31.87                | -                    |
| Kotak Savings Fund Direct Plan Growth                                | 10                          | 7,900,551            | -                    | 24.14                | -                    |
| UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth        | 1000                        | 34,642               | -                    | 10.60                | -                    |
| UTI Ultra Short Term Fund - Direct Growth Plan                       | 1000                        | 17,674               | -                    | 5.55                 | -                    |
| Kotak Low Duration Fund - Direct - Growth                            | 10                          | -                    | 149,089              | -                    | 32.66                |
| ICICI Prudential Savings Fund - Direct Plan - Growth                 | 100                         | -                    | 1177                 | -                    | 31.82                |
| Birla Sunlife Floating rate Fund - long term - Direct Growth         | 100                         | -                    | 740,774              | -                    | 15.95                |
| IDFC Ultra Short Term Fund - Direct - Growth                         | 10                          | -                    | 2628,869             | -                    | 6.52                 |
| ICICI Prudential Income Opportunity Fund - Direct Plan - Growth      | 10                          | -                    | 4,611,451            | -                    | 11.42                |
| Birla Sunlife Savings Fund - Direct Growth                           | 100                         | 1,128,744            | 1,023,860            | 41.96                | 35.23                |
| Birla Sunlife Short Term Fund - Direct Growth                        | 10                          | -                    | 8,67,942             | -                    | 18.69                |
| Birla Sunlife Cash Plus - Direct Growth                              | 100                         | -                    | 227,514              | -                    | 6.35                 |
| ICICI Prudential Money Market Fund - Direct Growth                   | 10                          | 987,595              | 122813               | 25.69                | 2.95                 |
| L&T Liquid Fund Direct Plan - Growth                                 | 10                          | -                    | 14,048               | -                    | 3.35                 |
| Kotak Floater Short Term - Direct - Growth                           | 1000                        | -                    | 11,195               | -                    | 3.19                 |
| HDFC FMP 92d Fund - Direct - Growth                                  | 10                          | -                    | 21,970,314           | -                    | 22.13                |
| UTI Treasury Advantage Fund - Institutional Option - Direct - Growth | 1000                        | -                    | 83,216               | -                    | 20.08                |
| Birla Sunlife Floating Rate Fund Short term - Direct growth          | 10                          | 712,492              | -                    | 17.93                | -                    |
| Franklin India Short Term Income Plan - Weekly Dividend              | 1000                        | 10,320               | 10,320               | 4.33                 | 3.95                 |
| Franklin India Ultra Short Term Bond Fund - Direct - Growth          | 10                          | 9,599,250            | 4,073,155            | 25.33                | 9.83                 |
| HDFC Liquid Fund - Direct - Growth                                   | 1000                        | 13,587               | -                    | 5.00                 | -                    |
| Kotak Liquid Fund - Direct - Growth                                  | 1000                        | 7,477                | -                    | 2.83                 | -                    |
| UTI Money Market Fund - Institutional - Direct - Growth              | 1000                        | -                    | 17,817               | -                    | 3.47                 |
| <b>Aggregate amount of Unquoted Investments</b>                      |                             |                      |                      | <b>250.80</b>        | <b>227.59</b>        |
| <b>Aggregate amount of Repurchase price of Unquoted Investments</b>  |                             |                      |                      | <b>250.80</b>        | <b>227.59</b>        |

Refer note 35 for determination of fair value.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 8b. Financial assets - Trade receivables

₹ in Crores

|  | Non-Current          |                      | Current              |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Unsecured, considered good*  | -                    | -                    | 671.48               | 692.40               |
| Trade receivables - credit impaired                                | 18.45                | 8.74                 |                      |                      |
|  | 18.45                | 8.74                 | 671.48               | 692.40               |
| <b>Impairment allowance (allowance for bad and doubtful debts)</b> |                      |                      |                      |                      |
| Trade receivables - credit impaired                                | (18.45)              | (8.74)               | -                    | -                    |
| <b>Total</b>   | <b>-</b>             | <b>-</b>             | <b>671.48</b>        | <b>692.40</b>        |

\* Includes debts due from related parties (Joint Ventures)

|   |      |      |
|---|------|------|
| Berger Becker Coatings Private Limited  | 0.84 | 1.52 |
| Berger Nippon Paint Automotive Coatings Private Ltd.<br>(Formerly BNB Coatings India Private Limited/BNB Coatings India Limited ) | 6.57 | 5.40 |

Trade receivables are non-interest bearing and generally has credit period from 30 to 90 days

For terms and conditions relating to related party receivables, refer Note 33.

### Note 8c. Financial assets - Cash and Cash Equivalents

₹ in Crores

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Balances with banks:  |                      |                      |
| – On current accounts   | 41.52                | 23.47                |
| – Deposits with original maturity of less than three months # | 0.54                 | 48.99                |
| Cheques/drafts on hand  | 14.24                | 10.30                |
| Cash on hand  | 0.77                 | 0.83                 |
| <b>Total</b>  | <b>57.07</b>         | <b>83.59</b>         |

### Note 8d. Financial assets - Other bank balances

₹ in Crores

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Other bank balances:  |                      |                      |
| – Balance with banks in Unpaid Dividend Account   | 5.72                 | 5.54                 |
| – Deposits with original maturity of not less than three months but not more than twelve months # | 175.63               | 115.81               |
| Earmarked balances  | 0.06                 | 0.03                 |
| <b>Total</b>  | <b>181.41</b>        | <b>121.38</b>        |

# Deposits at Banks earn interest between 7.95% to 9.60% (March 31, 2018 - 7.50% to 9.60 %) and are made for periods between 61 to 365 days (March 31, 2018 - periods between 61 to 365 days)



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 8d. Other bank balances (Contd.)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

|   | ₹ in Crores             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Balances with banks:</b>                                 |                         |                         |
| – On current accounts                                       | 41.52                   | 23.47                   |
| – Deposits with original maturity of less than three months | 0.54                    | 48.99                   |
| Cheques/drafts on hand                                      | 14.24                   | 10.30                   |
| Cash on hand  | 0.77                    | 0.83                    |
| <b>Total</b>  | <b>57.07</b>            | <b>83.59</b>            |
| Less- Bank Overdraft (Refer Note 14 a)                      | -                       | (3.02)                  |
|   | <b>57.07</b>            | <b>80.57</b>            |

### Note - 9. Equity Share Capital

|  | ₹ in Crores             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Authorised capital</b>  |                         |                         |
| 1,200,000,000 Equity Shares of ₹1 each (March 31, 2018: 1,200,000,000 Equity Shares of ₹1 each)                            | 120.00                  | 120.00                  |
| <b>Issued capital</b>  |                         |                         |
| 971,221,191 Equity Shares of ₹1 each fully paid up<br>(March 31, 2018: 971,122,908 Equity Shares of ₹1 each fully paid up) | 97.12                   | 97.11                   |
|  | <b>97.12</b>            | <b>97.11</b>            |
| <b>Subscribed and paid-up capital</b>  |                         |                         |
| 971,129,711 Equity Shares of ₹1 each fully paid up<br>(March 31, 2018: 971,031,428 Equity Shares of ₹1 each fully paid up) | 97.11                   | 97.10                   |
|  | <b>97.11</b>            | <b>97.10</b>            |

#### a) The Reconciliation of shares capital is given below:

|   | As at March 31, 2019 |              | As at March 31, 2018 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | No. of Shares        | ₹ in Crores  | No. of Shares        | ₹ in Crores  |
| At the beginning of the year  | 971,031,428          | 97.10        | 970,986,647          | 97.10        |
| Add: Shares issued on exercise of Employee Stock Options<br>(Refer Note 30) * | 98,283               | 0.01         | 44,781               | 0.00         |
| <b>At the end of the year</b>   | <b>971,129,711</b>   | <b>97.11</b> | <b>971,031,428</b>   | <b>97.10</b> |

\*Refer Note 40

#### b) Terms/Rights attached to class of shares

The Holding Company has only one class of equity shares having a par value of ₹1 each. Holder of each equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note - 9. Equity Share Capital (Contd.)

#### c) Equity Shares held by the Holding Company and/or the subsidiaries/associates of Holding Company

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| U K Paints (India) Private Limited (Holding Company) | 486,545,399             | 486,545,399             |
| Jenson & Nicholson (Asia) Limited, UK                | 140,656,782             | 140,656,782             |
| Citland Commercial Credits Limited                   | 30,915,659              | 30,915,659              |
| Wang Investment Finance Pvt. Ltd.                    | 29,810,580              | 29,810,580              |
| Bigg Investment & Finance Pvt. Ltd.                  | 7,952,420               | 7,952,420               |

#### d) Details of Shareholders holding more than 5 percent of Equity Shares in the Holding Company

|  | As at<br>March 31, 2019 |           | As at<br>March 31, 2018 |           |
|--|-------------------------|-----------|-------------------------|-----------|
|  | No. of Shares           | % holding | No. of Shares           | % holding |
| U K Paints (India) Private Limited (Holding Company) | 486,545,399             | 50.11%    | 486,545,399             | 50.11%    |
| Jenson & Nicholson (Asia) Limited, UK                | 140,656,782             | 14.48%    | 140,656,782             | 14.49%    |

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as declared under the relevant provisions of the Companies Act, 2013.

#### e) Shares reserved for issue under Employee Stock Options:

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Holding Company, refer Note 30.

### Note - 10a. Other equity

₹ in Crores

|                                      | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Reserves &amp; Surplus</b>        |                         |                         |
| Securities Premium                   | 114.62                  | 112.34                  |
| Retained earnings                    | 1962.00                 | 1677.73                 |
| General Reserve                      | 302.87                  | 302.87                  |
| <b>Other reserves</b>                |                         |                         |
| Share based payment reserve          | 2.38                    | 2.20                    |
| Capital reserve                      | 0.19                    | 0.19                    |
| Capital redemption reserve           | 0.04                    | 0.04                    |
| <b>Items of OCI</b>                  |                         |                         |
| Foreign Currency Translation Reserve | (6.51)                  | 2.04                    |
| <b>Total</b>                         | <b>2375.59</b>          | <b>2097.41</b>          |

## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note - 10b. Non- controlling interest

₹ in Crores

|                          | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------|-------------------------|-------------------------|
| Non-controlling interest | 3.45                    | -                       |
| <b>Total</b>             | <b>3.45</b>             | <b>-</b>                |

#### Notes

**Securities Premium** - Premium received on equity shares issued including those under Employee stock option plan are recognised in the securities premium account net of utilization for bonus shares issued etc.

**Retained Earnings** - Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit plans and Revaluation Reserve that had arisen from revaluation of Leasehold Land, Freehold Land and Freehold Buildings of the Company in 1989, 1985 and 1993 done by approved valuers. The aforementioned revaluation reserve is not a free reserve as per the Companies Act, 2013 and hence is not available for distribution as dividend.

**General Reserve** - Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid capital of the Company for that year, the total dividend distribution is less than the total distributable profits/(losses) for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

**Share based payment reserve** - The Company has two Employee Stock Option Plans (ESOPs) under which options to subscribe for the Company's shares have been granted to specific employees. The Share based payment reserve is used to recognise the value of equity-settled share-based payments to employees as part of their remuneration. The year end balance is net off options exercised by the concerned employees. Refer to Note 30 for further details of these plans.

**Capital redemption reserve** - Represents amount equal to the face value of equity shares transferred at the time of buy-back of shares.

**Foreign Currency Translation Reserve** - Represents exchange difference on translation of financial statements of foreign subsidiaries.

### Note 11. Other Financial Liabilities

₹ in Crores

|   | Non-Current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| (a) Other financial liabilities at amortized cost   |                         |                         |                         |                         |
| Interest accrued but not due on borrowings  | -                       | -                       | 2.51                    | 0.89                    |
| Current maturity of long term debt  | -                       | -                       | 36.12                   | -                       |
| Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due) | -                       | -                       | 5.72                    | 5.54                    |
| Deposits  | 15.94                   | 6.37                    | 44.49                   | 37.85                   |
| Capital creditors   | -                       | -                       | 37.58                   | 33.51                   |
| Accrued employee liabilities  | -                       | -                       | 52.98                   | 46.52                   |
| Other payables  | -                       | 0.90                    | 13.90                   | 20.39                   |
| <b>Total</b>  | <b>15.94</b>            | <b>7.27</b>             | <b>193.30</b>           | <b>144.70</b>           |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 12. Provisions

₹ in Crores

|   | Non-Current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Provision for Employee benefits</b>                                  |                         |                         |                         |                         |
| – Provision for Gratuity (Refer Note 29)                                | 1.97                    | -                       | 2.13                    | 4.84                    |
| – Provision for Leave encashment  | 1.28                    | 1.20                    | 17.63                   | 14.18                   |
| – Provision for Housing Fund & Warranty<br>(Refer Note (a) & (b) below) | -                       | -                       | 7.22                    | 6.65                    |
| Provision for Decommissioning Cost (Refer Note (c) below)               | 3.16                    | 2.92                    | -                       | -                       |
| Others  | 0.55                    | 0.44                    | 4.99                    | 5.21                    |
| <b>Total</b>  | <b>6.96</b>             | <b>4.56</b>             | <b>31.97</b>            | <b>30.88</b>            |

#### (a) Housing Fund

₹ in Crores

|                               | Current                 |                         |
|-------------------------------|-------------------------|-------------------------|
|                               | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| At the beginning of the year  | 6.05                    | 5.20                    |
| Arisen during the year        | 0.70                    | 0.85                    |
| Utilized during the year      | -                       | -                       |
| <b>At the end of the year</b> | <b>6.75</b>             | <b>6.05</b>             |

Provision for housing fund cost has been recognised in compliance with Sec 41 of Nepal Labour Act, 2048

#### (b) Warranty Provision

₹ in Crores

|                               | Current                 |                         |
|-------------------------------|-------------------------|-------------------------|
|                               | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| At the beginning of the year  | 0.60                    | 0.70                    |
| Arisen during the year        | -                       | -                       |
| Utilized during the year      | (0.13)                  | (0.10)                  |
| <b>At the end of the year</b> | <b>0.47</b>             | <b>0.60</b>             |

A provision for warranty is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(c) Provision for Decommissioning Cost\*

₹ in Crores

|                                 | Non-Current          |                      |
|---------------------------------|----------------------|----------------------|
|                                 | As at March 31, 2019 | As at March 31, 2018 |
| At the beginning of the year    | 2.92                 | 2.71                 |
| Arisen during the year          | -                    | -                    |
| Interest unwinding for the year | 0.24                 | 0.21                 |
| <b>At the end of the year</b>   | <b>3.16</b>          | <b>2.92</b>          |

\*Provision for decommissioning/dismantling of Property, Plant and Equipment.

Note 13a. Deferred Tax Assets & Liabilities (net)

₹ in Crores

| Nature - (Liability) / Asset                                 | Balance Sheet        |                      | Statement of Profit and Loss for and Other Comprehensive Income for the year ended |                |
|--|----------------------|----------------------|--|----------------|
|  | As at March 31, 2019 | As at March 31, 2018 | March 31, 2019   | March 31, 2018 |
| <b>Deferred tax liabilities</b>                              |                      |                      |  |                |
| Arising out of temporary differences in depreciable assets   | 101.25               | 92.08                | 9.17   | (9.24)         |
| Financial Assets at fair value through profit and loss       | 2.16                 | 1.54                 | 0.62   | (0.51)         |
| Difference in valuation method of inventories                | 0.06                 | 0.05                 | 0.01   | (0.01)         |
| Others   | -                    | -                    | -  | 9.44           |
| <b>Total (A)</b>   | <b>103.47</b>        | <b>93.67</b>         | <b>9.8</b>   | <b>(0.32)</b>  |
| <b>Deferred tax assets</b>                                   |                      |                      |  |                |
| On expenses allowable against taxable income in future years | 10.11                | 6.89                 | 3.22   | (2.17)         |
| Decommissioning liability                                    | 0.58                 | 0.21                 | 0.37   | 0.35           |
| Others through other comprehensive income                    | 1.54                 | 0.37                 | 1.17   | 0.59           |
| Others   | 3.43                 | 3.00                 | 0.69   | (0.24)         |
| <b>Total (B)</b>   | <b>15.66</b>         | <b>10.47</b>         | <b>5.45</b>  | <b>(1.47)</b>  |
| <b>Deferred Tax Expenses/(Credit) (A-B)</b>                  |                      |                      | <b>4.35</b>  | <b>(1.15)</b>  |
| <b>Net Deferred Tax (Liabilities)/Assets (B-A)</b>           | <b>(87.81)</b>       | <b>(83.20)</b>       |  |                |

Reconciliation of Deferred Tax Liabilities (net)

₹ in Crores

|  | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Opening balance  | (83.20)              | (81.45)              |
| Tax income/(Expense) during the period recognised in Profit and Loss | (5.52)               | 1.74                 |
| Tax income/(Expense) during the period recognised in OCI             | 1.17                 | (0.59)               |
| Foreign currency translation   | (0.26)               | (2.90)               |
| Closing balance  | <b>(87.81)</b>       | <b>(83.20)</b>       |

During the year ended March 31, 2019 and March 31, 2018, the Holding Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Holding Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders.

## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 13b. Deferred Tax Assets & Liabilities

₹ in Crores

| Nature - (Liability) / Asset                               | Balance Sheet        |                      | Statement of Profit and Loss for and Other Comprehensive Income for the year ended |                |
|--|----------------------|----------------------|--|----------------|
|  | As at March 31, 2019 | As at March 31, 2018 | March 31, 2019   | March 31, 2018 |
| <b>Deferred tax liabilities</b>                            |                      |                      |  |                |
| Arising out of temporary differences in depreciable assets | 0.29                 | 0.26                 | 0.03   | (0.16)         |
| <b>Total (A)</b>   | <b>0.29</b>          | <b>0.26</b>          | <b>0.03</b>  | <b>(0.16)</b>  |
| <b>Deferred tax assets</b>                                 |                      |                      |  |                |
| Expenses allowable on payment/actual basis for tax purpose | 0.77                 | 0.74                 | 0.02   | (0.17)         |
| Others through Other Comprehensive Income                  | 0.23                 | 0.26                 | (0.03)   | (0.01)         |
| <b>Total (B)</b>   | <b>1.00</b>          | <b>1.00</b>          | <b>(0.01)</b>  | <b>(0.18)</b>  |
| <b>Deferred Tax Expenses/(Credit) (A-B)</b>                |                      |                      | <b>0.04</b>  | <b>(0.02)</b>  |
| <b>Net Deferred Tax (Liabilities)/Assets (B-A)</b>         | <b>0.71</b>          | <b>0.74</b>          |  |                |

### Reconciliation of Deferred Tax Liabilities (net)

₹ in Crores

|  | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| Opening balance  | 0.74           | 0.76           |
| Tax income/(Expense) during the period recognised in Profit and Loss | (0.01)         | (0.01)         |
| Tax income/(Expense) during the period recognised in OCI             | (0.03)         | (0.01)         |
| Acquisition  | 0.01           | -              |
| Closing balance  | <b>0.71</b>    | <b>0.74</b>    |

During the year ended March 31, 2019 and March 31, 2018, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

### Note 13c. Income Tax Assets (net)

₹ in Crores

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Advance payment of income tax<br>[net of provision for tax of ₹1,086.75 crores (March 31, 2018 - ₹836.89 crores)] | 20.37                | 46.53                |
| <b>Total</b>  | <b>20.37</b>         | <b>46.53</b>         |

### Note 13(d) . Current tax liabilities (net)

₹ in Crores

|   | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Provision for income tax [net of advance tax of ₹117.42 crores (March 31, 2018 ₹117.42 crores)] | 3.63                 | 5.25                 |
| <b>Total</b>  | <b>3.63</b>          | <b>5.25</b>          |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 13(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India 34.944% (March 31, 2018: 34.608%) as follows:

₹ in Crores

|  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Accounting Profit before income tax (before share of profit from J/V)</b>                                       | <b>771.50</b>                | <b>704.10</b>                |
| Profit before income tax multiplied by standard rate of corporate tax in India of 34.94% (March 31, 2018: 34.608%) | 269.59                       | 243.67                       |
| Effects of:  |                              |                              |
| Permanent differences affecting income tax expense:  |                              |                              |
| Additional deduction allowed in respect of R&D activities carried out by the holding company                       | (3.51)                       | (2.22)                       |
| Effect of different tax rates in the components  | 2.02                         | (0.61)                       |
| Other miscellaneous disallowances  | 3.75                         | 3.67                         |
| <b>Net effective income tax</b>  | <b>271.85</b>                | <b>244.51</b>                |
| <b>Income tax expense reported in the Statement of Profit and Loss</b>   | <b>273.15</b>                | <b>243.91</b>                |
| <b>Income tax expense reported in Other Comprehensive Income</b>   | <b>(1.14)</b>                | <b>0.60</b>                  |
|  | <b>272.01</b>                | <b>244.51</b>                |

The Subsidiaries of Berger Paints (Cyprus) Limited and Lusako Trading Limited have unabsorbed tax losses which arose on incurrance of business losses under the respective tax loss for which no deferred tax asset has been recognised in the Balance Sheet. Refer table below:

₹ in Crores

| Financial Year | Particulars   | March 31, 2019 | Expiry Date | March 31, 2018 | Expiry Date |
|----------------|---------------|----------------|-------------|----------------|-------------|
| FY 2013-14     | Business Loss | -              | -           | 6.25           | Dec 2018    |
| FY 2014-15     | Business Loss | 5.92           | Dec 2019    | 6.48           | Dec 2019    |
| FY 2015-16     | Business Loss | 5.64           | Dec 2020    | 6.17           | Dec 2020    |
| FY 2016-17     | Business Loss | 0.87           | Dec 2021    | 0.95           | Dec 2021    |
| FY 2017-18     | Business Loss | 6.90           | Dec 2022    | 7.55           | Dec 2022    |
| FY 2018-19     | Business Loss | 9.09           | Dec 2023    | -              | -           |

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹212.61 crores (2017-18: ₹161.07 crores). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 14a. Financial Liabilities- Borrowings

₹ in Crores

|   | Non-Current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Secured</b>                                  |                         |                         |                         |                         |
| Term Loan                                       |                         |                         |                         |                         |
| From Banks (secured)                            | 230.49                  | 244.20                  | -                       | -                       |
| Loans repayable on demand                       |                         |                         |                         |                         |
| From Banks                                      |                         |                         |                         |                         |
| Bank Overdraft                                  | -                       | -                       | -                       | 3.02                    |
| Cash credit                                     | -                       | -                       | 83.41                   | 140.71                  |
| Long term maturity of finance lease obligations | 8.43                    | 5.27                    | -                       | -                       |
| *Other loans                                    | -                       | -                       | 76.60                   | 28.97                   |
| <b>Unsecured</b>                                |                         |                         |                         |                         |
| Commercial Paper                                | -                       | -                       | 85.00                   | -                       |
|   | <b>238.92</b>           | <b>249.47</b>           | <b>245.01</b>           | <b>172.70</b>           |

Term Loan from banks are secured by a charge by way of mortgage on some specific fixed assets.

Term loan of ₹144.47 crores (2017-18: ₹132.33 crores) is repayable by December 7, 2019 and carries interest of 6 month LIBOR +87 Basis points. Term loan of ₹122.14 crores (2017-18: ₹111.87 crores) is repayable by April 13, 2020 and carries interest of 6 month LIBOR+ 100 Basis points.

Bank overdraft are repayable on demand and carry interest rate of Nil (March 31, 2018: MIBOR+ 130 bps)

Cash Credits from banks are secured by way of first charge on book debts and other current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Cash Credit is repayable on demand and carries interest at 7.30% to 12.10% per annum (March 31, 2018: 7.30%-11.75% per annum)

\* Includes Working Capital demand loan from banks are secured by way of first charge on book debts and other current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Working capital demand loan is repayable within April 30, 2019 and carries interest at 9.50% -10.25% per annum (March 31, 2018: Nil)

Commercial paper carries interest at 9.50% per annum (March 31, 2018: Nil) and is repayable by 11 April 2019.

#### Amendments to Ind AS 7 Statement of Cash Flows:

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period is as under.

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Changes in liabilities arising from financing activities**

₹ in Crores

| Particulars            | April 1, 2018 | Cash flows | Exchange difference | March 31, 2019 |
|------------------------|---------------|------------|---------------------|----------------|
| Non Current Borrowings |               |            |                     |                |
| Term Loan*             | 244.20        | (33.07)    | 19.36               | 230.49         |

\*excludes current maturity of long term debt ₹36.12 crores (March 31, 2018-Nil)

| Particulars            | April 1, 2017 | Cash flows | Exchange difference | March 31, 2018 |
|------------------------|---------------|------------|---------------------|----------------|
| Non Current Borrowings |               |            |                     |                |
| Term Loan              | 259.59        | -          | (15.39)             | 244.20         |

| Particulars        | April 1, 2018 | Cash flows | Exchange difference | March 31, 2019 |
|--------------------|---------------|------------|---------------------|----------------|
| Current Borrowings |               |            |                     |                |
| Bank overdraft     | 3.02          | (3.02)     | -                   | -              |
| Cash credit        | 140.71        | (57.30)    | -                   | 83.41          |
| Commercial paper   | -             | -          | -                   | 85.00          |
| Other Loans        | 28.97         | 47.63      | -                   | 76.60          |

| Particulars        | April 1, 2017 | Cash flows | Exchange difference | March 31, 2018 |
|--------------------|---------------|------------|---------------------|----------------|
| Current Borrowings |               |            |                     |                |
| Bank overdraft     | 5.19          | (2.17)     | -                   | 3.02           |
| Cash credit        | 30.51         | 110.20     | -                   | 140.71         |
| Buyers' Credit     | 84.29         | (89.46)    | 5.17                | -              |
| Other Loans        | 24.14         | 4.83       | -                   | 28.97          |

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note 14b. Financial Liabilities- Trade Payables**

₹ in Crores

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| i) Total outstanding dues of micro enterprises and small enterprises (refer note below)    | 46.82                   | 17.84                   |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises |                         |                         |
| Acceptances  | 146.70                  | 137.08                  |
| Outstanding dues of creditors other than acceptances                                       | 805.48                  | 800.33                  |
|  | <b>952.18</b>           | <b>937.41</b>           |

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 are provided as under to the extent the Company has received intimation from the suppliers regarding their status under the Act.</b>  |                         |                         |
| Principal amount remaining unpaid at the end of the year  | 44.68                   | 16.33                   |
| Interest due thereon remaining unpaid at the end of the year  | 2.14                    | 1.51                    |
|   | <b>46.82</b>            | <b>17.84</b>            |
| Delayed payment of Principal amount paid beyond appointed date during the entire financial year   | 41.67                   | 27                      |
| Interest actually paid under Section 16 of the Act during the entire accounting year  | -                       | -                       |
| Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.  | 0.24                    | 0.33                    |
| Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid)   | 0.30                    | 0.06                    |
| Interest accrued and remaining unpaid at the end of the year  | 0.63                    | 0.43                    |
| The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises for the purpose of disallowances as deductible expenditure under Section 23 of this Act | 2.14                    | 1.51                    |

**Terms and conditions of the above trade payables:**

Trade payables are non interest bearing and are normally settled on 45-90 day terms.

For terms and conditions with related parties, refer to Note 33.

**Note 15. Other liabilities**

₹ in Crores

|                        | Non-Current             |                         | Current                 |                         |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                        | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Others                 |                         |                         |                         |                         |
| Advance from customers | -                       | -                       | 19.12                   | 19.29                   |
| Statutory liabilities  | -                       | -                       | 39.15                   | 73.43                   |
| Other liabilities      | 3.85                    | 1.72                    | 1.85                    | 1.16                    |
| <b>Total</b>           | <b>3.85</b>             | <b>1.72</b>             | <b>60.12</b>            | <b>93.88</b>            |

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note 16a. The carrying value and fair value of financial instruments by category as at end of the year are as follows:**

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Financial Assets - Non Current</b>         |                         |                         |
| <u>At fair value through profit or loss</u>   |                         |                         |
| Investments*                                  | 0.00                    | 0.00                    |
| <u>At amortised cost</u>                      |                         |                         |
| (a) Loans and deposits                        | 16.91                   | 20.43                   |
| (b) Other financial assets                    | 5.68                    | 2.53                    |
|   | <b>22.59</b>            | <b>22.96</b>            |
| At deemed cost/subsequent additions at cost   |                         |                         |
| Investments in joint ventures                 | 144.12                  | 105.54                  |
| <b>Total non current financial assets (a)</b> | <b>166.71</b>           | <b>128.50</b>           |
| <b>Financial Assets - Current</b>             |                         |                         |
| <u>At fair value through profit or loss</u>   |                         |                         |
| (a) Investments                               | 250.80                  | 227.59                  |
| <u>At amortised cost</u>                      |                         |                         |
| (a) Loans and deposits                        | 7.98                    | 1.96                    |
| (b) Cash and cash equivalents                 | 57.07                   | 83.59                   |
| (c) Bank balances other than (b) above        | 181.41                  | 121.38                  |
| (d) Trade receivables                         | 671.48                  | 692.40                  |
| (e) Other financial assets                    | 3.14                    | 3.81                    |
| <b>Total current financial assets (b)</b>     | <b>1,171.88</b>         | <b>1,130.73</b>         |
| <b>Total financial assets (a + b)</b>         | <b>1,338.59</b>         | <b>1,259.23</b>         |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 16b. Financial Liabilities

₹ in Crores

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Financial Liabilities - Non Current</b>  |                         |                         |
| <u>At Amortised Cost</u>  |                         |                         |
| (a) Borrowings  | 238.92                  | 249.47                  |
| (b) Other Financial Liabilities   | 15.94                   | 7.27                    |
| <b>Total Non current financial liabilities (a)</b>  | <b>254.86</b>           | <b>256.74</b>           |
| <b>Financial liabilities - current</b>  |                         |                         |
| <u>At amortised cost</u>  |                         |                         |
| (a) Borrowings  | 245.01                  | 172.70                  |
| (b) Trade payables  |                         |                         |
| i) Total outstanding dues of micro enterprises and small enterprises                        | 46.82                   | 17.84                   |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises  | 952.18                  | 937.41                  |
| (c) Other financial liabilities   |                         |                         |
| Interest accrued but not due on borrowings  | 2.51                    | 0.89                    |
| Current maturity of long term debt  | 36.12                   | -                       |
| Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due) | 5.72                    | 5.54                    |
| Others  |                         |                         |
| Deposits  | 44.49                   | 37.85                   |
| Capital creditors   | 37.58                   | 33.51                   |
| Accrued employee liabilities  | 52.98                   | 46.52                   |
| Other payables  | 13.90                   | 20.39                   |
| <b>Total current financial liabilities (b)</b>  | <b>1,437.31</b>         | <b>1,272.65</b>         |
| <b>Total financial liabilities (a + b)</b>  | <b>1,692.17</b>         | <b>1,529.39</b>         |

\* Refer Note 40

Also refer note 35 for fair value heirarchy

### Note 17. Distribution made and proposed

₹ in Crores

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Cash dividends on Equity shares declared and paid:                                     |                         |                         |
| Final dividend for March 31, 2018 - ₹1.80 per share (March 31, 2017 - ₹1.75 per share) | 174.78                  | 169.93                  |
| Dividend Distribution Tax on final dividend  | 35.93                   | 34.59                   |
|  | <b>210.71</b>           | <b>204.52</b>           |
| <b>Proposed dividends on equity shares:</b>  |                         |                         |
| Final dividend for March 31, 2019 - ₹1.90 per share (March 31, 2018 - ₹1.80 per share) | 184.51                  | 174.78                  |
| Dividend Distribution Tax on proposed dividend   | 37.93                   | 35.93                   |
|  | <b>222.44</b>           | <b>210.71</b>           |

As at March 31, 2019, proposed dividend on equity shares is subject to approval in the ensuing Annual General Meeting. Pending such approval, proposed dividend and dividend distribution tax thereon have not been recognised in these Ind AS financial statements.



**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 18. Revenue from Operations**
**₹ in Crores**

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Sale of products net off rebates and discounts (including excise duty) [refer note below] * | 6001.28                      | 5232.78                      |
| Contract revenue**  | 3.35                         | -                            |
| Other Operating revenue   |                              |                              |
| Scrap Sales   | 12.12                        | 9.62                         |
| Others  | 45.11                        | 39.72                        |
| <b>Total</b>  | <b>6,061.86</b>              | <b>5,282.12</b>              |

Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Group collects GST from its customers on behalf of the Government and hence, GST is not included in Revenue from operations. Revenue from operations includes excise duty collected from customers of ₹ Nil ( March 31, 2018: ₹134.96 crores ). Revenue from operations net of excise duty is ₹ 6,061.86 (March 31, 2018: ₹5,147.16 crores). Revenue from operations for periods up to June 30, 2017 includes excise duty. In view of the aforesaid change in indirect taxes, Revenue from operations for year ended March 31, 2019 is not comparable with the amount reported for the year ended March 31, 2018.

\* Revenue from sale of products are recognised when goods are transferred at a point in time.

\*\* Contract revenue is recognised over a period of time.

**Note 19. Other Income**
**₹ in Crores**

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Interest Income                             |                              |                              |
| Deposits with banks                         | 12.86                        | 6.78                         |
| Others                                      | 5.94                         | -                            |
| Other non operating income                  |                              |                              |
| Net gain on sale of mutual fund investments | 13.87                        | 18.11                        |
| Fair value gain on mutual fund investments  | 6.22                         | 4.41                         |
| Foreign Exchange Gain (net)                 | 0.13                         | 1.77                         |
| Others                                      | 21.01                        | 14.80                        |
| <b>Total</b>                                | <b>60.03</b>                 | <b>45.87</b>                 |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 20. Cost of materials consumed

₹ in Crores

|                                    | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|------------------------------------|------------------------------|------------------------------|
| <u>Raw Materials Consumed</u>      |                              |                              |
| Opening Stocks                     | 304.34                       | 247.01                       |
| Purchases                          | 3018.69                      | 2356.17                      |
| Closing stock                      | (354.00)                     | (304.34)                     |
|                                    | <b>2,969.03</b>              | <b>2,298.84</b>              |
| <u>Packing Material Consumed</u>   |                              |                              |
| Opening Stocks                     | 23.30                        | 18.45                        |
| Purchases                          | 448.04                       | 384.15                       |
| Closing stock                      | (23.87)                      | (23.30)                      |
|                                    | <b>447.47</b>                | <b>379.30</b>                |
| <b>Cost of materials consumed*</b> | <b>3,416.50</b>              | <b>2,678.14</b>              |

\*Also refer note 38 for expenses on research and development

### Note 21. (Increase) in inventories of finished goods, work-in-progress and stock - in - trade

₹ in Crores

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>Opening Stock</b>  |                              |                              |
| Work-in-Progress  | 68.54                        | 58.42                        |
| Finished Goods  | 517.78                       | 531.95                       |
| Traded goods  | 76.87                        | 67.45                        |
|   | <b>663.19</b>                | <b>657.82</b>                |
| <b>Closing Stock</b>  |                              |                              |
| Work-in-Progress  | 84.94                        | 68.54                        |
| Finished Goods  | 673.78                       | 517.78                       |
| Traded goods  | 78.42                        | 76.87                        |
|   | <b>837.14</b>                | <b>663.19</b>                |
| *(Increase) in Excise Duty on Stock of Finished Goods                                 | -                            | (94.60)                      |
| <b>(Increase) in inventories of finished goods, work-in-progress and traded goods</b> | <b>(173.95)</b>              | <b>(99.97)</b>               |

\* Includes reversal of excise duty on Inventory as at March 31, 2017. Due to implementation of GST in the previous year, there is no excise duty element on the inventory as at March 31, 2018 and March 31, 2019.

