

ANNUAL REPORT 2012-13
BERGER PAINTS INDIA LIMITED



ADDING COLOUR
TO THE SHADES OF LIFE





CREATING A GREENER TOMORROW





I N D E X

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ANNUAL REPORT 2012 - 13

Board of Directors

Mr. Kuldeep Singh Dhingra
Chairman

Mr. Gurbachan Singh Dhingra
Vice-Chairman

Mr. Abhijit Roy
Managing Director

Mr. Srijit Dasgupta
Director & Chief Financial Officer

Mr. Gerald Kenneth Adams

Mr. Anil Bhalla

Mr. Subir Bose

Mr. Gurcharan Das

Mr. Kamal Ranjan Das

Mr. Pulak Chandan Prasad

Mrs. Rishma Kaur
Alternate Director to Mr. Kuldeep Singh Dhingra

Mr. Kanwardip Singh Dhingra
Alternate Director to Mr. Gurbachan Singh Dhingra

Sr. Vice President & Company Secretary

Mr. Aniruddha Sen

Registered Office

Berger House, 129, Park Street
Kolkata-700017
Telephone : 033-22499754, 56 & 57, 22299724-28
Fax No.: 033-22277288
Email : consumerfeedback@bergerindia.com

Website

www.bergerpaints.com

Auditors

M/s Lovelock & Lewes
Plot-No. Y-14, Salt Lake
Block-EP, Sector-5
Kolkata-700091

Board Committees

Audit Committee

Mr. Anil Bhalla (Chairman)
Mr. Gerald Kenneth Adams
Mr. Kamal Ranjan Das
Mr. Gurbachan Singh Dhingra

Compensation Committee

Mr. Anil Bhalla (Chairman)
Mr. Kamal Ranjan Das
Mr. Kuldeep Singh Dhingra

Shareholders' Committees

- i) Share Transfer Committee
Mr. Abhijit Roy (Chairman)
Mr. Kamal Ranjan Das
- ii) Investors' Grievance Committee
Mr. Anil Bhalla (Chairman)
Mr. Abhijit Roy
Mr. Kamal Ranjan Das

Consortium Bankers

Standard Chartered Bank
Bank of Baroda
Central Bank of India
The Royal Bank of Scotland NV
Corporation Bank
HDFC Bank Ltd.
ICICI Bank Ltd.
State Bank of India Ltd.
Axis Bank Ltd.
ING Vysya Bank Ltd.
DBS Bank Ltd.
The Hongkong & Shanghai Banking Corporation Ltd.
Yes Bank Ltd.

Registrars And Share Transfer Agents

M/s C B Management Services (P) Ltd.
P-22, Bondel Road
Kolkata-700019
Telephone : 033-40016700, 40016725
Fax : 033-40116739
Email : rta@cbmsl.com



Board of Directors



Mr. Kuldip Singh Dhingra



Mr. Gurbachan Singh Dhingra



Mr. Abhijit Roy



Mr. Srijit Dasgupta



Mr. Gerald Kenneth Adams



Mr. Anil Bhalla



Mr. Subir Bose



Mr. Gurcharan Das



Mr. Kamal Ranjan Das



Mr. Pulak Chandan Prasad



Mrs. Rishma Kaur

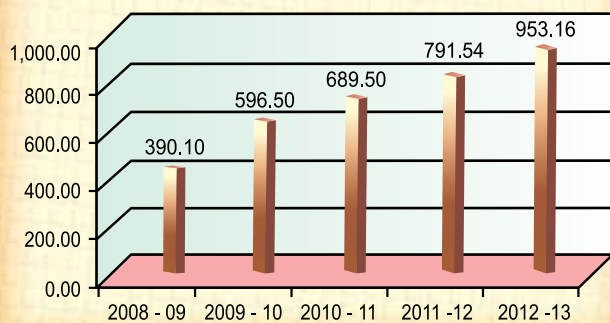


Mr. Kanwardip Singh Dhingra

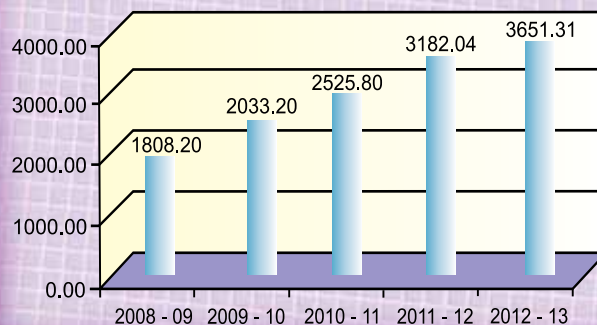




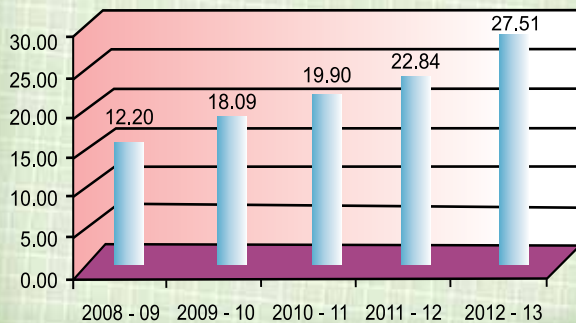
Shareholders' Funds - Consolidated (in ₹ Crores)



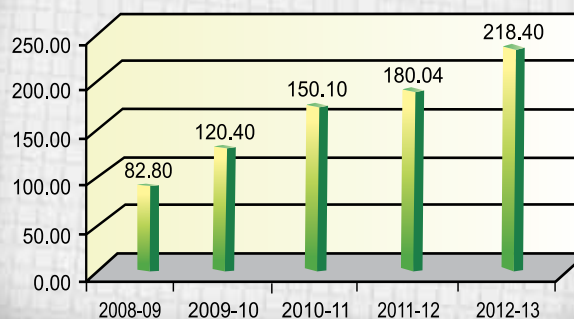
Gross Revenue - Consolidated (in ₹ Crores)