### Note 22. Employee benefits expense

₹ in Crores

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Salaries and wages  | 352.64                       | 305.74                       |
| Contribution to provident and other funds (Refer Note 29) | 25.43                        | 24.78                        |
| Expense on employee stock option scheme (Refer Note 30)   | 2.46                         | 2.36                         |
| Staff welfare expenses                                    | 27.98                        | 23.70                        |
| <b>Total</b>  | <b>408.51</b>                | <b>356.58</b>                |

Also refer note 38 for expenses on research and development.

## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 23. Finance costs

₹ in Crores

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Interest on debts and borrowings                    | 32.09                        | 24.34                        |
| Unwinding of discount on provisions (Refer Note 12) | 0.24                         | 0.21                         |
| <b>Total</b>  | <b>32.33</b>                 | <b>24.55</b>                 |

### Note 24. Depreciation and amortization expense

₹ in Crores

|  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Depreciation of tangible assets (Note 4)   | 134.22                       | 120.45                       |
| Amortization of intangible assets (Note 4) | 3.55                         | 3.76                         |
| <b>Total</b>                               | <b>137.77</b>                | <b>124.21</b>                |

### Note 25. Other Expenses

₹ in Crores

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Freight, octroi and delivery  | 383.39                       | 330.19                       |
| Power and fuel  | 59.13                        | 48.27                        |
| Consumption of stores and spare parts                                       | 11.42                        | 9.69                         |
| Repairs   |                              |                              |
| - Plant and machinery   | 21.31                        | 3.77                         |
| - Building  | 0.52                         | 15.29                        |
| - Others  | 7.71                         | 5.25                         |
| Rent (Refer note 31)  | 58.39                        | 53.03                        |
| Rates and taxes   | 7.84                         | 9.48                         |
| Travelling  | 54.34                        | 52.43                        |
| Advertisement and sales promotion expenses                                  | 201.75                       | 248.73                       |
| Insurance   | 3.88                         | 3.32                         |
| Processing charges  | 25.01                        | 20.67                        |
| Directors' Fees   | 0.01                         | 0.02                         |
| Foreign Exchange loss (net)   | 18.82                        | 1.43                         |
| Commission to Non-Executive Directors                                       | 0.45                         | 0.45                         |
| Loss on sale/discard of Property, plant and equipment and intangible assets | 1.77                         | 0.01                         |
| Audit fees (Refer note 25.1)  | 1.22                         | 0.82                         |
| CSR expenditure (Refer note 25.2)   | 14.06                        | 10.43                        |
| Miscellaneous expenses # (Refer note 38)                                    | 201.15                       | 178.92                       |
| <b>Total</b>  | <b>1,072.17</b>              | <b>992.20</b>                |

# Bad debts written off ₹7.09 crores (March 31, 2018: ₹8.43 crores)

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note 25.1 Auditor's Remuneration**

₹ in Crores

|  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>As Auditor:</b>                           |                              |                              |
| Audit fees                                   | 1.01                         | 0.65                         |
| Tax audit fee                                | 0.07                         | 0.05                         |
| Miscellaneous certificates and other matters | 0.08                         | 0.09                         |
| Reimbursement of expenses                    | 0.06                         | 0.03                         |
| <b>Total</b>                                 | <b>1.22</b>                  | <b>0.82</b>                  |

**Note 25.2 Details of CSR expenditure:**

₹ in Crores

|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| a) Gross amount required to be spent by the group during the year | 12.19                        | 10.43                        |
| b) Amount spent during the year:                                  |                              |                              |
| (i) Construction/Acquisition of an asset                          | -                            | -                            |
| (ii) Purposes other than (i) above                                | 14.06                        | 10.43                        |
| <b>Total</b>  | <b>14.06</b>                 | <b>10.43</b>                 |

Includes Corporate Social Responsibility expensed ₹13.47 crores (March 31, 2018: ₹10.43 crores) pertaining to Holding Company's own programme for promoting employment enhancing vocational skill programme named 'iTrain'.

## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 26. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and earning per share data used in the basic and diluted EPS computations:

₹ in Crores

|  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Net Profit after tax for calculation of Basic and Diluted Earnings Per Share (₹ in Crores) (I) | 497.86                       | 460.83                       |
| Weighted average number of shares (II)   |                              |                              |
| - Basic  | 971,061,301                  | 971,000,633                  |
| - Diluted (refer note below)   | 971,201,378                  | 971,247,574                  |
| Earning per equity share [nominal value of ₹1 per share] [(I)/(II)]                            |                              |                              |
| - Basic  | 5.13                         | 4.75                         |
| - Diluted  | 5.13                         | 4.74                         |
| <u>Effect of dilution:</u>   |                              |                              |
| Weighted average number of equity shares in calculating Basic Earnings Per Share               | 971,061,301                  | 971,000,633                  |
| Dilution - Stock options granted under ESOP  | 140,077                      | 246,941                      |
| Weighted average number of equity shares in calculating diluted EPS                            | 971,201,378                  | 971,247,574                  |

### Note 27. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements, Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated Ind AS Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated Ind AS Financial Statements.

#### Defined Employer Benefit plans

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 29.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Fair value measurement of financial instruments and guarantees

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 35 for further disclosures.

### Depreciation on Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Decommissioning Liability

Decommissioning Liability has been recognised for items of property, plant and equipment built or installed on specified leasehold land the terms of which includes decommissioning of such assets on expiry of the lease prior to handing over to the lessor. The decommissioning costs as at the end of the lease period have been estimated based on current costs by the Holding Company's own technical experts and have been escalated to the end of the leasehold period using suitable inflation factors. The said escalated cost as at the end of the lease period is now discounted to the present value of such liability by applying Holding company's weighted average cost of capital.

### Impairment test for Goodwill

#### (a) Goodwill from Bolix SA

Goodwill of ₹202.11 crores had arisen on acquisition of Bolix SA, a wholly owned step down subsidiary of the Company in an earlier year. The Group assesses the goodwill for any indication of impairment at annual basis. Based on such assessment the impairment for goodwill has not been recognized.

#### (b) Goodwill from Saboo Coatings Private Limited

During the previous year, the company has acquired 'Saboo Coatings Private Limited' and recorded Goodwill on acquisition of the same amounting to ₹64.51 crores.

#### (c) Goodwill from Saboo Hesse Wood Coatings Private Limited

During the current year, the company has acquired Saboo Hesse Wood Coatings Private Limited and recorded Goodwill on acquisition of the same amounting to ₹1.57 crores.



**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 28. Information related to subsidiaries and joint ventures**

The subsidiaries considered in the Ind AS consolidated financial statements are as follows:

| Name of Company  | Country of Incorporation | % voting power as at March 31, 2019 | % voting power as at March 31, 2018 | Accounting period           |
|--|--------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Direct subsidiaries</b>   |                          |                                     |                                     |                             |
| Berger Jenson & Nicholson (Nepal) Private Limited  | Nepal                    | 100%                                | 100%                                | 15th March - 14th March     |
| Beepee Coatings Private Limited  | India                    | 100%                                | 100%                                | 1st April - 31st March      |
| Berger Paints (Cyprus) Limited   | Cyprus                   | 100%                                | 100%                                | 1st January - 31st December |
| Lusako Trading Limited   | Cyprus                   | 100%                                | 100%                                | 1st January - 31st December |
| SBL Speciality Coatings Private Limited (Formerly known as Saboo Coatings Private Limited)               | India                    | 100%                                | 100%                                | 1st April - 31st March      |
| <b>Indirect subsidiaries</b>   |                          |                                     |                                     |                             |
| Berger Paints Overseas Limited [100% Subsidiary of Berger Paints (Cyprus) Limited ]                      | Russia                   | 100%                                | 100%                                | 1st January - 31st December |
| Bolix S.A. (100% Subsidiary of Lusako Trading Limited)   | Poland                   | 100%                                | 100%                                | 1st January - 31st December |
| Build-Trade sp. z.o.o. (100% Subsidiary of Bolix S.A.)   | Poland                   | 100%                                | 100%                                | 1st January - 31st December |
| Bolix UKRAINA sp. z.o.o. (100% Subsidiary of Bolix S.A.)   | Ukraine                  | 99%                                 | 99%                                 | 1st January - 31st December |
| Soltherm External Insulations Limited (100% Subsidiary of Bolix S.A.)                                    | United Kingdom           | 100%                                | 100%                                | 1st January - 31st December |
| Soltherm Insulations Thermique Exterieur SAS (100% Subsidiary of Bolix S.A.)                             | France                   | 100%                                | 100%                                | 1st January - 31st December |
| Saboo Hesse Wood Coatings Private Limited  | India                    | 51%                                 | NA                                  | 1st April - 31st March      |
| Berger Rock Paints Private Limited   | India                    | 51%                                 | NA                                  | 1st April - 31st March      |
| <b>Joint Ventures</b>  |                          |                                     |                                     |                             |
| Berger Becker Coatings Private Limited   | India                    | 48.98%                              | 48.98%                              | 1st April - 31st March      |
| Berger Nippon Paint Automotive Coatings Private Limited (Formerly known as BNB Coatings Private Limited) | India                    | 49%                                 | 49%                                 | 1st April - 31st March      |
| Surefire Management Services Ltd (“SMS”).  | United Kingdom           | 75%                                 | 75%                                 | 1st January - 31st December |

There are no material transactions/events that have occurred between December 31/March 14 and March 31 which might have a material impact on the profitability or financial position on these consolidated financial statements.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 29. Gratuity and other post-employment benefit plans

#### (I) Defined benefit plans

##### (a) Gratuity

- (i) The following table summarizes the components of net defined benefit expense towards gratuity recognised in the Statement of Profit and Loss and OCI and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Changes in the present value of defined benefit obligation                  |                         |                         |
| Present value of defined benefit obligation as at year beginning            | 37.96                   | 34.08                   |
| Current service cost  | 3.14                    | 4.63                    |
| Interest cost   | 2.80                    | 2.51                    |
| Past service cost (Plan amendments)   | -                       | 1.65                    |
| <u>Remeasurements (gains)/losses</u>  |                         |                         |
| -Actuarial (gains)/losses arising from changes in demographic assumptions   | 0.01                    | 0.01                    |
| -Actuarial (gains)/losses arising from changes in financial assumptions     | 0.46                    | (1.76)                  |
| -Actuarial (gains)/losses arising from changes in experience adjustments    | 2.92                    | (0.09)                  |
| Benefits paid   | (3.11)                  | (3.07)                  |
| <b>Present value of defined benefit obligation as at year end</b>           | <b>44.18</b>            | <b>37.96</b>            |
|   |                         |                         |
| <b>Changes in fair value of plan assets</b>                                 |                         |                         |
| Fair value of plan assets as at year beginning                              | 33.12                   | 29.68                   |
| Interest income   | 2.69                    | 3.61                    |
| <u>Remeasurements (gains)/losses</u>  |                         |                         |
| -Return on plan assets, (excluding amount included in net Interest expense) | 0.09                    | (0.09)                  |
| -Actuarial (gains)/losses arising from changes in financial assumptions     | (0.03)                  | (0.02)                  |
| Employer's contribution   | 7.32                    | 3.01                    |
| Benefits paid   | (3.11)                  | (3.07)                  |
| <b>Fair value of plan assets as at year end</b>                             | <b>40.08</b>            | <b>33.12</b>            |
|   |                         |                         |
| <b>Amounts Recognised in the Balance sheet</b>                              |                         |                         |
| Present value of defined benefit obligation at the year end                 | 44.18                   | 37.96                   |
| Fair value of the plan assets at the year end                               | 40.08                   | 33.12                   |
| <b>(Liability)/Asset recognised in the Balance sheet</b>                    | <b>(4.10)</b>           | <b>(4.84)</b>           |

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 29. Gratuity and other post-employment benefit plans (Contd.)**
**₹ in Crores**

| Particulars  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Expense recognised in the statement of profit and loss:</b> |                              |                              |
| Current service cost   | 3.14                         | 6.28                         |
| Net interest cost/(income)                                     | 0.11                         | (1.10)                       |
| <b>Net cost recognised in the statement of profit and loss</b> | <b>3.25</b>                  | <b>5.18</b>                  |
| <b>Expense recognised in the other comprehensive income</b>    |                              |                              |
| Remeasurements (gains)/losses                                  | 3.33                         | (1.73)                       |
| <b>Net cost recognised in the other comprehensive income</b>   | <b>3.33</b>                  | <b>(1.73)</b>                |

(ii) The principal assumptions used in determining gratuity obligations for the Group's plans are shown below

| Significant actuarial assumptions | As at<br>March 31, 2019                                  | As at<br>March 31, 2018                                  |
|-----------------------------------|--|--|
| Discount rate                     | 7.50%  | 7.65%  |
| Employee turnover                 | 3%   | Age wise 0.10%-0.50%                                     |
| Salary increase                   | 5%   | 5%   |
| Mortality rate                    | Indian Assured Lives<br>(Mortality 2006-08 modified) Ult | Indian Assured Lives<br>(Mortality 2006-08 modified) Ult |

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Actuary.

The discount rate is based on the government securities yield.

The Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

(iii) Major category of Plan Assets of the fair value of the total plan assets are as follows:-

|                                  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------|-------------------------|-------------------------|
| Assets under scheme of insurance | 100%                    | 100%                    |

(iv) A quantitative sensitivity analysis for significant assumptions are as shown below

| Assumptions                          | As at<br>March 31, 2019 |             | As at<br>March 31, 2018 |             |
|--------------------------------------|-------------------------|-------------|-------------------------|-------------|
|                                      | Discount rate           |             | Discount rate           |             |
| Sensitivity Level                    | 1% increase             | 1% decrease | 1% increase             | 1% decrease |
|                                      | (₹ Crores)              | (₹ Crores)  | (₹ Crores)              | (₹ Crores)  |
| Impact on defined benefit obligation | (3.02)                  | 3.46        | (4.20)                  | 4.92        |

| Assumptions                          | As at<br>March 31, 2019 |             | As at<br>March 31, 2018 |             |
|--------------------------------------|-------------------------|-------------|-------------------------|-------------|
|                                      | Future Salary increase  |             | Future Salary increase  |             |
| Sensitivity Level                    | 1% increase             | 1% decrease | 1% increase             | 1% decrease |
|                                      | (₹ Crores)              | (₹ Crores)  | (₹ Crores)              | (₹ Crores)  |
| Impact on defined benefit obligation | 3.41                    | (3.04)      | 4.91                    | (4.27)      |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (v) Risk exposure

Since the employees gratuity fund is a defined benefit plan the liability to be provided will be subject to interest rate risk since the future valuation of benefit depends upon the yield of government bonds for matching maturities.

### (vi) Defined benefit liability and employer contributions

Since the employees gratuity fund is a defined benefit plan maintained by Life Insurance Corporation of India the return is generated from a pool of assets invested by them and any deficit in the liability and return on plan assets is funded by the Group on a yearly basis.

In 2018-19, the Company expects to contribute ₹4.10 crores (March 31, 2018: ₹4.84 crores) to gratuity.

### (vii) Maturity profile of the defined benefit obligation

|   | ₹ in Crores             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Weighted Average duration of the defined benefit obligation | 9-12 Years              | 9-12 Years              |
|   |                         |                         |
| Within the next 12 months (next annual reporting period)    | 2.61                    | 1.04                    |
| Between 2 and 5 years                                       | 18.82                   | 13.16                   |
| Between 5 and 10 years                                      | 29.19                   | 21.67                   |

### (b) Provident Fund

Provident Fund for certain eligible employees is administered by the Holding Company through "Berger Paints Provident Fund (Covered)" as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a trust provide that in a provident fund set up by the employer, any shortfall in the rate of interest on member contributions as compared to the relevant rate of interest declared by the Government of India for this purpose will have to be met by the employer. Such provident fund would in effect be a defined benefit plan in accordance with the requirement of Ind AS 19 - Employee Benefits. Based on valuation of related defined benefit obligation and plan assets at the year end carried out by an independent actuary no provision has been considered necessary in this regard in these consolidated Ind AS financial statements. Key actuarial assumptions are as follows.

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Discount rate                          | 7.50%                   | 7.65%                   |
| Expected rate of return on Plan Assets | 8.65%                   | 8.55%                   |

### (c) Other Defined Benefit Plans

The amounts for "Other Defined Benefit Plans are below the rounding off norm adopted by the Group (refer Note 40) and hence the disclosures as required under Ind AS 19 - Employee Benefits" have not been given.

## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 29. Gratuity and other post-employment benefit plans (Contd.)

#### (II) Defined contribution plans

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans:

|  | ₹ in Crores             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Provident and Family Pension Fund (applicable for eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner) | 3.19                    | 3.28                    |
| Superannuation Fund  | 2.11                    | 1.99                    |

### Note 30. Employee Stock Option Plan

#### Berger Paints India Limited Employee Stock Option Scheme, 2010

The Berger Paints India Limited – Employee Stock Option Plan [‘the Plan’] was approved at the Annual General Meeting of the Company held on 29th July, 2010. The objective of the plan is to:

- 1) Attract, retain and motivate Employees,
- 2) Create and share wealth with the Employees,
- 3) Recognise and reward employee performance with shares and
- 4) Encourage employees to align individual performance with the objective of the Holding Company. The terms and conditions of the Plan is reproduced below:
  - a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
  - b) “Exercise Date” means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.
  - c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.
  - d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.
  - e) The Exercise Price of an Option shall be the face value of ₹2/- per Share. However, due to sub-division of Company’s share from F.V of ₹2/- to ₹1/- w.e.f from 9th January, 2015, the Compensation & Nomination & Remuneration Committee made fair and reasonable adjustments with respect to ESOP’s earlier approved and granted by the Compensation & Nomination & Remuneration Committee.
  - f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.
  - g) Subject to Participant’s continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c) balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.
  - h) The Date of grant of options :1st August, 2010.

#### Berger Paints India Limited Employee Stock Option Plan 2016

The Berger Paints India Limited – Employee Stock Option Plan 2016 [‘the Plan’] was approved at the Annual General Meeting of the Company held on 3rd August, 2016. The objective of the plan is to:

- 1) Attract, retain and motivate Employees,
- 2) Create and share wealth with the Employees,



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- 3) Recognise and reward employee performance with shares and
- 4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:
  - a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
  - b) “Exercise Date “means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.
  - c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.
  - d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.
  - e) The Exercise Price of an Option shall be the face value of ₹1/- per Share
  - f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.
  - g) Subject to Participant’s continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c)balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.
  - h) The Date of grant of options : 9th November, 2016.

|    |  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----|--|-------------------------|-------------------------|
| a. | Number of Stock Options outstanding (ESOP Plan 2010: Grant III)  | -                       | 1,390                   |
|    | Number of Stock Options outstanding (ESOP Plan 2010: Grant IV)   | -                       | 1,172                   |
|    | Total Number of Options in force (Additional grant Options vested in lieu of bonus issues from ESOP 2010 balances on 21.11.2016)   | -                       | 1,025                   |
|    | Number of Stock Options outstanding (ESOP Plan 2016: Grant I)  | 42,163                  | 88,022                  |
|    | Number of Stock Options outstanding (ESOP Plan 2016: Grant II)   | 98,496                  | 1,56,384                |
|    |  | 1,40,659                | 2,47,993                |
| b. | Number of Options granted during the year  |                         |                         |
|    | ESOP Plan 2016: Grant II   | -                       | 1,61,184                |
| c. | Number of Options vested (ESOP Plan 2016: Grant I)   | 43,472                  | 45,397                  |
|    | Number of Options vested (ESOP Plan 2016: Grant II)  | 50,608                  | -                       |
|    |  | 94,080                  | 45,397                  |
| d. | Number of Options exercised (ESOP Plan 2010 : Grant III)   | 1,390                   | -                       |
|    | Number of Options exercised (ESOP Plan 2010 : Grant IV)  | 1,172                   | -                       |
|    | Number of Additional Grant Options exercised in lieu of bonus issues from ESOP Plan 2010 balances on 21.11.2016  | 1,025                   | -                       |
|    | Number of Options exercised (ESOP Plan 2016: Grant I) [Number of ESOP exercised from vested options on 09.11.2017 : 616 and Number of ESOP exercised from vested options on 09.11.2018 : 43,472] | 44,088                  | 44,781                  |
|    | Number of Options exercised (ESOP Plan 2016: Grant II)   | 50,608                  | -                       |
|    |  | 98,283                  | 44,781                  |



**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**Note 30. Employee Stock Option Plan (Contd.)**

|    |   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----|---|-------------------------|-------------------------|
| e. | Number of Shares arising on exercise (ESOP Plan 2010 : Grant III)   | 1,390                   | -                       |
|    | Number of Shares arising on exercise (ESOP Plan 2010 : Grant IV)  | 1,172                   | -                       |
|    | Number of Additional Shares arising as result on exercise from ESOP Plan 2010 balances on 21.11.2016                                  | 1,025                   | -                       |
|    | Number of Shares arising on exercise (ESOP Plan 2016: Grant I)  | 44,088                  | 44,781                  |
|    | Number of Shares arising on exercise (ESOP Plan 2016: Grant II)   | 50,608                  | -                       |
|    |   | 98,283                  | 44,781                  |
| f. | Number of Options lapsed (ESOP Plan 2016: Grant I)  | 1,771                   | 5,467                   |
|    | Number of Options lapsed (ESOP Plan 2016: Grant II)   | 7,280                   | 4,800                   |
|    |   | 9,051                   | 10,267                  |
| g. | Variation of terms of Option  | None during the period  | None during the period  |
| h. | Total Number of Options in force (ESOP Plan 2010: Grant III)  | -                       | 1,390                   |
|    | Total Number of Options in force (ESOP Plan 2010: Grant IV)   | -                       | 1,172                   |
|    | Total Number of Options in force (Additional grant Options vested in lieu of bonus issues from ESOP Plan 2010 balances on 21.11.2016) | -                       | 1,025                   |
|    | Total Number of Options in force (ESOP Plan 2016: Grant I)  | 42,163                  | 88,022                  |
|    | Total Number of Options in force (ESOP Plan 2016: Grant II)   | 98,496                  | 15,6384                 |
|    |   | 1,40,659                | 2,47,993                |
| i. | Weighted Average exercise price of the Share Options  |                         |                         |
|    | Outstanding at the beginning of the year  | ₹1                      | ₹1                      |
|    | Granted during the year   | ₹1                      | ₹1                      |
|    | Forfeited during the year   | -                       | -                       |
|    | Exercised during the year   | ₹1                      | ₹1                      |
|    | Expired during the year   | ₹1                      | ₹1                      |
|    | Outstanding at the end of the year  | ₹1                      | ₹1                      |
|    | Exercisable at the end of the period  | ₹1                      | ₹1                      |
| j. | Weighted Average share price of options exercised during the year on the date of exercise   | ₹1                      | ₹1                      |
| k. | Weighted Average fair value of the Options granted during the year  |                         |                         |
|    | i. ESOP Plan 2016 Grant I (Fair value as on 31.03.2018)   | NA                      | NA                      |
|    | ii. ESOP Plan 2016 Grant II (Fair value as on 31.03.2018)   | NA                      | 250.74                  |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 30. Employee Stock Option Plan (Contd.)

|    |  | As at<br>March 31, 2019 | As at<br>March 31, 2018      |
|----|--|-------------------------|------------------------------|
| i. | A description of the method and significant assumptions used during the year to estimate the fair value of Options granted, including the following weighted average information:- |                         |                              |
|    | The Black Scholes Option Pricing Model for dividend paying stock has been used to compute the fair value of the Options. The significant assumptions are:                          |                         |                              |
|    | i. Date of grant   |                         |                              |
|    | a. ESOP Plan 2016  | NA                      | 09.11.2016                   |
|    | ii. Weighted average share price   | ₹ 323.75                | ₹256.70                      |
|    | iii. Exercise Price  | ₹1                      | ₹1                           |
|    | iv. Risk Free Interest rate  | 7.35%                   | 7.40%                        |
|    | v. Expected Life:  |                         |                              |
|    | a. For options vested on 01.08.2015  | -                       | 0.33 years                   |
|    | b. For options vested on 01.08.2016  | 0.33 years              | 1.33 years                   |
|    | c. For options vested on 09.11.2017  | 1.61 years              | 2.61 years                   |
|    | d. For options yet to be vested  | 2.61 years              | 3 years from the vesting day |
|    | vi. Expected Volatility  | 22%                     | 20%                          |
|    | vii. Expected dividend yield   | 0.47%                   | 0.67%                        |
|    | viii. Weighted Average fair value as on grant date   |                         |                              |
|    | a. ESOP Plan 2016 (Grant date 09.11.2016)  | ₹229.10                 | ₹229.10                      |
|    | b. Additional grant in lieu of bonus issues from ESOP Plan 2010 balances (Grant date 21.11.2016)   | ₹218.21                 | ₹218.21                      |
|    | c. ESOP Plan 2016 (Grant II)- 09.11.2017   | ₹247.75                 | ₹247.75                      |
|    | ix. The price of the underlying share in the market at the time of option grant:   |                         |                              |
|    | a. ESOP Plan 2010 Grant-III- 31.07.2012  | ₹138.70                 | ₹138.70                      |
|    | b. ESOP Plan 2010 Grant IV- 31.07.2013   | ₹205.45                 | ₹205.45                      |
|    | c. Additional grant on 21.11.2016 in lieu of bonus issues from ESOP Plan 2010 balances- 18.11.2016   | ₹187.10                 | ₹187.10                      |
|    | d. ESOP Plan 2016 Grant I - 08.11.2016   | ₹234.85                 | ₹234.85                      |
|    | e. ESOP Plan 2016: Grant II - 09.11.2017   | ₹253.70                 | ₹253.70                      |
|    | x. Time to maturity  |                         |                              |
|    | a. For options vested on 01.08.2015 (Grant III)  | -                       | 0.33 years                   |
|    | b. For options vested on 01.08.2016 (Grant IV)   | NA*                     | 1.33 years                   |
|    | c. Additional grants vested on 21.11.2016  | NA*                     | 0.33 years and 1.33 years    |
|    | d. ESOP 2016 Plan Grant I vested on 08.11.2017   | 1.61 years              | 2.61                         |
|    | e. For options yet to be vested  | 2.61 years              | 3 years from the vesting day |

Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the ESOP.

The fair values of our ESOP are based on the market value of our stock on the date of grant.

## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 30. Employee Stock Option Plan (Contd.)

m. The following table summarizes information about Share Options outstanding as at year end:-

| Range of exercise prices per option (₹) | As at<br>March 31, 2019    |   |                                     |
|---|----------------------------|---|-------------------------------------|
|   | No. of options outstanding | Weighted average remaining contractual life | Weighted average exercise price (₹) |
| 1                                       | NA*                        | NA*   | 1                                   |
| 1                                       | NA*                        | NA*   | 1                                   |
| 1                                       | 42,163                     | 1.61 years                                  | 1                                   |
| 1                                       | 98,496                     | 2.61 years                                  | 1                                   |

| Range of exercise prices per option (₹) | As at<br>March 31, 2018    |   |                                     |
|---|----------------------------|---|-------------------------------------|
|   | No. of options outstanding | Weighted average remaining contractual life | Weighted average exercise price (₹) |
| 1                                       | 1,946                      | 0.33 years                                  | 1                                   |
| 1                                       | 1,641                      | 1.33 years                                  | 1                                   |
| 1                                       | 88,022                     | 2.61 years                                  | 1                                   |
| 1                                       | 1,56,384                   | Yet to be vested                            | 1                                   |

\*No outstanding options [For options vested on 01.08.2016 (Grant IV) and Additional grant in lieu of bonus issues from ESOP Plan 2010 balances (Grant date 21.11.2016)] since all were vested and exercised till 31.03.2019.

### Note 31. Leases

#### Operating lease — Group as lessee

The Group's leasing arrangement are in the nature of cancellable operating leases. The Group has taken various depots, offices etc. on Operating Leases. These leases have a life of between 1 year to 20 years ( March 31, 2018 - 1 year to 20 years) which is renewable by mutual consent of concerned parties. No contingent rent is payable by the Holding Company in respect of the above leases. Some of the lease agreements have price escalation clauses. Related lease rentals have been disclosed under the head "Rent" in Note 25 of Statement of Profit and Loss. There are no restrictions placed upon the Holding Company by such leases.

#### Operating lease — Group as lessor

The Company has given Color Bank (tinting machines) on operating lease to its dealers. The Company enters into 3- 5 years cancellable lease agreements. However the corresponding lease rentals may be receivable for a shorter period or may be waived off/refunded on achievement of certain sales targets by the concerned dealers. The minimum aggregate lease payments to be received in future is considered as ₹ Nil (March 31, 2018: Nil). Accordingly the disclosure of the minium lease payments receivable at the Balance sheet date is not made. The amounts received from customers pending to be refunded back are recognised as liabilities and are included in "Deposits" under "Other financial liabilities" in Note 11. Also refer note 4.

#### Finance lease — Group as lessee

During the year ended March 31 2019, Bolix S.A, an indirect subsidiary of the Holding company has started the leasing of 18 cars and three leasing agreements for dispensing and mixing devices which were classified as finance leases. The net value of all cars and 243 pieces of dispensing and mixing devices as at 31 March 2019 amounts to ₹9.47 crores. During the year ended March 31, 2018, Bolix S.A started the leasing of 25 cars, and three leasing agreements for dispensing and mixing devices which were classified as finance leases and the value of all cars in net finance lease and 122 pieces of dispensing and mixing devices amounts to at March 31, 2018 amounting to ₹6.06 crores.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Minimum lease payments for all cars used under the finance lease agreements are as follows:

|                        | ₹ in Crores             |                         |
|------------------------|-------------------------|-------------------------|
|                        | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Upto 1 year            | 3.09                    | 1.90                    |
| From 1 year to 5 years | 5.77                    | 3.73                    |
|                        | <b>8.86</b>             | <b>5.63</b>             |

The total amount of the minimum lease payments, net of finance charges (interest) is consistent with the level of commitments from the lease agreements

|                            | ₹ in Crores             |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Minimum Lease payments     | 8.86                    | 5.63                    |
| Finance Charges (Interest) | (0.43)                  | (0.36)                  |
| Lease liabilities          | <b>8.43</b>             | <b>5.27</b>             |

### Note 32. Commitment and Contingencies

#### a. Commitment

|   | ₹ in Crores             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 92.95                   | 39.77                   |

#### b. Contingent Liabilities

ii) Claims against the Company not acknowledged as debts:

|                         | ₹ in Crores             |                         |
|-------------------------|-------------------------|-------------------------|
| Legal claim contingency | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Income Tax              | 3.48                    | 3.39                    |
| Sales Tax               | 30.71                   | 30.63                   |
| Excise Duty & Customs   | 22.65                   | 27.39                   |
|                         | <b>56.84</b>            | <b>61.41</b>            |

The Group has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same and hence the above amounts has not been provided for in the books. The future cash flows on account of the above cannot be determined unless the judgements/decisions are received from the ultimate judicial forums. No reimbursement is expected to arise to the Group in respect of above cases.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the Holding Company.

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note 32. Commitment and Contingencies (Contd.)**
**c. Guarantees excluding financial guarantees**
**₹ in Crores**

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| i) Outstanding Bank Guarantees   | 33.22                   | 9.89                    |
| <b>Financial guarantees</b>  |                         |                         |
| ii) Corporate guarantees issued by the Company to certain banks for loans taken by some of its subsidiaries and amount outstanding as at the year end (refer note a below) | 268.86                  | 258.93                  |

- (a) The Company has mortgaged certain immovable properties with Standard Chartered Bank and has also created charge on certain fixed moveable assets with DBS Bank in relation to loan extended to its subsidiary, M/s Lusako Trading Limited.
- (b) The loan is utilised by the said subsidiary for its business purposes. Also refer note 33.

**33a. Disclosure in respect of Related Parties pursuant to Ind AS 24**
**List of Related Parties**
**I. Parent and Subsidiary Companies:**

| Name of related parties   | Nature of relationship                                    | Principal Place of business |
|---|---|-----------------------------|
| U K Paints (India) Private Limited *  | Holding Company   | India                       |
| Berger Jenson & Nicholson (Nepal) Private Limited   | Wholly Owned Subsidiary                                   | Nepal                       |
| Beepee Coatings Private Limited   | Wholly Owned Subsidiary                                   | India                       |
| Berger Paints (Cyprus) Limited  | Wholly Owned Subsidiary                                   | Cyprus                      |
| Lusako Trading Limited  | Wholly Owned Subsidiary                                   | Cyprus                      |
| SBL Specialty Coatings Private Limited (Formerly known as Saboo Coatings Private Limited) (w.e.f. June 5, 2017) | Wholly Owned Subsidiary                                   | India                       |
| Berger Rock Paints Private Limited (w.e.f. September 25, 2018)  | Subsidiary  | India                       |
| Saboo Hesse Wood Coatings Private Limited (w.e.f. January 28, 2019)   | Subsidiary  | India                       |
| Berger Paints Overseas Limited  | Wholly Owned Subsidiary of Berger Paints (Cyprus) Limited | Russia                      |
| Bolix S.A.  | Wholly Owned Subsidiary of Lusako Trading Limited         | Poland                      |
| BUILD-TRADE sp. z.o.o.  | Wholly Owned Subsidiary of Bolix S.A.                     | Poland                      |
| Bolix UKRAINA sp. z.o.o.  | Wholly Owned Subsidiary of Bolix S.A.                     | Ukraine                     |
| Soltherm External Insulations Limited   | Wholly Owned Subsidiary of Bolix S.A.                     | United Kingdom              |
| Soltherm Insulations Thermique Exterieur SAS  | Wholly Owned Subsidiary of Bolix S.A.                     | France                      |
| Surefire Management Services Limited  | Joint Venture of Bolix S.A.                               | United Kingdom              |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### List of Related Parties (Contd.)

#### II. Other related parties with whom transactions have taken place during the year:

##### a) Key Management Personnel

| Name of related parties    | Nature of relationship  |
|----------------------------|---|
| Mr Kuldip Singh Dhingra    | Director  |
| Mr Gurbachan Singh Dhingra | Director  |
| Mr Kanwardip Singh Dhingra | Executive director and relative of Mr Gurbachan Singh Dhingra |
| Ms Rishma Kaur             | Executive director and relative of Mr Kuldip Singh Dhingra    |
| Mr Abhijit Roy             | Managing Director & CEO                                       |
| Mr Srijit Dasgupta         | Director - Finance & Chief Financial Officer                  |
| Mr Aniruddha Sen           | Senior Vice President & Company Secretary                     |
| Mr Kamal Ranjan Das        | Independent Director  |
| Mr Naresh Gujral           | Independent Director  |
| Mr Dhirendra Swarup        | Independent Director  |
| Mr Gopal Krishna Pillai    | Independent Director  |
| Mrs Sonu Halan Bhasin      | Independent Director w.e.f February 1, 2019                   |
| Mr Anoop Hoon              | Independent Director w.e.f February 1, 2019                   |

##### b) Others

| Name of related parties  | Nature of relationship                        |
|--|---|
| Berger Becker Coatings Private Limited                               | Joint Venture of the Company                  |
| Berger Nippon Paint Automotive Coatings Private Limited              | Joint Venture of the Company                  |
| Jenson & Nicholson (Asia) Limited*                                   | Fellow Subsidiary                             |
| Berger Paints (Bangladesh) Limited                                   | Fellow Subsidiary                             |
| Citland Commercial Credits Limited                                   | Fellow Subsidiary                             |
| Wang Investment Finance Private Limited                              | Fellow Subsidiary                             |
| Kanwar Properties Private Limited                                    | Fellow Subsidiary                             |
| Berger Paints Provident Fund (Covered)                               | Post-employment benefit plan of the Company   |
| Berger Paints Officers (Non-Management Category) Superannuation Fund | Post-employment benefit plan of the Company   |
| Berger Paints Management Staff Superannuation Fund                   | Post-employment benefit plan of the Company   |
| BAICL Employees Superannuation Fund                                  | Post-employment benefit plan of the Company   |
| BAICL Employees Gratuity Fund  | Post-employment benefit plan of the Company   |
| Seaward Packaging Private Limited                                    | Entity controlled by Key Managerial Personnel |
| Flex Properties Private Limited                                      | Entity controlled by Key Managerial Personnel |
| Wazir Estates Private Limited  | Entity controlled by Key Managerial Personnel |
| Bigg Investment & Finance Private Limited                            | Entity controlled by Key Managerial Personnel |
| KSD Family Trust   | Mr Kuldip Singh Dhingra - Settlor Trustee     |
| GBS Dhingra Family Trust   | Mr Gurbachan Singh Dhingra - Settlor Trustee  |
| Mrs Meeta Dhingra  | Spouse of Mr Kuldip Singh Dhingra             |
| Mrs Vinu Dhingra   | Spouse of Mr Gurbachan Singh Dhingra          |



**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**List of Related Parties (Contd.)**
**b) Others**

| Name of related parties | Nature of relationship                 |
|-------------------------|--|
| Mrs Jessima Kumar       | Daughter of Mr Kuldip Singh Dhingra    |
| Ms Dipti Dhingra        | Daughter of Mr Kuldip Singh Dhingra    |
| Mrs Sunaina Kohli       | Daughter of Mr Gurbachan Singh Dhingra |
| Mrs Anshna Sawhney      | Daughter of Mr Gurbachan Singh Dhingra |

\*The parties hold more than 10% of the equity shares in the Company. (Refer Note 10d).