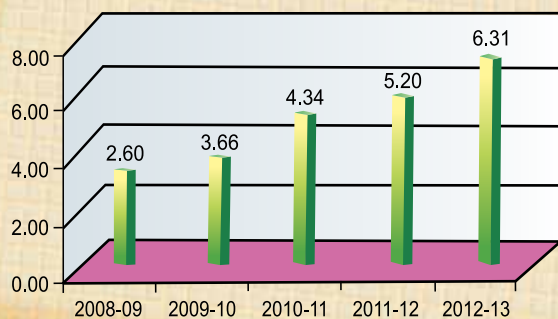
Book Value per Share - Consolidated (in ₹)



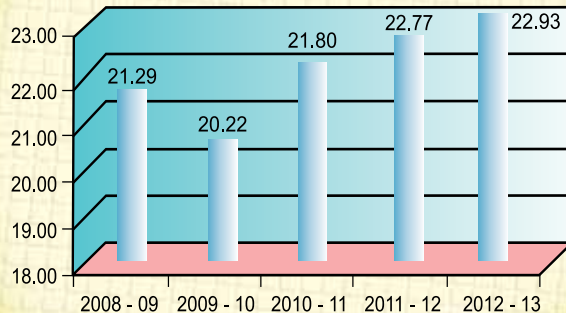
Profit after Tax - Consolidated (₹ in Crores)



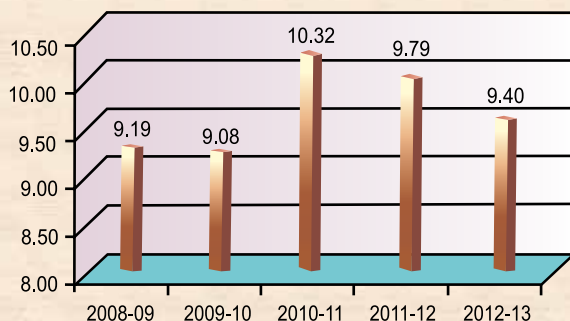
EPS : Basic - Consolidated (in ₹)



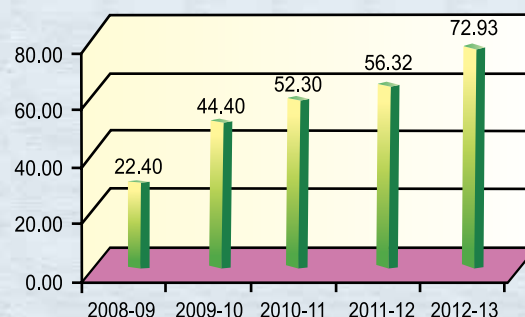
Return on Networth - Consolidated



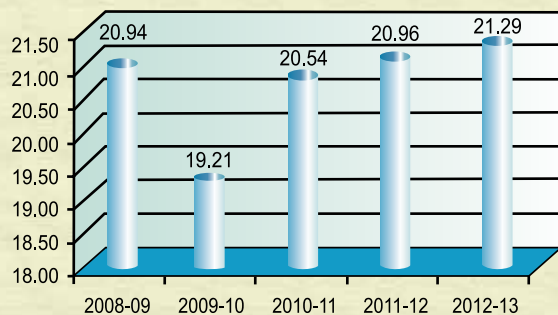
Fixed Assets Turnover Ratio - Standalone (Fixed Assets excluding Capital Work in Progress)



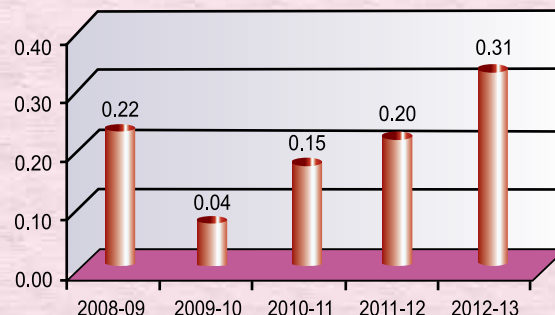
Dividend (₹ in Crores) [includes Tax on dividend]



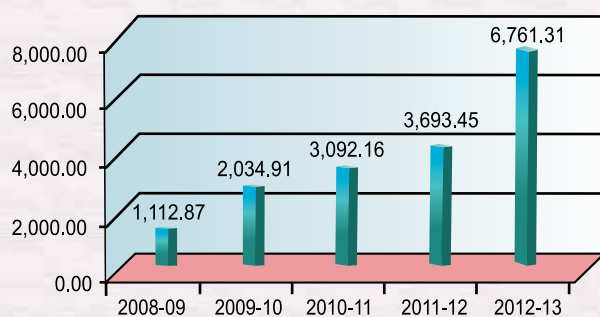
Return on Networth - Standalone



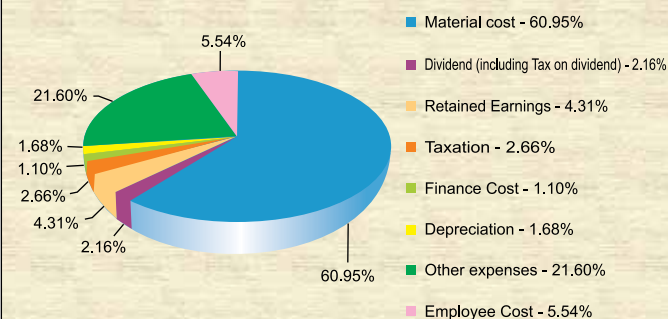
Debt : Equity - Standalone



Market Capitalisation (₹ in Crores)



Distribution of Income



Total Income : 3,377.84 (₹ in Crores)



NOTICE

Notice is hereby given that the Eighty-ninth Annual General Meeting of Berger Paints India Limited will be held at Kalamandir, 48, Shakespeare Sarani, Kolkata – 700 017 on Friday, 2nd August, 2013 at 11 a.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2013, the audited Balance Sheet as at 31st March, 2013, together with the Directors' and Auditors' Reports thereon.
2. To declare a Dividend on equity shares of the Company for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Kamal Ranjan Das who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pulak Chandan Prasad who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board

Place: Kolkata

Dated: 30th May, 2013

Aniruddha Sen

Sr. Vice President & Company Secretary

Notes: ||

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself. 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 Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th July, 2013 to 2nd August, 2013, both days inclusive.
3. Dividend, if declared, will be paid on or before 12th August, 2013 to those Members entitled thereto and whose names shall appear on the Register of Members of the Company as on the conclusion of the book closure or to their mandates.
4. Members are requested to notify any change in their address immediately to C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, the Share Registrars of the Company for shares held in physical form. For those shareholders who hold their shares in dematerialized form, please lodge your requests for change of address, if any, with your respective Depository Participants.
5. Members are reminded to send their dividend warrants, which have not been encashed, to the Company for revalidation. As per the provisions of Section 205C of the Companies Act, 1956, unclaimed dividend is liable to be transferred to the Investor Education and Protection Fund of the Central Government after the expiry of seven years from the date they become due for payment.

6. As per current SEBI Regulations, dividend is required to be credited to shareholders 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 dematerialized form) or to C B Management Services (P) Limited (in case of shares held in physical form) at the earliest.
7. Members interested in nomination in respect of shares held by them may write to C B Management Services (P) Limited for the prescribed form.
8. You are requested to inform your current email ID to us in compliance of Green Initiative as per Ministry of Corporate Affairs circular on this subject.
9. For shares held in physical form, you may initiate action to get your shares dematerialized since trading of shares is done compulsorily in the dematerialized mode. Dematerialization not only provides easy liquidity, but also safeguards from any possible physical loss.
10. Currently, 14,87,434 equity shares of ₹ 2/- each fully paid up have remained unclaimed by 1,066 number of shareholders, as their share certificates issued consequent upon subdivision of capital and bonus issue could not be delivered at their registered address by the postal authorities for various reasons. Three reminders to this effect have been sent to the concerned shareholders as per requirement. Pursuant to Clause 5A. I of the Listing Agreements with Stock Exchanges, the Company has transferred the aforesaid unclaimed shares to a demat account opened in the name of "M/s Berger Paints India Limited – Unclaimed Demat Suspense Account". The details are given in Annexure-II of Corporate Governance Report.

Members are requested to bring their copies of the Annual Report and Admission Slip to the meeting

**INFORMATION RELATING TO DIRECTORS PROPOSED TO BE RE-APPOINTED
UNDER CLAUSE 49 OF THE LISTING AGREEMENTS WITH STOCK EXCHANGES**

| | Item No. 3 | Item No. 4 |
|---|---|--|
| Name of Director | Mr. Kamal Ranjan Das | Mr. Pulak Chandan Prasad |
| Date of Birth | February 23, 1932 | May 27, 1968 |
| Date of Appointment | April 1, 1989 | November 13, 2009 |
| Qualification | Science Graduate | <ul style="list-style-type: none"> B. Tech., IIT Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad |
| Expertise in specific functional areas | Long term experience in paint industry | <ul style="list-style-type: none"> Director of Nalanda Capital Pte Ltd. (Singapore), Bharti Airtel and some other companies Has acted as the Managing Director and co-head in Warburg Pincus, India looking after the company's Indian and South East Asian operations. Prior to that, he was the Management Consultant with McKinsey & Company, India, USA and South Africa |
| List of public companies in which outside directorship is held as on March 31, 2013 | <ul style="list-style-type: none"> Beepee Coatings Private Limited Berger Paints (Bangladesh) Limited, Bangladesh | <ul style="list-style-type: none"> Bharti Airtel Limited Nalanda India Fund Limited (Mauritius) Nalanda Capital Pte Limited (Singapore) Food & Allied Support Services Corporation Pte Limited (Singapore) Nalanda India Equity Fund Limited (Mauritius) |
| Chairman / Member of the committees of the boards of the companies on which he is a Director as on March 31, 2013 | Mr. Das does not hold any committee position in the companies in which he is a Director, other than those of the Company | Mr. Prasad holds the position of member of the Audit Committee of Bharti Airtel Limited |
| Shareholding in the Company | 33,312 | NIL |

REPORT OF THE DIRECTORS & 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, 2013.

FINANCIAL RESULTS & APPROPRIATIONS

(₹ in crores)

| Particulars | BPIL | | Consolidated | |
|---|---------------|---------------|---------------|---------------|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| Profit before Depreciation, Finance Cost, Exceptional Items and Tax | 367.08 | 308.10 | 402.62 | 333.97 |
| Less: | | | | |
| Depreciation | 46.28 | 37.56 | 56.72 | 47.18 |
| Finance Cost | 27.67 | 22.37 | 37.66 | 32.36 |
| Exceptional Items | - | - | - | - |
| Profit Before Tax | 293.13 | 248.17 | 308.24 | 254.43 |
| Less: | | | | |
| Provision for Taxation | 83.33 | 70.78 | 89.84 | 74.39 |
| Profit After Taxation | 209.80 | 177.39 | 218.40 | 180.04 |
| Add: | | | | |
| Profit brought forward from the previous year | 394.91 | 291.57 | 394.63 | 288.64 |
| Available for appropriation | 604.71 | 468.96 | 613.03 | 468.68 |
| Appropriations: | | | | |
| Transfer to General Reserve | 20.98 | 17.73 | 20.98 | 17.73 |
| Dividend (Proposed) | 62.33 | 48.46 | 62.33 | 48.46 |
| Tax on dividend | 10.60 | 7.86 | 10.60 | 7.86 |
| Balance carried to Balance Sheet | 510.80 | 394.91 | 519.12 | 394.63 |
| | 604.71 | 468.96 | 613.03 | 468.68 |