**33b. Disclosure in respect of Related Parties pursuant to Ind AS 24**
**A. During the year the following transactions were carried out with the related parties in the ordinary course of business:**
**₹ in Crores**

| Transaction   | Related Party   | Year Ended March 31, 2019                               | Year Ended March 31, 2018 |       |
|---|---|---|---------------------------|-------|
| Sale of Goods (includes sale of raw materials, packing materials, intermediates, traded goods and stores) | Berger Becker Coatings Private Limited                  | 0.70  | 1.57                      |       |
|   | Berger Nippon Paint Automotive Coatings Private Limited | 21.23   | 18.67                     |       |
|   | Wazir Estates Private Limited                           | -   | 0.04                      |       |
|   | Berger Paints (Bangladesh) Limited                      | 0.07  | 0.70                      |       |
|   | U K Paints (India) Private Limited                      | 0.37  | 0.40                      |       |
|   | Mr Kuldip Singh Dhingra                                 | 0.03  | 0.03                      |       |
|   | Mr Gurbachan Singh Dhingra*                             | 0.00  | 0.00                      |       |
|   | Seaward Packaging Private Limited*                      | -   | 0.00                      |       |
|   | Consultancy Income                                      | Berger Paints (Bangladesh) Limited                      | 0.21                      | 0.29  |
| Software License Income #   | Berger Nippon Paint Automotive Coatings Private Limited | 2.53  | -                         |       |
| Purchase of Goods (includes purchase of raw materials, packing materials and traded goods)                | U K Paints (India) Private Limited                      | 73.56   | 68.15                     |       |
|   | Berger Becker Coatings Private Limited                  | 0.05  | -                         |       |
|   | Seaward Packaging Private Limited                       | 45.99   | 37.88                     |       |
|   | Berger Nippon Paint Automotive Coatings Private Limited | 1.84  | 0.64                      |       |
|   | Processing Charges                                      | U K Paints (India) Private Limited                      | 22.00                     | 18.57 |
|   | Rent Expenses   | U K Paints (India) Private Limited                      | 2.45                      | 3.94  |
|   |   | Flex Properties Private Limited                         | 0.15                      | 0.18  |
|   |   | Kanwar Properties Private Limited                       | 0.55                      | 0.38  |
|   |   | Berger Nippon Paint Automotive Coatings Private Limited | 0.06                      | 0.07  |
| Mr Kuldip Singh Dhingra   |   | 0.21  | 0.24                      |       |
| Mr Gurbachan Singh Dhingra  | 0.21  | 0.24  |                           |       |



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 33b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (Contd.)

₹ in Crores

| Transaction                               | Related Party  | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|---|--|---------------------------|---------------------------|
| Security Deposit Refunded                 | U K Paints (India) Private Limited                                   | 0.11                      | 0.11                      |
| Processing Income                         | Berger Nipon Paint Automotive Coatings Private Limited               | 3.09                      | 2.22                      |
| Rendering of Manpower Services            | U K Paints (India) Private Limited                                   | 0.02                      | 0.02                      |
|   | Berger Becker Coatings Private Limited                               | 0.17                      | 0.16                      |
| Contribution to Provident Fund            | Berger Paints Provident Fund (Covered)                               | 15.21                     | 13.26                     |
| Contribution to Gratuity Fund             | BAICL Employees Gratuity Fund  | 0.06                      | 0.05                      |
| Contribution to Superannuation Fund       | Berger Paints Officers (Non-Management Category) Superannuation Fund | 0.64                      | 0.58                      |
|   | Berger Paints Management Staff Superannuation Fund                   | 1.61                      | 1.28                      |
|   | BAICL Employees Superannuation Fund                                  | 0.08                      | 0.08                      |
| Directors Commission & Fees               | Mr Kuldip Singh Dhingra  | 0.10                      | 0.10                      |
|   | Mr Gurbachan Singh Dhingra   | 0.10                      | 0.10                      |
|   | Mr Kamal Ranjan Das  | 0.03                      | 0.03                      |
|   | Mr Naresh Gujral   | 0.07                      | 0.07                      |
|   | Mr Dhirendra Swarup  | 0.07                      | 0.07                      |
|   | Mr Gopal Krishna Pillai  | 0.07                      | 0.07                      |
| Equity Contribution                       | Berger Nippon Paint Automotive Coatings Private Limited              | 39.20                     | -                         |
| Share Application Money Pending Allotment | Berger Paints (Cyprus) Limited                                       | 4.14                      | 2.44                      |
| Key Management Personnel Compensation     | Mr Abhijit Roy   | 3.08                      | 2.58                      |
|   | Mr Srijit Dasgupta   | 1.54                      | 1.40                      |
|   | Mr Aniruddha Sen   | 1.11                      | 0.94                      |
|   | Mr Kanwardip Singh Dhingra   | 0.45                      | 0.23                      |
|   | Ms Rishma Kaur   | 0.45                      | 0.23                      |
| Dividend Payment                          | U K Paints (India) Private Limited                                   | 87.58                     | 85.15                     |
|   | Jenson & Nicholson (Asia) Limited                                    | 25.32                     | 24.61                     |
|   | Others   | 18.22                     | 17.66                     |

# netted off with the respective expenses in the financial statements

CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

B. Balances outstanding at the year end (including commitments):

₹ in Crores

| Outstanding  | Related Party  | As at March 31, 2019                   | As at March 31, 2018 |
|--|--|--|----------------------|
| Payable  | U K Paints (India) Private Limited                                   | 25.22                                  | 24.79                |
|  | Seaward Packaging Private Limited                                    | 12.93                                  | 9.45                 |
|  | Berger Paints Officers (Non-Management Category) Superannuation Fund | 0.05                                   | -                    |
|  | Berger Paints Management Staff Superannuation Fund                   | 0.12                                   | -                    |
|  | BAICL Employees Superannuation Fund                                  | 0.01                                   | -                    |
|  | Flex Properties Private Limited*                                     | 0.01                                   | 0.00                 |
|  | Wazir Estates Private Limited*                                       | 0.00                                   | 0.00                 |
|  | Mr Abhijit Roy   | 0.62                                   | 0.52                 |
|  | Mr Srijit Dasgupta   | 0.04                                   | 0.16                 |
|  | Mr Aniruddha Sen   | 0.04                                   | 0.05                 |
|  | Mr Kanwardip Singh Dhingra   | 0.03                                   | 0.05                 |
|  | Ms Rishma Kaur   | 0.02                                   | 0.04                 |
|  | Mr Kuldip Singh Dhingra*   | 0.00                                   | 0.01                 |
|  | Mr Gurbachan Singh Dhingra   | 0.01                                   | 0.01                 |
|  | Receivable   | Berger Becker Coatings Private Limited | 0.84                 |
| Berger Nippon Paint Automotive Coatings Private Limited                            |  | 6.57                                   | 5.40                 |
| Berger Paints (Bangladesh) Limited   |  | 0.42                                   | 0.39                 |
| Berger Paints (India) Private Limited  |  | 0.22                                   | 0.33                 |
| Security Deposit Receivable  | Kanwar Properties Private Limited                                    | 0.08                                   | 0.08                 |
|  | Mr Kuldip Singh Dhingra  | 0.01                                   | 0.01                 |
|  | Mr Gurbachan Singh Dhingra   | 0.01                                   | 0.01                 |
| Share Application Money Pending Allotment  | Berger Paints (Cyprus) Limited                                       | 4.14                                   | 2.44                 |
| Corporate Guarantee outstanding (Also Refer Note 33 for details of security given) | Lusako Trading Limited   | 264.23                                 | 248.47               |
|  | Berger Becker Coatings Private Limited                               | 4.63                                   | 10.21                |
|  | Beepee Coatings Private Limited                                      | -                                      | 0.26                 |

C. Details of remuneration to Key Managerial Personnel is given below

₹ in Crores

| Particulars                    | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------|----------------------|----------------------|
| – Short-term employee benefits | 5.87                 | 4.80                 |
| – Post employment benefits     | 0.61                 | 0.51                 |
| – Share based payment          | 0.17                 | 0.07                 |
| <b>Total</b>                   | <b>6.65</b>          | <b>5.38</b>          |

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 30 for further details of the scheme.

\*Refer Note 40

**Notes:** Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash except as otherwise mentioned.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 34(a) Disclosure of additional information pertaining to the Holding Company, Subsidiaries and Joint Ventures

₹ in Crores

| Entity Name  | As at March 31, 2019     |                 | March 31, 2019                    |               | March 31, 2019        |                | March 31, 2019        |               |
|--|--------------------------|-----------------|-----------------------------------|---------------|-----------------------|----------------|-----------------------|---------------|
|  | Net assets               |                 | Share of Profit/Loss              |               | OCI                   |                | TCI                   |               |
|  | % of consolidated assets | Amount          | % of consolidated profit and loss | Amount        | % of consolidated OCI | Amount         | % of consolidated TCI | Amount        |
| <b>Holding</b>   |                          |                 |                                   |               |                       |                |                       |               |
| Berger Paints India Limited  | 99.45                    | 2,462.62        | 93.69                             | 466.06        | 19.11                 | (2.05)         | 95.35                 | 464.01        |
| <b>Indian Subsidiaries</b>   |                          |                 |                                   |               |                       |                |                       |               |
| 1) Beepee Coatings Private Limited   | 0.52                     | 12.76           | 0.55                              | 2.73          | (0.78)                | 0.08           | 0.58                  | 2.81          |
| 2) SBL Specialty Coatings Private Limited (formerly known as Saboo Coatings Private Limited) | 1.13                     | 28.06           | 1.87                              | 9.32          | 0.93                  | (0.10)         | 1.89                  | 9.22          |
| 3) Berger Rock Paints Private Limited  | (0.04)                   | (0.94)          | (0.19)                            | (0.94)        | -                     | -              | (0.19)                | (0.94)        |
| 4) Saboo Hesse Wood Coatings Private Limited   | (0.08)                   | (2.01)          | 0.02                              | 0.11          | -                     | -              | 0.02                  | 0.11          |
| <b>Foreign Subsidiaries</b>  |                          |                 |                                   |               |                       |                |                       |               |
| 1) Berger Jenson & Nicholson (Nepal) Private Limited   | 6.94                     | 171.79          | 8.11                              | 40.32         | 1.12                  | (0.12)         | 8.26                  | 40.20         |
| 2) Berger Paints (Cyprus) Limited consolidated with Berger Paints Overseas Limited           | (1.96)                   | (48.42)         | (3.58)                            | (17.81)       | -                     | -              | (3.66)                | (17.81)       |
| 3) Lusako Trading Limited consolidated with Bolix S.A. & Group*                              | (5.84)                   | (144.65)        | (0.27)                            | (1.34)        | -                     | -              | (0.28)                | (1.34)        |
| <b>Joint Ventures</b>  |                          |                 |                                   |               |                       |                |                       |               |
| 1) Berger Becker Coatings Private Limited  | -                        |                 | 1.16                              | 5.75          | (0.09)                | 0.01           | 1.18                  | 5.76          |
| 2) Berger Nippon Paints Coatings India Limited   | -                        |                 | (1.39)                            | (6.91)        | -                     | -              | (1.42)                | (6.91)        |
| 3) Surefire Management Services Ltd ("SMS").#  |                          |                 | 0.03                              | 0.16          |                       |                | 0.03                  | 0.16          |
| Non-controlling Interest   | 0.14                     | 3.45            |                                   |               |                       |                |                       |               |
| Foreign Currency Translation Reserve   | (0.26)                   | (6.51)          | -                                 | -             | 79.71                 | (8.55)         | (1.76)                | (8.55)        |
|  | <b>100.00</b>            | <b>2,476.15</b> | <b>100.00</b>                     | <b>497.45</b> | <b>100.00</b>         | <b>(10.73)</b> | <b>100.00</b>         | <b>486.72</b> |

\* Group includes Build-Trade sp. z.o.o., Bolix UKRAINA sp. z.o.o., Soltherm External Insulations Limited and Soltherm Insulations Thermique Exterieur SAS

# On 9 January 2018, purchase of shares in Surefire Management Services Ltd. was finalised. Bolix holds 75% of shares in Surefire Management Services Ltd.

**Note:** The above figures are after eliminating intra group transactions and intra group balances as on March 31, 2019.

**CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**34(b) Disclosure of additional information pertaining to the Holding Company, Subsidiaries and Joint Ventures**

₹ in Crores

| Entity Name  | As at March 31, 2018     |                 | March 31, 2018                    |               | March 31, 2018        |              | March 31, 2018        |               |
|--|--------------------------|-----------------|-----------------------------------|---------------|-----------------------|--------------|-----------------------|---------------|
|  | Net assets               |                 | Share of Profit/Loss              |               | OCI                   |              | TCI                   |               |
|  | % of consolidated assets | Amount          | % of consolidated profit and loss | Amount        | % of consolidated OCI | Amount       | % of consolidated TCI | Amount        |
| <b>Holding</b>   |                          |                 |                                   |               |                       |              |                       |               |
| Berger Paints India Limited  | 99.39                    | 2,181.12        | 92.12                             | 424.51        | 3.37                  | 1.16         | 85.95                 | 425.67        |
| <b>Indian Subsidiaries</b>   |                          |                 |                                   |               |                       |              |                       |               |
| 1) Beepee Coatings Private Limited   | 0.45                     | 9.94            | 0.52                              | 2.39          | 0.08                  | 0.03         | 0.49                  | 2.42          |
| 2) SBL Specialty Coatings Private Limited (formerly known as Saboo Coatings Private Limited) | 0.86                     | 18.84           | 0.69                              | 3.19          | (0.17)                | (0.06)       | 0.63                  | 3.13          |
| <b>Foreign Subsidiaries</b>  |                          |                 |                                   |               |                       |              |                       |               |
| 1) Berger Jenson & Nicholson (Nepal) Private Limited   | 6.03                     | 132.28          | 7.80                              | 35.94         | -                     | -            | 7.26                  | 35.94         |
| 2) Berger Paints (Cyprus) Limited consolidated with Berger Paints Overseas Limited           | (1.55)                   | (34.00)         | (1.02)                            | (4.72)        | -                     | -            | (0.95)                | (4.72)        |
| 3) Lusako Trading Limited consolidated with Bolix S.A. & Group*                              | (5.30)                   | (116.35)        | (0.24)                            | (1.12)        | -                     | -            | (0.23)                | (1.12)        |
| <b>Joint Ventures</b>  |                          |                 |                                   |               |                       |              |                       |               |
| 1) Berger Becker Coatings Private Limited  | 0.31                     | 6.85            | 1.48                              | 6.85          | 0.09                  | 0.03         | 1.39                  | 6.88          |
| 2) Berger Nippon Paints Coatings India Limited   | (0.28)                   | (6.21)          | (1.35)                            | (6.21)        | 0.06                  | 0.02         | (1.25)                | (6.19)        |
| Foreign Currency Translation Reserve   | 0.09                     | 2.04            | -                                 | -             | 96.57                 | 33.26        | 6.71                  | 33.26         |
|  | <b>100.00</b>            | <b>2,194.51</b> | <b>100.00</b>                     | <b>460.83</b> | <b>100.00</b>         | <b>34.44</b> | <b>100.00</b>         | <b>495.27</b> |

\*Group includes Build-Trade sp. z.o.o., Bolix UKRAINA sp. z.o.o., Soltherm External Insulations Limited and Soltherm Insolutions Thermique Exterieur SAS

**Note:** The above figures are after eliminating intra group transactions and intra group balances as on March 31, 2018.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 35 Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

#### a) Financial assets and liabilities measured at fair value through profit and loss at March 31, 2019

₹ in Crores

|  | Level 1 | Level 2 | Level 3 | Total  |
|--|---------|---------|---------|--------|
| <b>Financial Assets</b>                    |         |         |         |        |
| Investment in Mutual Funds                 | -       | 250.80  | -       | 250.80 |
| Investment in unquoted equity instruments* | -       | -       | 0.00    | 0.00   |

#### Financial assets and liabilities measured at fair value through profit and loss at March 31, 2018

₹ in Crores

|  | Level 1 | Level 2 | Level 3 | Total  |
|--|---------|---------|---------|--------|
| <b>Financial Assets</b>                    |         |         |         |        |
| Investment in Mutual Funds                 | -       | 227.59  | -       | 227.59 |
| Investment in unquoted equity instruments* | -       | -       | 0.00    | 0.00   |

#### (b) Financial instruments at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated Ind AS financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(c) During the year there has been no transfer from one level to another.