FINANCIAL PERFORMANCE

During the financial year ended 31st March, 2013, the Company achieved net consolidated revenue from operations of ₹ 3,346 crores as against ₹ 2,948 crores in the previous year, registering a growth of 14%. The profit before depreciation, interest and tax was ₹ 403 crores as against ₹ 334 crores in the previous year, recording an improvement of 21%. The profit before tax was ₹ 308 crores (2011 – 12 : ₹ 254 crores) and the profit after tax was ₹ 218 crores (2011 – 12 : ₹ 180 crores), representing increase of 21% in each case.

MANAGEMENT DISCUSSION AND ANALYSIS

PAINT INDUSTRY STRUCTURE AND DEVELOPMENT

There were signs of deceleration in the macro economic scenario in 2012-13. The agricultural sector fared badly in the wake of poorer than expected rains in 2012, the industrial sector clocked a lower growth and the services sector was also affected. All these cumulated to an estimated GDP growth of about 5%. On the brighter side, inflation is coming down, commodity prices have cooled off and there have been reassurances from the Government on its commitments to reform measures.



Paint industry, as a whole, continued to do better, in spite of the adverse developments, growing at a good clip and at a higher rate than GDP. The growth is fuelled by higher income levels of people across urban and rural segments, historically low consumption of paints which offers a potential for the future, growing popularity of branded paints with better quality and longer durability and the desire of people to remodel and embellish existing dwelling units. The industry has given a fillip to this demand by expanding its distribution network, penetrating newer and hitherto unexplored geographies, offering a wide degree of choice in terms of attributes and prices and educating consumers and applicators in regard to benefits of various brands and uses of paint. The industry projects that total Indian revenues, currently estimated at ₹ 26,000 crores, may touch around ₹ 50,000 crores by FY 2016.

Over the last three years, paint prices have increased by about 30% - to partially compensate for increase in raw material prices. However, there has been no significant increase in architectural paint prices since the third quarter of the fiscal year under review and, on the contrary, there has been a marginal decrease. There has been some softening in prices of titanium dioxide and some other chemicals and crude prices. However, the overall raw material index for the period was higher than that of 2011-12.

The ratio of decorative and industrial paints is 70:30 which is expected to continue in the future in view of various factors enumerated in this Report. The higher rate of growth in decorative paints augurs well for the industry.

The year witnessed some weakening of enthusiasm in industrial paints market with marked fall in automotive sales, lower spending in infrastructure and general slowdown in the industry. Your Company does not believe this to be a permanent phenomenon and is ready to accept challenges of higher demand and better quality requirements in this segment, as and when they arise.

COMPANY'S OPERATION

Over the last 5 years (FY 07-08 to 11-12), the Company's revenues, net of excise duty, have grown at CAGR of 17.5%. This is a result of continued attention to product quality, even where minor improvements may make difference to the consumers, better service levels, mix improvement in favour of premium products and water based emulsions, implementation of system related infrastructure which is commensurate to the needs of the business and timely and appropriate buying decisions.

The Company's architectural (or decorative) business contributes more than 75% of its revenue. This year, the largest growth, both in terms of volume and value, came from this business. The focus on expanding geographical coverage through large dealer networks continued unabated. Your Company successfully implemented an integrated Customer Relationships Management (CRM). Once fully utilized, this will enhance communication, feedback and service levels to the Company's customers to a great level and will help to bring down lead time, inventory and the overall working capital.

The Company concentrated on promoting luxury brands and improved formulations as well as looks and packaging of all its products. The Company's premium brands viz., Breathe Easy, Silk and Weathercoat Allguard continued to perform well in all the markets. Effectiveness of the Company's traditional brands such as Walmasta, Rangoli Easy Clean and Bison Emulsion were strengthened and the Company was rewarded by positive reactions from the market. Breathe Easy, as the members would be aware, is a paint which contains very low volatile organic chemicals (VOC) and is suitable for schools and hospitals and for the elderly and those who suffer from breathing problems. The Company now offers both emulsion and enamel paints in this category. Silk continues to be the Company's premium product in the interior space – with a unique texture, richness and feel. Weathercoat Allguard is a Silicon Based Exterior Water Based Paint with enhanced water resistance. Durability of the Company's products, even in the face of harsh and destructive climatic conditions, are proven to be superior and the Company does not make any compromise in this respect. This has earned the confidence of the customers in the long run, as is evidenced by its results.

The Company innovates in terms of new products and offerings with varied uses through constant technological advancement and upgrading to be able to tap every consumer segment. Some of its recent additions include niche products like Roofing and Sealing Compounds, Wood Coatings and Sealers. Weathercoat Kool and Seal is one such product which, when applied on roofs, fills cracks (known as elastomeric property) and bounces off heat. Weathercoat Heat Reflecting paint is a matching product, with similar properties, for walls and facades. In the Industrial and Protective Coatings Segment, the Company has made technological advances to offer better products with varied uses.

Recently, your Company has launched "Lewis Berger Design Stories", which will offer "readymade designer room themes" with premium designer and texture paint concepts to its customers. These are known as Sussanne Roshan Collection – developed for your Company with the renowned interior designer, Sussanne Roshan. This was launched after considerable market studies which

show that consumers are increasingly looking for expert professional interior décor advice while setting up their homes. The limited edition themes that are being launched in the first phase include 'Metropolis' for living rooms, 'Yin Yang' for dining rooms, 'Shutters by the Sea' for bed rooms. The Company will create awareness around this through various promotional activities and digital platforms where consumers can avail these themes. The Lewis Berger Design Stories address this latent need in the consumer space by providing them with readymade room themes which include wall textures, furnishings and furniture. The latter will be supplied by "The Charcoal Project (TCP)."

In keeping with the Company's customer orientation, your Company provides a Preview facility, available both online and offline, bringing value and convenience to today's busy but quality conscious consumers. Using the latest simulation software, consumers can check out different colour schemes on photographs of their homes to help them choose just the right combination prior to actual painting. The Company's Home Painting business and Prolinks – which cater to large projects including the hospitality industry and corporate office blocks, offer hassle free painting of buildings and were doing well with repeat orders.

The newly introduced product range in the field of Construction Chemicals is performing well and the growth in sales in this area matched the Company's expectations.

The Company's Industrial Business comprises General Industrial, Automotive, Protective Coatings and Powder Coatings. The reversal in the industry and infrastructure sector affected these Businesses in varying degrees. That said, it needs to be mentioned that the Company posted growth in revenues in all these segments by venturing into new areas with higher values, distributing new products, taking measures to improve quality and offering customers certain unique properties in regard to its products. The Company's efforts in these respects led to improvement in profitability in some areas. There are dedicated Research & Development Teams for these Businesses – offering specific solutions to all industrial coatings requirement.

The Company recently won the Economic Times Bengal Corporate Award for Best Entity in New Product / Process Development in the area of new products in East India and Construction World Award for the fastest growing paint company in India.

FOCUS AND OUTLOOK FOR 2013-14

Your Company believes that considering the size of the Indian market, the low consumption rate per capita and the expected growth in this area, as set out earlier in this Report, there is enough opportunity for the industry to thrive in the foreseeable future. These are specifically offered by increased need of housing in major urban centres, higher incomes in rural areas as well as in Tier II and Tier III towns, better availability of quality and branded paints all across the country, increase in square feet of walls per capita – where independent houses are increasingly replaced by apartments and clusters and conversion of mud and clay houses to bricks and mortar ones. It is apocryphal to attribute this growth to higher disposable income. Your Company believes that paint is a necessity and a part of the routine expenditure of a household. Unless painted, walls and structures lose their strength and metals corrode. This realization is sinking in. One other fact is that repainting is a much cheaper alternative to give a new and fresh look to a house than a major refurbishing work.

The Company is focusing on developing its premium emulsion category which has witnessed significant growth in the last few years. Moreover, through product innovation, it is trying to capture market opportunities for technically superior products in the decorative paints segment. In the forthcoming year, the Company will try and bring newer varieties in various categories such as wood coatings, primers, distempers, interior finishes and texture coatings to cater to the market demand and address the carefully identified needs of the customers.

In the Industrial Category, comprising more than 20% of the Company's business, your Company believes that there is enough scope in uncharted areas and unexplored customers. With enhanced and sustained quality of products, your Company has commenced its efforts to get into these markets. New products in the areas of Floor Coatings, Road Marking Paints, Fire Proof / Retardant Solutions, etc., are expected to give a fillip to the Protective Coatings business where the spending on infrastructure has to rise in the long term. These will of course need focused efforts in R & D, Manufacturing and Marketing.



PROJECTS

The first phase of the modern and automated water based paint plant at Hindupur in Andhra Pradesh is expected to be completed by the early second half of 2013. After the first phase, the capacity of the plant will be 80,000 MT/per annum. Once fully completed, the capacity of the plant will be 3,20,000 MT/per annum for water based paints and 1,00,000 MT/per annum for emulsions, used as intermediates in the production of these paints.

The Company has also initiated work on a separate unit at Hindupur for its British Paints Division which will further augment capacity by 30,000 MT of paints and 6,000 MT of resins per annum.

Your Company is happy to report that the first phase of expansion of the water based plant at Rishra from 18,000 MT/per annum to 40,000 MT/per annum, with fully automatic filling line and robotic palletisation system, has been completed in September, 2012. After the entire expansion is complete, the capacity of the water based paint will be 78,000 MT/per annum.

Work on expansion of the water based paint plant at Goa from 28,000 MT/per annum to 40,000 MT/per annum has also been completed. Based on demand, this can be further taken up to 78,000 MT/per annum.

Resin manufacturing capacity at Goa is being increased by 6,000 MT/per annum. Storage facilities of the plant are being simultaneously enhanced.

The Company is setting up a powder coating plant at Jejuri in Pune, Maharashtra with an initial capacity of 1,800 MT/per annum. This will be commissioned during the year. This can be enhanced to 3,600 MT/per annum in the future.

OPPORTUNITIES AND THREATS

It is expected that the economic growth will improve to 6.1% in the next financial year, from a decade low of about 5% in 2012-13, on the back of reform measures announced in 2012-13. It is true that the Indian economy has somewhat slowed down because of global and domestic headwinds, but as mentioned earlier in this Report, there are signs of recovery. The Company expects this to be most pronounced in case of liquidity, helped by lower inflation and interest rates. According to a recent report of the technical group on urban housing shortage in 2012, there was a gap of 18.78 million units. The proportion of rural housing shortage would be even more. The Government is bound to take steps to bridge this gap. On top of that, there is the urge for better looking homes driven primarily by increased education and availability of information and then, by rising incomes. Your Company has already been availing of this opportunity through various business development activities, educating and coordinating with all the stakeholders in the business including developers, architects and applicators, putting in place systems and applications which facilitate the flow of information and materials, making available a seamless country-wide distribution network and strengthening it through well stocked centres and by providing good logistical support.