(d) Also refer note 16a & 16b

(e) \*Refer note 40

### Note 36. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Group's working capital requirements. The Group has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations. The Group also holds 'Fair Value Through Other comprehensive Income' (FVTOCI) investments and enters into derivative transactions by way of forward exchange contracts to hedge its payables.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's Board of Directors oversees the management of these risks. The Group's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for the Group. The BPRMC provides assurance to the Group's Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by personnel that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk, liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and financial derivative.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2019. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations. The following assumptions have been made in calculating the sensitivity analysis:

- ▶ The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018
- ▶ The sensitivity of equity is calculated as at March 31, 2019 for the effects of the assumed changes of the underlying risk

### Interest rate risk

The Group has incurred short term debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowing issued at fixed rates expose the Group to fair value interest rate risk. The Group's interest rate risk management policy includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

The Group has incurred long term debt to finance acquisition, which exposes it to interest rate risk. Some of the Group's borrowings are index linked, that is their cost is linked to changes in the London inter-bank offer rate (LIBOR).

Although the Group has significant variable rate interest bearing liabilities at March 31, 2018, there would not be any material impact on pretax profit of the Group on account of any anticipated fluctuations in interest.

### Foreign currency risk

The Group has a policy of entering into foreign exchange forward contracts to manage risk of foreign exchange fluctuations on borrowings and payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities by way of direct imports or financing of imports through foreign currency instruments.

The Group proactively hedged its currency exposures in case of a significant movement in exchange rates for imports and in case the hedged cost of foreign currency instrument is lower than the domestic cost of borrowing in case of short term import financing. As at March 31, 2019, the Group hedged 28 % (March 31, 2018: 2%) for 6 - 9 months, of its expected foreign currency payables. This foreign currency risk on payables is hedged by using foreign currency forward contracts.

### Commodity price risk

The Group doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

### Equity price risk

The Group does not have any investments in listed securities or in Equity Mutual Funds and thereby is not exposed to any Equity price risk.

### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

### Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by BPRMC and corrective actions taken.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in Note 11.

### Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹ in Crores

|                                  | On demand     | Less than 3 months | 3 to 12 months | 1 to 5 years  | > 5 years | Total           |
|----------------------------------|---------------|--------------------|----------------|---------------|-----------|-----------------|
| <b>Year ended March 31, 2019</b> |               |                    |                |               |           |                 |
| Borrowings                       | 83.41         | 161.60             | -              | 238.92        | -         | 483.93          |
| Other financial liabilities      | 5.72          | 151.46             | 36.12          | 15.94         | -         | 209.24          |
| Trade payables                   | 2.14          | 996.86             | -              | -             | -         | 999.00          |
|                                  | <b>91.27</b>  | <b>1,309.92</b>    | <b>36.12</b>   | <b>254.86</b> | <b>-</b>  | <b>1,692.17</b> |
| <b>Year ended March 31, 2018</b> |               |                    |                |               |           |                 |
| Borrowings                       | 143.73        | 28.97              | -              | 249.47        | -         | 422.17          |
| Other financial liabilities      | 5.54          | 92.93              | 39.86          | 13.64         | -         | 151.97          |
| Trade payables                   | 1.51          | 953.74             | -              | -             | -         | 955.25          |
|                                  | <b>150.78</b> | <b>1,075.64</b>    | <b>39.86</b>   | <b>263.11</b> | <b>-</b>  | <b>1,529.39</b> |

## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 37. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Holding. The primary objective of the Holding Company's capital management is to maximise the shareholder value.

The Group only avails short term and long term borrowings to bridge its working capital gap and finances its capital expenditure through internal generation of funds.

|   | ₹ in Crores             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Borrowings (refer note 14a)                     | 483.93                  | 422.17                  |
| Less: cash and cash equivalents (refer note 8c) | (57.07)                 | (83.59)                 |
| <b>Net debt</b>                                 | <b>426.86</b>           | <b>338.58</b>           |
| Total capital                                   | 2,476.15                | 2,194.51                |
| <b>Capital and net debt</b>                     | <b>2,903.01</b>         | <b>2,533.09</b>         |
| Gearing ratio                                   | 15%                     | 13%                     |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

### Note 38. Expenditure on Research & Development

- a. Details of Research & Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below:

|   | ₹ in Crores                  |                              |
|---|------------------------------|------------------------------|
|   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
| Employee benefits expense   | 10.96                        | 10.05                        |
| Cost of materials consumed  | 1.20                         | 0.99                         |
| Power and fuel  | 0.39                         | 0.39                         |
| Depreciation of tangible assets   | 2.04                         | 1.95                         |
| Miscellaneous expenses  | 1.14                         | 1.17                         |
|   | <b>15.73</b>                 | <b>14.55</b>                 |
| b. Details of Capital expenditures incurred for Research & Development are given below: |                              |                              |
| Capital Expenditures  | 3.75                         | 1.40                         |
|   | 3.75                         | 1.40                         |
| <b>Total</b>  | <b>19.48</b>                 | <b>15.95</b>                 |

Above includes allowable expenditure under section 35(2AB) of the Income Tax Act for a research & development unit situated in Howrah, Kolkata which focuses on reasearch on new and existing paint products, reformulation for cost optimization, environment friendly products etc.



## CONSOLIDATED NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Details are mentioned below :

|                     |   |
|---------------------|---|
| Capital expenditure | ₹ 2.20 crores ( March 31, 2018 ₹0.51 crores)  |
| Revenue expenditure | ₹ 10.41 crores ( March 31, 2018 ₹9.54 crores) |

### Note 39. Segment Information

The Group is engaged in the business of manufacturing and selling paints. Based on the nature of products, production process, regulatory environment, customers and distribution methods there are no reportable segment(s) other than "Paints".

**Note 40.** All figures are in Rupees Crores. Figures marked with (\*) are below the rounding off norm adopted by the Holding Company.

**Note 41.** The figures of previous year have been regrouped/rearranged wherever considered necessary.

For **S.R. BATLIBOI & CO. LLP**  
 Firm Registration Number 301003E/E300005  
 Chartered Accountants  
 per **Bhaswar Sarkar**  
 Partner  
 Membership Number : 055596  
 Place: Kolkata  
 Dated: May 30, 2019

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

**Kuldip Singh Dhingra** - Chairman  
**Gurbachan Singh Dhingra** - Vice-Chairman  
**Abhijit Roy** - Managing Director & CEO  
**Srijit Dasgupta** - Director - Finance & CFO  
**Aniruddha Sen** - Sr. VP & Company Secretary

**FINANCIAL SUMMARY OF BERGER PAINTS INDIA LIMITED  
(CONSOLIDATED) – FIVE YEARS AT A GLANCE**

|  | ₹ Crores        |                 |                 |                 |                      |
|--|-----------------|-----------------|-----------------|-----------------|----------------------|
|  | 2018-19         | 2017-18*        | 2016-17*        | 2015-16*        | 2014-15 <sup>^</sup> |
| Gross Revenue                                | 6,061.86        | 5,282.12        | 5,050.45        | 4,683.85        | 4,758.67             |
| Revenue from Operations (Net of Excise Duty) | 6,061.86        | 5,165.73        | 4,552.25        | 4,223.10        | 4,322.06             |
| % Growth*                                    | 17.35           | 13.48           | 7.79            | (2.29)          | 11.69                |
| Other Income                                 | 60.03           | 45.87           | 54.54           | 34.68           | 36.02                |
| Materials Consumed                           | 3,699.61        | 3,009.96        | 2,592.30        | 2,470.19        | 2,531.26             |
| Employee Benefits Expense                    | 408.51          | 356.58          | 306.72          | 273.50          | 253.13               |
| Other Expenses                               | 1,072.17        | 992.20          | 934.67          | 834.67          | 1,026.95             |
| Operating Profit - EBITDA                    | 941.60          | 852.86          | 773.10          | 679.42          | 546.74               |
| % to Net Revenue                             | 15.53           | 16.51           | 16.98           | 16.09           | 12.65                |
| Depreciation/Amortization                    | 137.77          | 124.21          | 108.05          | 98.65           | 92.50                |
| Finance Cost                                 | 32.33           | 24.55           | 16.22           | 27.28           | 50.14                |
| Profit Before Tax & Exceptional Item         | 771.50          | 704.10          | 648.83          | 553.49          | 404.10               |
| Share in Profit of Joint Ventures            | (0.90)          | 0.64            | 10.05           | 5.69            | -                    |
| Profit Before exceptional Items and tax      | 770.60          | 704.74          | 658.88          | 559.18          | 404.10               |
| Exceptional Item                             | -               | -               | 44.20           | -               | -                    |
| Profit Before Tax                            | 770.60          | 704.74          | 703.08          | 559.18          | 404.10               |
| Tax Expense                                  | 273.15          | 243.91          | 229.42          | 188.62          | 139.40               |
| Profit After Tax                             | 497.45          | 460.83          | 473.66          | 370.56          | 264.70               |
| Return On Net Worth ( % )*                   | 20.09           | 21.00           | 24.91           | 23.72           | 20.14                |
| <b>Shareholders' Funds:</b>                  |                 |                 |                 |                 |                      |
| Share Capital                                | 97.11           | 97.10           | 97.10           | 69.35           | 69.33                |
| Reserves and Surplus                         | 2,375.59        | 2,097.41        | 1,804.46        | 1,492.74        | 1,244.73             |
| Non-controlling interest                     | 3.45            | -               | -               | -               | -                    |
| <b>Total</b>                                 | <b>2,476.15</b> | <b>2,194.51</b> | <b>1,901.56</b> | <b>1,562.09</b> | <b>1,314.06</b>      |
| Other current and non-current liabilities    | 1,886.51        | 1,748.88        | 1,538.77        | 1,315.23        | 1,352.96             |
| <b>EQUITY AND LIABILITIES</b>                | <b>4,362.66</b> | <b>3,943.39</b> | <b>3,440.33</b> | <b>2,877.32</b> | <b>2,667.02</b>      |
| Fixed Assets                                 | 1,542.02        | 1,364.33        | 1,198.17        | 1,013.97        | 1,009.40             |
| Investments                                  | 394.92          | 333.13          | 472.13          | 347.54          | 176.49               |
| Other current and non-current assets         | 2,425.72        | 2,245.93        | 1,770.03        | 1,515.81        | 1,481.13             |
| <b>ASSETS</b>                                | <b>4,362.66</b> | <b>3,943.39</b> | <b>3,440.33</b> | <b>2,877.32</b> | <b>2,667.02</b>      |
| Cash Earnings Per Share (₹)                  | 6.54            | 6.02            | 5.99            | 4.83            | 5.15                 |
| Earnings Per Share - Basic (₹)               | 5.13            | 4.75            | 4.88            | 3.82            | 3.82                 |
| Earnings Per Share - Diluted (₹)             | 5.13            | 4.74            | 4.88            | 3.82            | 3.82                 |
| Book Value Per Share (₹)                     | 22.50           | 22.59           | 19.58           | 16.09           | 18.96                |
| Wt Avg No. of Shares                         | 97,12,01,378    | 97,12,47,574.26 | 97,10,59,627    | 97,08,68,054    | 69,31,50,576         |
| Cash Profit                                  | 635.22          | 585.04          | 581.71          | 469.20          | 357.20               |

<sup>^</sup> Figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956. Hence these numbers are not comparable with previous years.

\* Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. However, Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years. Return on net worth for these years are computed on the basis of figures as per IND AS. Hence the numbers are not comparable with previous years

## BERGER PAINTS INDIA LIMITED SALES DEPOTS & OFFICES

### EAST – 1

#### DURGAPUR

G. T. Road, Khairasole, Durgapur – 713 212  
Phone: 0343 645158/159/160/136

#### HOWRAH\*\*

Jalan Complex, NH-6, Near Brickfield  
Bipparnapara, Begri, Howrah – 711 411  
Mobile: 08282945921

#### KOLKATA – 1

6C, Rameshwar Shaw Road, Kolkata – 700 014  
Phone: 033 2284 8120/2289 7395/7762  
Fax: 033 2289 7084

#### KOLKATA – 2

Godown No. 4A, 4B & 5C, C/o. Central Warehousing Corporation  
1B, Kishore Mohan Banerjee Road, Panihati, Kolkata – 700 114  
Phone: 033 6500 9700 to 9723

#### KOLKATA – 4

Apeejay Industries Limited Complex  
47, Hide Road, P.S. Taratolla, Kolkata – 700 088  
Phone: 033 6500 1693/1352/1665/1433

#### KOLKATA – 5 & 6

C/o Shriram Warehousing Pvt. Ltd., NH6, Bombay Road  
Chamrail, Liluah, Howrah – 711 114  
Phone: 033 6499 3292/85/84

#### PANIHATI\*\*

Godown No. 2B & 2C, C/o Central Warehousing Corporation  
1B, Kishore Mohan Banerjee Road, Panihati, Kolkata – 700 114  
Phone: 033 6499 0773/706

#### CHANDANNAGAR (HOOGHLY)\*

Bagbazar, Talpukur, MGM Sarani, Chandannagar  
Dist.: Hooghly – 712 136

#### PATNA

TPS Compound, Exide Battery Campus, Near Sonali Mahendra  
Showroom, New By Pass Road, Near Anisabad, Patna – 800 002  
Phone: 0612 645 5370 to 645 5385

#### BHAGALPUR

Netaji Subhash Chandra Bose Marg  
(Central Jail Road), P.S.: Tilakamanjhi, Bhagalpur – 812 001  
Phone: 74638 86880

#### MUZAFFARPUR

Kolhua Paigamberpur, Purani Motihari Road, Baria  
P.S.: Ahiyapur, P.O.: Kolhua Paigamberpur, Dist.: Muzaffarpur  
Muzaffarpur – 843 108  
Phone: 92644 49124/25

#### RAIPUR

G D Warehousing, Warehouse No.10  
Behind Raika Rolling Mill, Ring Road  
No. 2, Gondwara, Raipur – 493 221, Chattisgarh  
Phone: 0771 661 6601/3/5/614/619

#### SILIGURI

Kusum Warehouse, 3rd Mile Sevoke Road, Plot No.120, Mouza  
Dabgram, Block Rajganj, P.S. Bhaktinagar,  
Beside Hotel Cindrella, Dist. Jalpaiguri – 734 008  
Mobile: 092333 33455/092334 70002

#### MALDA

Kamla Bari, Jadupur, (Sadhlapur), Gabgacchi  
Malda – 732 101  
Phone: 0759 5094 284/286/287

### EAST – 2

#### AGARTALA

Chanpur, Near Saw Mill, Khayerpur  
Agartala, Tripura (West), Pin: 799 008  
Phone: 94364 59549/705640509

#### BHUBANESWAR

Plot No.146, Sector-A, Zone-B, Mancheswar, Industrial Estate  
Bhubaneswar – 751 010  
Phone: 0674 258 8719/8720

#### CUTTACK

Plot No.527, Chaudhury Complex, At-Manguli Square,  
P.O. Choudwar, Dist. Cuttack, Odisha – 754 025  
Phone: 0671 239 2584/239 2616

#### GUWAHATI – 1

Honuram Boro Path, Kachari Basti, Dispur, Guwahati – 781 005  
Phone: 0361 234 8381/3026/28

#### GUWAHATI – 2

C/o East India Technosys Pvt. Ltd., A. K. Dev Road  
Opposite Bethany High School, Behind Gorchuk  
Police Station, Guwahati – 781 035  
Phone: 0361 227 6289/6288/213 3467/3524

#### GUWAHATI – 3

Holding Number 901, (11705750) Ward No.13  
N.H. 37, Lohra, Guwahati – 781 034  
Phone: 0361 223 6606

#### GUWAHATI\*\*

C/o: Vishal Estate, P.O. Gauripur, Mouza Silasindurighopa  
Amingaon, Kamrup (Rural) – 781 035, Assam  
Landmark - Near Bramputra Industrial Estate  
Phone: 9207081456

#### JORHAT\*

Dag No. 2143/2565 of P P No.335/652 Charangia Gaon  
Porbatia Mouza, Jorhat West Circle, Dist.: Jorhat, Assam

#### TEZPUR\*\*

C/o Om Tulshi Warehouse, Nagar Basti, Teen Mile – Tezpur  
Teen Mile, Tezpur, Assam (additionally, there is a Raw material  
godown here)

#### JAMSHEDPUR

Near Military Camp, Sundernagar, Tatanagar  
Jamshedpur, Jharkhand – 832 107  
Phone: 0763 509 3823

#### RANCHI

Martin Baken, Village Kharsidag, P.O: Tetri, Ring Road  
Ranchi, Jharkhand – 834 010  
Mobile: 07070097309

#### SAMBALPUR

Global Warehouse, Remed, Sambalpur – 768 006, Odisha  
Phone : 0789 446 9691

#### SHILLONG

Near Chief Engineer Office (MES), Lower Nongrim Hills  
East Khasi Hills, Dist.: Shillong – 793 003, Meghalaya  
Phone: 0364 253 4901/4903

### SOUTH – 1

#### BENGALURU (OFFICE ONLY)

# 22, Fort "A", K R Road, Opposite Vani Vilas Hospital  
Bengaluru - 560 002  
Phone: 080 2670 1315/1815  
Fax: 080 2670 9641

### BENGALURU – 1

Survey No.43, New CMC No.7/43 & 43/1  
Kechenahalli Gramma R. V. Niketan Post  
8th Mile, Kengeri Hobli Road, Bengaluru – 560 059  
Phone: 080 2848 4433/34/2670 3311

### BENGALURU – 3

Plot No.32, Peenya III Phase Industrial Area  
Bengaluru – 560 058  
Phone: 080 283 77778/283 77668