The Company does not believe the downswing in the industry and infrastructure to last long. It is reported that in the 12th Five year plan, ₹ 52 lakh crores has been committed to infrastructure and construction industries with seven and half lakh crores going in the first year increasing to seventeen and a half by the fifth. The Government also expects these industries to grow to around ₹ 35,000 crores by the second part of this five year plan. The paint industry and particularly, the protective coatings business, will obviously be a beneficiary of this growth.

The prospects of the Indian paint industry may draw foreign competitors from around the world. This may increase competition. Globally, substitutes such as wallpapers, wall paneling and pre-coated structures for pre-fabricated buildings are preferred by some for architectural use instead of regular paints. However, their use is not significant in India.

RISKS AND CONCERNS

The biggest slice of the total costs of any paint industry is composed of raw materials prices. In case of the Company, these are largely dependent on global commodity prices, their demand and availability and prices of crude which impact the costs of solvent, plastics and quite a few other chemicals. Any adverse fluctuation in these prices may affect the profitability of the Company. In the year 2012-13 and earlier, the paint industry had to bear the brunt of higher landed costs of raw materials in spite of lower basic prices in some cases, because of higher Rupee : Dollar exchange rates. Unabated fall in Rupee value, unless addressed quickly, will affect the industry.

The current indirect tax system in India, which creates an impediment for supply chain and distribution, has emerged as a key action area for the Government. In this regard, the Company hopes that the Government will implement the two-layer GST soon to

simplify the current value-added-tax (VAT) system.

At the time of this writing, an international rating agency has refused to upgrade the country's credit rating – on account of fiscal deficit and Government borrowing – in spite of the recent reform measures. The country's demographic profile, foreign exchange reserves and the continued investment by international institutional investors give a different picture and your Company believes that steps will be taken to correct the current account deficit and bring the infrastructure sector back to the path of progress to restore better ratings and improve exchange rates.

Availability of talent with right skill set will be a key concern for the industries. In the paint industry, this also extends to availability of trained consultants and applicators since much of the success of painting a wall depends on right application techniques.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well established internal control system, commensurate with its size and spread, with defined guidelines on compliance. This helps the Company to operate its factories, offices and depots with a reasonable degree of comfort. The system incorporates continuous monitoring, routine reporting, checks and balances, purchase policies, authorization and delegation procedures, audits including compliance audits and system reviews, which are periodically reviewed by the Audit Committee. The Internal Audit Department maintains a regular surveillance over the entire operations. The Head of Internal Audit Department is present throughout all the Audit Committee meetings and places his reports at every meeting.

The Audit Committee met 6 times during the year under review, extensively covering operational matters in addition to statutory and governance related matters. There is a Risk Assessment and Minimization Committee dealing with risks faced by the Company and providing specific recommendations.

EMPLOYEE STOCK OPTION SCHEME

Your Company had framed an Employee Stock Option Scheme (ESOP Scheme) for its employees and its Directors. The Board had formulated the ESOP Scheme in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the shareholders had approved the said scheme at the Annual General Meeting held on 29th July, 2010 to issue shares not exceeding 5% of the paid up capital of the Company as on 31st March, 2010. In practice, ESOP is granted to employees and wholtime Directors. Pursuant to the aforesaid scheme, the Compensation Committee of the Board of Directors at its meeting held on 1st August, 2012 has approved grant of 1,91,397 options (2011-12 : 1,88,064 options and 2010-11 : 2,88,750 options) convertible into equity shares to 105 employees including grant of 5,001 options each to Mr. Abhijit Roy, Managing Director and Mr. Srijit Dasgupta, Director and Chief Financial Officer. During the year 2012-13, 1,36,684 equity shares were allotted to 106 employees on their exercising the options. This includes allotment of 4,000 equity shares to Mr. Abhijit Roy, Managing Director and 4,000 equity shares to Mr. Srijit Dasgupta, Director and Chief Financial Officer.

The information required to be disclosed in terms of the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is enclosed as per Annexure 'A' to this report.

HUMAN RESOURCES

The number of people employed as on 31st March, 2013 was 2,464. The Industrial Relations were satisfactory during the year.

Your Company recognises the fact that talent and skills are increasingly becoming scarce and it requires considerable effort to identify, engage and retain such talents. Your Company is paying increasing attention to these aspects and also to training. Per employee training hours in the year was 15. The Company recognises the fact that salary alone is not the criteria for satisfaction of deserving employees and offers a participative work environment and an open culture. The attrition rate in the Company was much lower than the national average. During the year, the Company implemented the Human Resources Management Systems (HRMS), which is commensurate with the size of its operations and should facilitate processes to a great degree.

Your Company continues to place highest importance to environment, occupational health and safety. The Risk Assessment and Minimization Committee of your Company monitors the situation obtaining in the Company and makes recommendations, which are implemented.

Your Company wishes to put on record its deep appreciation, co-operation and efforts of all employees for the betterment of the organization.



CORPORATE SOCIAL RESPONSIBILITY

The Company is a multi-locational and multi-cultural company having plants and branches all over India. The Company is committed to discharging its obligations to its stakeholders. The Company believes that operating with accountability and transparency all over India and elsewhere in the globe, respecting the customs, practices and laws, providing honest means of livelihood to people and adding to wealth of nations, are by themselves self-fulfilling.

As part of the Company's social responsibilities, following are few of the activities carried out during the year:

- Child sponsorship programmes
- Education materials for schools
- Renovation and painting of schools in the vicinity of our presence
- Supporting children with special needs
- Organizing Health Camps
- Assistance to the aged
- Developing areas around the manufacturing sites/offices in the form of upkeep of roads, parks, water pumps, tube wells, etc.
- Celebration of Environment Day
- Plantation of saplings and gifting plants to local communities
- Spreading awareness of a greener environment through schools and educational institutions
- Organization and participation of awareness programmes at the adjacent areas/vicinity of the manufacturing locations
- Supporting seminars, research work in regard to environment.

DIVIDEND

Your Directors recommend a dividend of ₹ 1.80 per share i.e. @ 90% for the year under review. This, if approved, will absorb an amount of ₹ 62.33 crores (compared to ₹ 48.46 crores in the previous year), net of Dividend Distribution Tax, and will be paid to those Members whose names appear in the Register of Members as on the conclusion of the book closure on 2nd August, 2013.

In terms of the provisions of Section 205C of the Companies Act, 1956, your Company transferred an amount of ₹ 39,15,543 to the Investor Education and Protection Fund, in respect of final and interim dividend amounts lying unclaimed / unpaid for more than seven years from the date they became due i.e., for the year ended 31st March, 2005 and 31st March, 2006 respectively.

ACQUISITION OF SHERWIN WILLIAMS PAINTS INDIA PRIVATE LIMITED

Your Company acquired the architectural operations of Sherwin Williams Paints India Private Limited, through Brushworks Paints Limited, with effect from the close of business hours on 31st March, 2013. Beepee Coatings Private Limited, a 100% subsidiary of your Company, holds 99.90% of the paid up capital of Brushworks Paints Limited. Thus, Brushworks Paints Limited is a subsidiary of the Company. This transaction significantly increases the Company's presence in key markets and builds on the Company's strategy to grow its architectural paint business throughout India. It brings a high quality, committed team of employees to the Berger Paints family, a 24,000 MTPA paints plant at Taloja in Maharashtra and relevant brands. The integration process with the erstwhile architectural paints business of Sherwin Williams Paints India Private Limited was carried out at a fast pace and Mr. Jairaj Hegde, who was in charge of that company earlier, continues to be the CEO of Brushworks Paints Limited.

SUBSIDIARY AND JOINT VENTURES

Your Company has the following 4 wholly-owned subsidiaries :- (i) Beepee Coatings Private Limited ("Beepee Coatings") in Gujarat; (ii) Berger Jenson & Nicholson (Nepal) Private Limited ("BJN") in Nepal; (iii) Berger Paints (Cyprus) Limited ("Berger Cyprus") in Cyprus; (iv) Lusako Trading Limited ("Lusako Trading") in Cyprus.

The following companies are wholly-owned subsidiaries of the Company's above named subsidiaries:- (i) Brushworks Paints Limited – wholly-owned subsidiary of Beepee Coatings; (ii) Bolix S.A., Poland – wholly-owned subsidiary of Lusako Trading; (iii) Berger Paints Overseas Limited ("BPOL"), Russia - wholly-owned subsidiary of Berger Cyprus. Build Trade sp z.o.o., Poland and Bolix Ukraine Limited Liability, Ukraine are two subsidiaries of Bolix S.A.

The statement relating to the above companies as specified in Sub-section (3) of Section 212 of the Companies Act, 1956 is attached to the Report and Accounts of the Company.

The Ministry of Corporate Affairs vide General Circular No. 2/2011, dated 8th February, 2011 has granted general exemption to companies from seeking approval of Central Government under Section 212 of the Companies Act, 1956 from annexing to this Report, the Annual Reports of the subsidiaries subject to compliance of certain conditions specified therein. Hence, the Annual Reports of the subsidiary companies have not been annexed herewith. The Consolidated Financial Statement includes the results of these subsidiary companies duly audited by their respective statutory auditors. Annual Accounts of the subsidiary companies and related detailed other information shall be made available to the members seeking such information and shall also be kept open for inspection at the Head Office of the Company by any investor during working hours.

Results of BJN-Nepal, a wholly-owned subsidiary of the Company, were encouraging and the Company, with two factories and a distribution network, continues to flourish. During the year under review, BJN-Nepal achieved a turnover of ₹ 66.15 crores and net profit of ₹ 9.45 crores.

There was improvement in margin for Bolix S.A. though the sales remained somewhat flat. This was a conscious step to shore up profitability once the market share was strengthened in the previous year. The net profit posted by Bolix S.A. during the year was ₹ 3.85 crores.

The performance of Beepee Coatings, a wholly owned subsidiary with its entire manufacturing facilities dedicated to processing the Company's products, was satisfactory. The new emulsion plant has stabilised. The company posted a net profit of ₹ 0.26 crores.

Berger Cyprus is a special purpose vehicle for the purpose of making investments in your Company's interests abroad. So is Lusako Trading. These companies are not affected by recent banking related problems in Cyprus.

The actions to correct the performance of Berger Paints Overseas Limited (BPOL) in Russia have commenced and this Company (i.e., Berger Paints India Limited) is now exporting paints to BPOL for sale in Russia.

Berger Becker Coatings Private Limited, the Company's joint venture with Becker Industriefarg, Sweden, posted a net profit of ₹ 8.03 crores (in consolidated accounts, 48.98% of the same is considered).

BNB Coatings India Limited (BNB), the Company's joint venture with Nippon Bee Chemicals Co. Ltd. of Japan (NBC) for manufacture of coatings for plastic substrates performed well and posted a net profit of ₹ 1.31 crores during the year (in consolidated accounts, 49% of the same is considered).

INCREASE OF PUBLIC SHAREHOLDING

Pursuant to the directives of the Securities and Exchange Board of India (SEBI), members of the promoter group of your Company sold an aggregate of 18,72,222 shares through the Offer For Sale (OFS) method prescribed by SEBI. As a result of this sale of shares by promoters, public shareholding of the Company has come up to 25%.