### BENGALURU\*\*

Survey No.250, Huchhegowdanapalya, T. Begur Grama  
Panchayat & Post, Nelamangala Taluq, Bengaluru Rural District  
Karnataka – 562 123  
Phone: 080 2773 3557

### GUNTUR

Sridhar & Sridhar Estates, 8-227/3, Bonthapadu Road  
Etukuru, Guntur - 522 003, Andhra Pradesh  
Mobile: 81063 91671 / 99483 47147

### HUBLI

Bembalgi Farms, Next to Jain Mandir  
P. B. Road, Gabbur, Hubli – 580 028  
Phone: 0836 221 8027/28

### HYDERABAD – 1

Plot No.5, Opposite IDPL Company, Lane Beside Tibcon Capacitor  
Balaganar, Hyderabad – 500 037  
Phone: 040 2980 4277/88/99

### HYDERABAD – 2

Door No.10-10/21, New Gayatri Nagar, Opposite SBH Bank  
Jillelaguda, Hyderabad – 500 079  
Phone: 040 2409 7334/2409 4334

### KURNOOL

Door No. 51/15/A/4/8, Sy. No.312/2, 321, Rajiv Nagar, Bellary  
Road, Near Hanuman Weight Bridge, Kurnool – 518 003  
Phone: 08518 259 677/577

### MANGALORE

Plot No - 409 & 410, Industrial Area  
Baikampady, Mangalore – 575 011  
Mobile: 092431 82073

### MYSORE

145/A, Belagola Industrial Area, Near Wipro Ltd.  
Metagalli, Mysore – 570 016  
Phone: 0821 249 6633/77

### TIRUPATI

No.14-39, Opp. G.D.R. Cylinders,  
Renigunta Industrial Estate, Renigunta – 517 520  
Mobile: 08772 239395/200

### TIRUPATI\*

18-2-15, Korlagunta Main Road, Tirupati – 517 501

### VIJAYAWADA

R.S. No.73/2, Kanuru Donka Road, Prasadampadu  
Vijayawada Rural – 521 108  
Phone: 0866 284 3641/42  
Mobile: 09246494620

### VISAKHAPATNAM

Plot No. 188, D-Block, IDA, Autonagar  
Visakhapatnam – 530 012, Andhra Pradesh  
Phone: 0891 254 5936/257 8396

\* Shop

\*\* Raw Material Godown

\*\* Regional Distribution Centre

# Proposed New Depots



**SOUTH – 2**
**ALLEPPEY**

C/o. Jasspack Services Pvt. Ltd.,  
Building No.8/52 C, Karinganamkuzhy, P.O.: Arookutty Ferry Road  
Aroor, Alleppey – 688 534  
Phone : 0478 287 2366

**CALICUT**

Door No. III/102 D, (New No XV/517 B), Ground Floor, Parammal  
Junction, Near ALPB School, Parammal, N H Bypass Road  
Azhinhilam, Malapuram – 673 632 Calicut, Kerala  
Phone: 0483 283 2144/2244

**CHENNAI – 1**

99/5, MGR Road, Nagalkeni, Chrompet, Chennai – 600 044  
Phone: 044 669 14000

**CHENNAI – 2**

Plot No.D – 18, Ambattur Industrial Estate, Ambattur  
Chennai – 600 058  
Phone: 044 2635 7835/6/7/8/9  
*(Proposed to be shifted to: Door No.7, DRR Avenue, Audconagar,  
Kattupakkam, Chennai - 600 056)*

**COIMBATORE**

S.F. No. 9/1A2, Rangavale Compound, Metupalayam Road  
Thudiyalur Post, Coimbatore – 641 034, Tamilnadu  
Phone: 0422 2644 508/2644 132/2644 271/436 8288

**HOSUR**

C –13, Sidco Industrial Estate, Hosur - 635 126, Tamil Nadu  
Phone: 04344 274 939/274 929

**KANNUR**

C/o. Western India Cottons Godown, PPXIII/66, P.O.: Pappinisseri  
Dist.: Kannur, Kerala – 670 591  
Phone: 0497 278 6556

**KOCHI (OFFICE ONLY)**

Door No. III/835 C, Valiyara Chambers, K.K. Road  
Chembumukku, Ernakulam – 682 021  
Phone: 0484 242 6312/18

**KOLLAM**

K.P. 1/293, 294, 295, 296, Najeem Cashew Industry Building  
T.K.M.C., P.O. Karikode, Dist. Kollam – 691 005  
Phone: 0474 270 7063/68/770

**KOTTAYAM**

Vijayapuram Panchayath, Door No. XI/12A, At 47/4, Block-23  
Vijayapuram Village, Manganam Kara, Kottayam – 686 010  
Phone: 0481 257 6481/82

**MADURAI**

“Sundara Bhavanam”, Door No.175, Kamarajar Salai  
Madurai – 625 009  
Phone: 0452 262 8274/8312  
Fax: 0452 262 9023

**PUDUCHERRY**

8, Main Road, Gnanapragasam Nagar, Puducherry – 605 008  
Phone: 0413 224 9035/8098  
Fax: 0413 224 8098

**THRISSUR**

Building No. XVI 564 B, 564 C, 564 D, Ponganamkad Centre  
P.O. Kurichikkara, Thrissur – 680 028  
Phone: 0487 269 5003/5001  
Fax: 0487 269 5003

**THRISSUR\*\***

Building No. XVI 564 E, 564 F, 564 G, 564 H, Ponganamkad  
Centre, P.O. Kurichikkara, Thrissur – 680 028  
Phone: 0487 269 5001/5003/7800  
Fax : 0487 269 5003

**TIRUNELVELI**

200-E/2/1, Tiruchendur Road, Samathanapuram  
Palayamkottai, Tirunelveli – 627 002  
Phone: 0462 257 3315/16

**TRICHY**

249/2B, Opposite SIT Hostel, Tanjavur Main Road  
Ariyamangalam, Trichy – 620 010  
Phone: 0431 244 1476/71  
Fax: 0431 244 0104

**TRIVANDRUM**

G.H. Auditorium, Vazhuthoorakonam, Malayinkeezhu  
P.O. Machel, Thiruvananthapuram – 695 571  
Phone: 0471 228 4027  
Fax: 0471 228 0102

**WEST – 1**
**AURANGABAD**

C-18, MIDC Pandepur Waluj, Aurangabad – 431 136  
Phone: 0240 255 5177/5178  
Fax: 0240 255 5177/5178

**BHIWANDI\*\***

Gala No. 63/66, Indian Corporation, Opposite Gajanand Petrol  
Pump, Mankoli Naka, Dapode, Dist. Bhiwandi, Thane – 421 302  
Mobile: 092222 35567/092233 10818

**BHIWANDI**

Gala No. 64/65, Indian Corporation, Opposite Gajanand Petrol  
Pump, Mankoli Naka, Dapode, Dist. Bhiwandi, Thane – 421 302  
Phone: 0252 265 0211/0212  
Moile: 092233 10818

**GHATKOPAR**

Pattanwala Glass Works, Chirag Nagar, LBS Marg  
Ghatkopar (West), Mumbai – 400 086  
Phone: 022 2516 8355/7398/9414  
Fax: 022 2516 6406

**GOA**

Inteloc-S1, Rhea-Estate, NH-17, Village Nuvem, Taluka Salcete  
Dist.: South Goa, Goa – 403 604  
Phone: 0832 279 1758/1959  
Fax: 0832 2791 960

**GOA\***

Shop No.3/SH-8, Ground floor, Building No.3, Models  
Avalon, Taleigao Village, Taleigao Panchayat, Ilhas  
North Goa – 403 002

**KALYAN**

Survey No. 202, Water Supply Road, Navi Koliwada  
At Post – Kongaon, Kalyan – Bhiwandi Road  
Dist. Bhiwandi, Thane – 421 301  
Phone: 02522 280 607/281 145  
Fax: 02522 280 667

**VASAI**

Shed No.4-A, Silver Compound, Waken Pada Survey No.161  
Hissa No.A-1/2, Next to Vasai Phata Masjid, Village Pelhar  
Pelhar H. No.8, Vasai (East), Dist. Palghar – 401 202

**KOLHAPUR**

345/16A, Hupari Road, Opposite Gudmudshing MSEB Power  
Station, Gudmudshing, Taluka Karveer, Dist.: Kolhapur – 416 119  
Phone: 0231 261 5755/5855/5955

**MUMBAI (OFFICE ONLY)**

804, Windfall, Sahar Plaza, J. B. Nagar, Andheri Kurla Road  
Andheri (East), Mumbai – 400 059  
Phone: 022 2834 2001/2/3/4/5

**NAGPUR**

R K Warehousing & Leasing, Khasra No.99, Nagpur-Katol Road  
Village: Fetri, Tah & Dist.: Nagpur (Rural) – 441 501

**NASHIK**

Baphana Warehousing Gate No.2, Godown No.L1, Mumbai Agra  
Highway, Village Jaulke, Taluka: Dindori, Dist.: Nashik – 422 202  
Phone : 9607982101/02

**PUNE**

C/o Khutwad Warehouse, Sr. No. 164, Fursungi Village Road  
Fursungi, Taluka Haveli, Dist.: Pune – 412 308  
Phone: 020 6478 4010 to 25  
Fax: 020 2698 0338

**THANE\*\***

C/o Total Logistics Pvt. Ltd., F7, Shree Rajlaxmi Logistics Park  
Bhiwandi – Nasik Highway, (Opposite Vadpe Police Chowki)  
Vadpe Village, Dist.: Thane, Bhiwandi – 421 302

**SOLAPUR**

"Lonawat Arcade", Gate No.301/2B, Pune Road, At Post: Kondi  
Taluka – North Solapur, Solapur – Pune Highway  
Dist.: Solapur – 413 006  
Phone: 0217 235 7214

**WEST – 2**
**AHMEDABAD**

Survey No. 298 and 300, Near Khodiyar Mata Temple  
(Landmark-Concept Jeep Workshop), Sanathal Cross  
Road, SP Ring Road, Village Sanathal, Taluka - Sanand  
Dist: Ahmedabad – 382 210  
Phone: 92272 54514/92272 54515

**RAJKOT**

Shreenathi Warehouse, Survey No.129,  
Near Prayag Industrial Estate, Rajkot Jamnagar Bypass  
150, Ft. Ring Road, Navagam Anandpar, Rajkot– 360 006  
Phone: 90330 01757

**SURAT**

Survey No. 94/5, Opposite Gas Bottling Plant, Behind Manav Daya  
Hospital, Kadodara Road, Saroli, Surat – 394 210  
Phone : 0261 264 6440/8614

**VADODARA**

12 & 13 V P Industrial Estate, Survey No.225  
Behind F. G. Patel Estate, Opposite L & T Niro, N. H. No.8  
Padamala , Dist.: Vadodara – 390 002  
Phone: 0265 224 3070/1/2

**ANAND\***

Ground floor & First floor, Tika No.3, City Survey No.6A  
Purani No. Khanchhdo, Near Prabhudas Tower  
Landmark - Gamdivad Char Rasta, Nehru Road, Anand  
Gujarat – 388 001

**NORTH – 1**
**BHATINDA**

MCB-Z-8/02464, Gill Complex, Mansa Road  
Near ITI Chowk, Bhatinda – 151 001  
Phone: 0164 224 0239/1239

**CHANDIGARH**

Plot No. 823, Industrial Area, Phase-II, Chandigarh – 160 002  
Phone: 0172 263 7181/467 0401

**JALLANDHAR**

Vakiya Abadi, Near Nakodar Road, Village: Khambra  
Dist.: Jalandhar – 144 026  
Phone: 0181 279 1466/1467

**KAPURTHALA\***

Ground floor, Satnampura, Adjoining Royal Guest House  
Phagwara-Jandiala Highway  
Landmark-Near Gupta book store, Phagwara, Kapurthala  
Punjab – 144 401

**JAMMU**

Krystal Ice Factory, Kunjwani Bye Pass Crossing, Jammu – 180 010  
Phone: 0191 248 3334/895

**LUDHIANA**

Plot. No. 658, Industrial Area-A, Shiv Chowk, G. T. Road  
Ludhiana – 141 008  
Phone: 0161 458 7658/438 1231

**MOHALI**

Plot No. 421, Industrial Area, Phase-IX, Mohali, Punjab – 160 059  
Phone: 0172 509 5105/06

\* Shop

\*\* Raw Material Godown

\*\* Regional Distribution Centre

**PARWANOO**

Plot No.9, Sector-1, Parwanoo, Himachal Pradesh – 173 220  
Phone: 01792 234 164/235 164

**SRINAGAR**

Sutho Kathair Bagh, Tehsil-Chadoora, Dist.-Budgam, Srinagar - 15  
Phone: 0194 231 5050/5051

**NORTH – 2**

**AMBALA**

Khasra No. 18/18, 24, 28/4/1, Kuldeep Nagar  
Opposite Asa Ram Public School, Village – Shahpur  
Dist. & Tehsil: Ambala, Haryana – 133 004  
Phone: 0171 261 1060/80/653 0142

**BIKANER**

Plot Nos. F-210 and F-211, Karni Industrial Area, Phase-2nd  
Near Pugal Road Flyover, Bikaner, Rajasthan – 334 004  
Phone: 0151 297 0034/37 & 225 0085

**FARIDABAD**

Plot No. 40, Sector-6, Faridabad – 121 006  
Phone: 78388 38148/75960 03970

**GURGAON**

Kataria Complex, Khasra No.10947/7283/2918/1 & 2  
Daultabad Road, Industrial Area, Gurgaon – 122 001  
Phone: 0124 225 5471/72/73

**JAIPUR – 1**

Plot. No. 114A-115A, Jhotwara Industrial Area  
Jhotwara, Jaipur – 302 012  
Phone: 0141 234 4054/4213/4162  
Fax: 0141 234 4054

**JAIPUR – 2**

E-103, Road No.7, VKIA, Jaipur, Rajasthan - 302 103

**JODHPUR**

Plot No. G-121, (A, E & F), M. I. A. Basni II Phase  
Near Poorva Hospital, Jodhpur – 342 003  
Phone: 0291 274 4262/4792/0499

**PALI\***

Sumerpur Road, Near New Bus Stand  
Landmark - Opposite to Reliance Mall, Pali  
Rajasthan – 306 401

**KOTA**

A-263(C), Indraprastha Industrial Area, Kota, Rajasthan  
Phone: 0744 2490168

**UDAIPUR**

Plot No.-1, NH-8, Near Amberi Flyover  
Amber, Udaipur – 313 004  
Phone: 0294 244 1790/0506

**CENTRAL – 1**

**DELHI (OFFICE ONLY)**

Office No. 29, 1st floor, "C" Block, DDA Market  
Yojana Vihar, Delhi – 110 092  
Phone: 011 2215 9010/11/25

**JANAKPURI**

Plot No. B-2 & B-3, A-1B Market, Block A-1, Pankha Road,  
Janakpuri, New Delhi – 110 058  
Phone: 011 2562 3741/3742  
Fax: 011 2554 8654

**MANDOLI**

Godown No. JR-2 & JR-10, JR Complex,  
Gate No.1, Sewadharm Road, Mandoli, Delhi – 110 093  
Phone: 011 2234 1422/2255

**MUNDKA INDUSTRIAL**

Khasra No. 87/22, Opposite Metro Pillar, No. 617, Vodafone  
Gali No.12, Near Hiran Kudna Mode, Mundka, New Delhi – 110 041  
Mobile: 092124 07446/092124 03585

**MUNDKA\*\***

Khasra No.36/22, 36/19/1, Behind Mirage Garden, Mundka  
Village, New Rohtak Road, Delhi – 110 041  
Phone: 011 2834 5623

**OKHLA**

A-99/3, Okhla Industrial Area, Phase-II, New Delhi – 110 020  
Phone: 011 2638 4714/4796/7256  
Fax: 011 2638 5644  
D-14/2, Okhla Industrial Area, Phase-II, New Delhi – 110 020  
Phone: 011 2638 3772/6008/3258

**PUNJABI BAGH**

102 & 103 DDA Transport Centre, New Rohtak Road, Punjabi  
Bagh, New Delhi – 110 035  
Phone: 011 2831 2460/2461/6922/6933  
Fax: 011 2831 3880

**RITHALA**

Khasra No. 915-916, Guleria Complex  
Rithala Village, New Delhi – 110 085  
Phone: 011 2705 6582/584/585

**CENTRAL – 2**

**AGRA**

Near Canara Bank, Salasar Cold Store Compound  
Gulab Nagar, Hathras Road, Agra – 282 006  
Phone: 0562 699 0640-47

*(Proposed to be shifted to: C-9, Site-C, UPSIDC Industrial Area, Sikandra,  
Agra - 282 007)*

**BAREILLY**

Clutter Buck Ganj, Opp. GTI 7th Km. Stone  
Bareilly – 243 502, Uttar Pradesh  
Phone: 0581 256 0340/0940

**DEVLA\*\***

Khasra No. 09, Gulistanpur, Surajpur Dadri Road / I.C.D.  
Dadri Gulistanpur Road, Near IOC Petrol Pump Devla,  
Greater Noida – 201 306  
Phone: 98732 97507

**GHAZIABAD**

Cloud-9 Resort, Opposite Uttam Toyota Meerut Road  
Ghaziabad – 201 003  
Phone: 0120 640 2043/44

**MORADABAD**

Lakri Fazalpur Industrial Area, Delhi Mini Bye Pass  
Gata # 2485/2, Lakri Fazalpur, Moradabad – 244 001  
Phone: 095680 03094/95/96

**NOIDA**

C-43, Phase-2, Sector-81, Noida – 201 301  
Phone: 0120 640 2311-25

**CENTRAL – 3**

**ALLAHABAD**

Khasra No.54, Chakrana Tiwari, Arail, Tehsil - Karchana  
Near Chaka Block Hospital, CO Road, Allahabad – 211 008  
Mobile: 075230 84888

**ALLAHABAD\***

21 B/1/12A, Cooper Road, Civil Lines, Allahabad  
Uttar Pradesh – 211 001

**DEHRADUN**

Khasra No.891, Vill.: Majra, Opp. Transport Nagar,  
Near Himalayan Drugs Factory, Dehradun – 248 001  
Phone: 0135 654 5014/15/17

**GORAKHPUR**

Behind Essar Petrol Pump, Ekdanga, Vill. Harraya  
P.O: Balrampur, Dist. Gorakhpur, Uttar Pradesh – 273 016  
Phone: 0551 232 0027/52/69/71

**HALDWANI**

Motinagar, Bareilly Road, Haldwani – 263 139  
Phone: 05946 232 011-14

**HARIDWAR**

Khasra No.11, Village Sultanpur Majri  
Bahadabad, Haridwar – 249 402  
Mobile: 070600 05163/070600 07153

**JHANSI#**

Khasra No. 467, Mauza - Bijauli, Jhansi

**KANPUR**

Plot No.418, 419 & 420, Bhaunti Station Road  
Tahsil: Bhimsen, Kanpur Nagar, Uttar Pradesh – 209 305  
Phone: 75250 37037

**LUCKNOW**

C-518 & C-519 Transport Nagar  
Opposite Parking No.9, Lucknow – 226 012  
Phone: 0522 232 0431/34/428/419/243 1052/9790

**LUCKNOW (OFFICE ONLY)**

Ground, 1st & 2nd floor, B-22, Sector-B, Aliganj  
Lucknow – 226 024  
Phone: 0522 232 0431/434/419

**RUDRAPUR**

Industrial Plot No. 46, Land No.453 & 454, PO: Bhagwara  
Kicha Road, Rudrapur - Udhm Singh Nagar  
Tehsil Rudrapur, Dist: Udhm Singh Nagar, Uttarakhand – 263 153  
Phone: 82181 37211

**VARANASI**

Pama Complex, DLW Road,  
Shivadaspur, Lehartara, Varanasi – 221 002  
Phone: 0542 237 1041/42

**CENTRAL – 4**

**BHOPAL**

Khasra No 111/1/1/2/5, Landmark – Reshumrao Hotel  
PH No 21, RI No 2, Village Aadampur Chawni  
Gram – Aadampur, Tehsil Huzur  
Dist.: Bhopal – 462 021, Madhya Pradesh  
Mobile: 099260 11445/078699 29587

**GWALIOR**

Survey No. 1610, Beside Saroj Fuel Shoppe (BPCL Petrol  
Pump ), Near Vicky Factory Cross Road  
Jhansi Road, Gwalior – 474 001  
Mobile: 73548 81101/92356 00341

**INDORE**

Sunidhi Warehouse,  
Near New Sunidhi Petrol Pump, Nemawar Road  
Palda, Indore, Madhya Pradesh – 452 020  
Phone: 073 165 5210/06/07

**JABALPUR**

C/o Shiv Smriti Marketing, Matani Warehouse  
Patan Bypass, Chouraha, Patan Road, Gram Sukha  
Jabalpur – 482 002, Madhya Pradesh  
Phone: 078690 01276/72

\* Shop

\*\* Regional Distribution Centre

# Proposed New Depots

## BRITISH PAINTS DIVISION SALES DEPOTS

### WEST DELHI

Khasra No. 87/20, Village - Ghevra, Mundka  
Delhi - 110 041  
Phone: 90155 54160  
Email: westdelhi@britishpaints.in

### CENTRAL DELHI

3976/80, Ajmeri Gate Corner, Ajmeri Gate  
Delhi - 110 006  
Phone: 232 16792/90155 54108  
Email: centraldelhi@britishpaints.in

### SOUTH DELHI

Khasra No 47, Near Raja Poultry Farm  
Sultanpur, New Delhi - 110 030  
Phone: 90155 54164  
Email: southdelhi@britishpaints.in

### EAST DELHI

Godown No. MJ-11, J.R.Complex  
Mandoli, Delhi - 110 093  
Email: eastdelhi@britishpaints.in

### GHAZIABAD

C-213, site-1, Lal Quan-Ghaziabad (UP)  
Opposite Silver City Cinema.  
Phone: 0120 416 4110/429 5722/ 93133 07815  
Email: ghaziabad@britishpaints.in

### NOIDA

H-102 & 103, Sec-9, Noida - 201 301  
Phone: 0120 253 2251, 90155 54437  
Email: noida@britishpaints.in

### KANPUR

84/1-B, Fazalganj,  
Industrial Area, Kanpur - 208 012  
Phone: 076680 74913  
Email: kanpur@britishpaints.in

### ALLAHABAD

623-624, Transport Nagar  
Allahabad, Pin - 211 011  
Phone: 0512 223 0014/76680 74987  
Email: allahabad@britishpaints.in

### AGRA

Khasra No. 1294, Village Baipur  
Near Sabzi Mandi, Sikandra; AGRA  
U.P, Pin - 282 007  
Phone: 888 184 8830  
Email: agra@britishpaints.in

### GORAKHPUR

Hariya (Nausad) Near Gaurav Petrol Pump  
Khajini Road, Bahrapur  
Gorakhpur - 273 001, U.P  
Phone: 766 8074844  
Email: gorakhpur@britishpaints.in

### VARANASI

Pama Complex, Near Vishal Auto Agency  
Lahartara Dlw Road, Lahartara  
Varanasi - 221 103, U.P  
Phone: 0542 237 2278/76680 74578  
Email: varanasi@britishpaints.in

### FARIDABAD

SSI Plot No.-20, NH-5 NIT- Faridabad  
Pin - 121 001  
Phone: 0129 403 7440, 242 6440  
Email: faridabad@britishpaints.in

### GURGAON

2nd Milestone, Killa No, 6/25, Basai Road  
Krishan Nagar, Gurgaon (HR) - 122 001  
Phone: 0124 329 5330/230 0061  
Email: gurgaon@britishpaints.in

### PANIPAT

New Risalu Road  
Behind M.J.R. Public School  
Adjoining Annapurna Banquet Hall  
Plot No. 02, Panipat - 132 103, Haryana  
Phone: 95412 09805/81990 00961  
Email: panipat@britishpaints.in

### HALDWANI

Opp-Kattha Factory,  
Devalchaur Kham,  
Rampur Road, Haldwani - 263 139  
Distt: Nainital, Utrakhand  
Phone: 059462 34126  
Email: haldwani@britishpaints.in

### DEHRADUN

238-Mohabewala Saharanpur Road  
Near Sai Baba Mandir  
Dehradun - 248 001  
Phone: 766913 8409  
Email: dehradun@britishpaints.in

### ZIRAKPUR

Khata No. 205/208, Khasra No. 15/2/1  
Hadbast No. 234, Chandigarh Zirakpur  
Highway, Opp. Jai Mata Marble Zirakpur  
Near Ramada Hotel, Tehasil - Dera Bassi  
Distt. S.A.S. Nagar Mohali - 140 603  
Phone: 017625 27112/13/14  
Email: mohali@britishpaints.in

### AMRITSAR

Khasra No. 1301, Opp - Chatwal Petrol Pump  
G.T Road, Sultanwind  
Near - Tarawala Pull - Amritsar  
Phone: 95693 60416  
Email: amritsar@britishpaints.in

### LUDHIANA

B-23-2581/10, Industrial Area-A, R.K. Road  
Ludhiana - 141 003  
Phone: 0161 222 0270, 95697 54425  
Email: ludhiana@britishpaints.in

### JALANDHAR

Asiatic Compound, Usha Dharma Kanda  
Basti Bawa Khel, Kpt Road, Jalandhar  
Phone: 0181 265 1096; 95696 52492  
Email: Jalandhar@britishpaints.in

### JAMMU

Ground Floor, Phase 3, Near Nidra Showroom  
Industrial Area, Gangyal, Jammu - 180 010  
Phone: 019122 63896  
Email: jammu@britishpaints.in

### SRINAGAR

Ground Floor, Khasra No. 1578, Khevat No 44  
Shiekh Complex, Opp Shuhul Automobiles  
Pharoo Road, Nr- Nh-1A, Nowgam Bye Pass,  
Srinagar - 190 015  
Phone: 0194 231 5258-60  
Email: Srinagar@britishpaints.in

### GUWAHATI

C/o: Skyworld Developers  
Opp: Bharat Petroleum Petrol Pump, N.H.37  
P.O: Saukuchi, Lokhra, Guwahati - 781 034  
Phone: +918811081316  
Email: guwahati@britishpaints.in

### AGARTALA

Dhaleswar Road No.1, Agartala  
Tripura (W) - 799 007  
Phone: 0381 230 2244/98620 28281  
Email: agartala@britishpaints.in

### SILCHAR

C/O: Kay Dee Cold Storage Pvt. Ltd  
Rammagar, Opp: ISBT, Silchar, Cachar  
Assam - 788 003  
Phone: 03842 268 268  
Email: silchar@britishpaints.in

### PATNA

Plot No. 369, Patel Colony Road,  
West Transport Nagar, Patna - 800 026  
Phone: 99991 16827 & 99991 16830  
Email: patna@britishpaints.in

### RANCHI

Khata No.18, Plot No. 333, Garkhantga  
Near Tonko Bridge  
Beside Vashnavi Car Cell & Service Hatia,  
Ring Road, Ranchi - 834 003 (Jharkhand)  
Phone: 93041 73252 & 70613 84653  
Email: ranchi@britishpaints.in

### PUNE

Gat No.1100  
Near Vatika Ashram Pune Saswad Road Vadki,  
Pune - 412 308  
Phone: 76206 53711, 93251 81849  
Email: pune@britishpaints.in

### NASIK

Baphana Warehousing Pvt Ltd, Gate No 103,  
Ambe Hills, At-Post-Jaulke-Dindori - 422 206  
Email: pune@britishpaints.in

### MUMBAI

Plot No. A 88 TTC Industrial Area  
Khairane Village, Thane Belapur Road,  
Navimumbai - 400705  
Phone: 022 277 81610 & 93209 33850  
Email: mumbai@britishpaints.in

### GOA

No: 56/C, Vivenda Gaurish Nirboga  
Camurlin Village, Post- Loutulim, Salcette,  
Goa - 403 718  
Phone: 0832 285 8815/285 8550  
Email: goa@britishpaints.in

### AHMEDABAD

Godown No.7, Jamnagar Estate  
Behind Alfa Hotel, N.H. No.8, Aslali,  
Ahmedabad - 382 427  
Phone: 83478 16350, 93768 57169  
Email: ahmedabad@britishpaints.in

### BARODA

Industrial Casting Block No. 4/26,  
BIDC Industrial Estate, Gorwa Road  
Baroda - 390 016  
Phone: 0265 228 2050, 228 2044 &  
WLL: 093779 85634  
Email: baroda@britishpaints.in

### SURAT

Plot No.182,183, Road No.6F,  
New Funciation Estate, Udhna Udhhyog Nagar  
Surat - 394 210  
Phone: 0261 227 2734  
Email: surat@britishpaints.in

### INDORE

Dewas Naka, Behind Agarwal Talkata  
Lasudia Mori, Indore  
Pin - 452 010  
Phone: 0731 408 8473  
Email: indore@britishpaints.in

### BHOPAL

C/o Adhish Industries,11A, J.K Road  
Industrial Area, Govindpura, Bhopal  
M.P - 462 021  
Phone: 0755 408 3274 70603 17060  
Email: bhopal@britishpaints.in

### KATNI

Maihar Road, N.H. 7, Chaka  
Satguru Dharamkata Premises  
Katni (MP) - 483 501  
Email: katni@britishpaints.in

### RAIPUR

Gd Warehousing, Ring Road No.2  
Opp. Reliance Petrol Pump  
Gondwara, Raipur (CG) Pin - 493 221  
Phone: 0771 400 0640, 400 0641  
Email: raipur@britishpaints.in

### HYDERABAD

Door No.14/1/96, Road No. 01  
Beside Kingfisher Godown (UBL)  
IP Nacharam, Hyderabad, Telangana  
Pin - 500 076  
Email: hyderabad@britishpaints.in

### TIRUPATI

11-15, 3rd Main Road Extension  
Industrial Estate, Opp: CRS Gate  
Renigunta - 517 506  
Phone: 08772 237249  
Email: tirupati@britishpaints.in

### VIJAYWADA

Plot No.77, Jawajar Auto Nagar  
Vijayawada - 520007, Andhra Pradesh  
Phone: 0866 254 4355  
Email: vijaywada@britishpaints.in

### ANANTAPUR

SR No. 42-2, Beside Prakashkathi Publishers  
Old VRL Godown, Bellary Road, Papampeta  
Anantapur - 515 001  
Email: anantapur@britishpaints.in

### COCHIN

3/569/ B&C, VKA Tower, Kalamassery,  
P.O.: South Kalamassery, Cochin - 683 104.  
Phone: 0484 253 2464  
Mobile: 85900 59083, 93492 70295  
Email: cochin@britishpaints.in

### THRISSUR

3/293, Near Jerusalem Retreat Center, Thalore  
P.O: Thrissur - 680306, Kerala  
Phone: 99991 16832/0487 243 0172  
E-mail: thrissur@britishpaints.in

### CALICUT

Building No. 17/678 (Old No.9/156/D)  
Olavanna Bazar, Olavanna, P.O  
Calicut - 673 019  
Phone: 0495 243 0492, 85900 59084  
Email: calicut@britishpaints.in

### BANGLORE

No. 114/16, Patel Puttaih Industrial Estate  
Mysore Road, Bengaluru - 560026, Karnataka  
Phone: 80886 40704  
Email: blore@britishpaints.in

### HUBLI

Shine Industries, Plot No. N/13, IInd Cross,  
Industrial Estate, Gokul Road  
Hubballi - 580 030  
Phone: 0836 220 0855  
Email: hubli@britishpaints.in

### JAIPUR

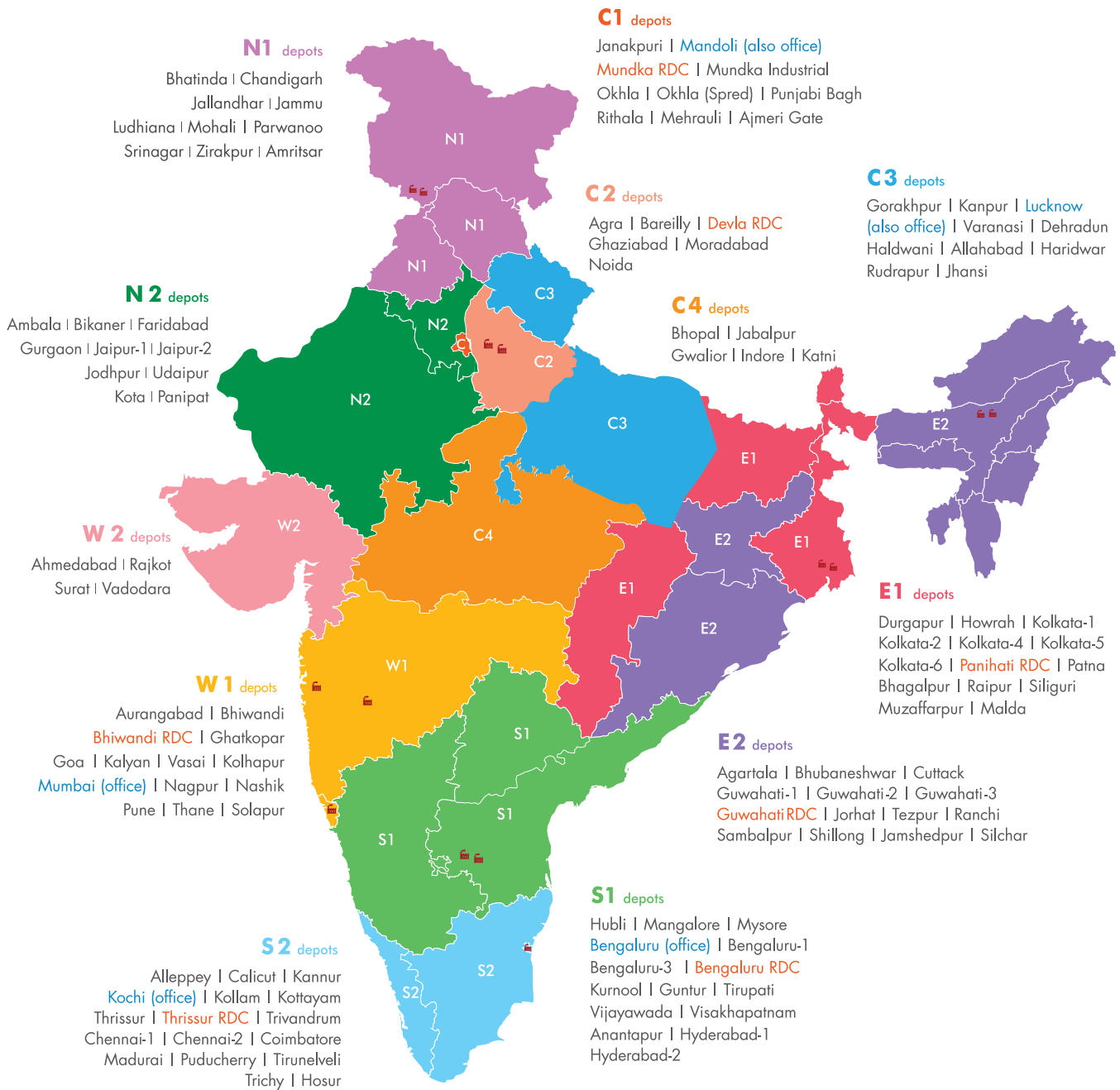
A-145, Jagdamba Nagar  
Behind Herapura Power House  
Near Dasshera Maidan, Jaipur, Pin - 302 021  
Phone: 0141 315 3943  
Email: jaipur@britishpaints.in

### KOTA

H-39 Opp. Multimetal Chamble Industrial  
Area, Kota (Raj.)  
Phone: 0744 248 0106, 90244 31493  
Email: kota@britishpaints.in







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