CONSOLIDATED FINANCIAL STATEMENTS

The duly audited Consolidated Financial Statements as required under the Accounting Standards 21 and 27 and provisions of Clause 32 of the Listing Agreements has 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 2012-13.

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 provisions of Clause 49 of the Listing Agreements (Annexures I & II).

During the year under review, your Company has voluntarily carried out a Secretarial Audit. The Secretarial Audit Report forms a part of the Annual Report.



Also, the Company has voluntarily adopted the Secretarial Standards 1 to 8 and 10 published by the Institute of Company Secretaries of India, as far as may be practicable, in the best interest of the Company, its members and the stakeholders. The Company has also carried out a voluntary audit of the adoption of the Secretarial Standards and such audit report forms a part of the Annual Report.

TECHNICAL LICENSE AGREEMENT

Your Company has a Technical License Agreement with DuPont Performance Coatings in the area of Automotive Coatings. Products manufactured with the know-how of the collaborators have been well received by the concerned customers.

FOREIGN EXCHANGE

Your Company earned foreign exchange of ₹ 4.24 crores from export of goods and consultancy fees/royalty. Details of Foreign Exchange outgo and earnings appear in note 36 and 39 of the Accounts for the year under review.

FIXED DEPOSIT

There is no outstanding public deposit in the Company as on 31st March, 2013, except those lying unclaimed. The Company had earlier discontinued acceptance of fresh deposits and renewal of deposits.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 (“the Act”)

A. Conservation of Energy & Technology Absorption

Information pursuant to Section 217(1)(e) of the Act, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors’ Report for the financial year ended 31st March, 2013 are given in Annexure III to the Report.

B. Particulars of Employees

In terms of the provisions of Section 217(2A) of the Act and the Companies (Particulars of Employees) Rules, 1975, particulars of a certain category of employees have been set out in Annexure IV of this report.

C. Directors’ Responsibility Statement

Your Directors wish to inform that the Audited Accounts containing Financial Statements for the financial year ended 31st March, 2013 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.

DIRECTORS

Mr. Abhijit Roy was appointed as the Managing Director of the Company for a period of 5 years with effect from 1st July, 2012 at the last Annual General Meeting, as approved by the Members at the Annual General Meeting held on 2nd August, 2012.

The term of appointment of Mr. Subir Bose (“Mr. Bose”) as Managing Director expired on 30th June, 2012. Thereafter, he was appointed Director of the Company.

Pursuant to Article 112 of the Articles of Association of the Company, Mr. Kamal Ranjan Das and Mr. Pulak Chandan Prasad retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Kamal Ranjan Das is a science graduate with honours. He joined the Company in 1975 and then after 20 years of service, retired in 1994 as Executive Director. He is a management consultant. Mr. Das holds 33,312 equity shares of the Company. He has a long standing experience in the paint industry. He is on the Board of various other companies.

Mr. Pulak Chandan Prasad has been the Director of the Company since 2009. Mr. Prasad is a B.Tech from IIT and an IIM Ahmedabad alumnus. He is Director of Nalanda Capital Pte Ltd. (Singapore), Bharti Airtel and some other companies.

RELATED PARTY TRANSACTION

A statement of related party transactions pursuant to Accounting Standard 18 forms a part of this Annual Report.

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 Howrah, Rishra and Goa factories of the Company 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 its British Paints Division having their factories at Jammu, Surajpur and Sikandrabad under Section 233B of the Companies Act, 1956, subject to the approval of the Central Government for the year 2013-14. For the Puducherry factory of the Company, the Board of Directors had earlier appointed Mr. Gopalakrishnan, 12 Third Street, Jeyanagar, Reddiar Palayam, Puducherry – 605010 but due to his bad health, he had expressed his incapability to perform the audit, and accordingly, the Board has appointed M/s N. Radhakrishnan & Co. for conducting cost audit for its Puducherry factory for the years 2012-13 and 2013-14. The due date for filing Cost Auditors' report for the year 2011-12 was 30th September, 2012 which was extended upto 28th February, 2013 by the Ministry of Corporate Affairs(MCA). The said reports for the year 2011-12 were filed on 12th March, 2013.

The Cost Auditors' Reports for the year 2012-13 will be filed as per applicable rules.

STATUTORY AUDITORS

The Statutory Auditors, Messrs Lovelock & Lewes, retire at the conclusion of the ensuing Annual General Meeting and being eligible under Section 224 (1B) of the Act, offer themselves for re-appointment.

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.

Kolkata
Dated: 30th May, 2013

On behalf of the Board of Directors
Kuldip Singh Dhingra
Chairman



Annexure - A

DISCLOSURE REGARDING EMPLOYEE STOCK OPTION PLAN PURSUANT TO THE SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999 as on 31st March, 2013

| | | |
|-------|--|--|
| (A) | Number of Stock Options as on 01.04.2012 | 2,02,350 (ESOP Grant I) granted on 01.08.2010; 1,81,062 (ESOP Grant II) granted on 01.08.2011; |
| (B) | Options granted during the F.Y. 2012-13 | 1,91,397 (ESOP Grant III) granted on 01.08.2012 |
| (C) | Pricing formula | Use of Intrinsic Value [Exercise price for all the three Grants @ ₹ 2 each (Face Value)] |
| (D) | Number of Options vested during the F.Y. 2012-13 | 99,550 (Out of ESOP Grant I) 62,668 (Out of ESOP Grant II) 1,62,218 |
| (E) | Number of Options exercised during the F.Y. 2012-13 | 83,500 (Out of ESOP Grant I) 53,184 (Out of ESOP Grant II) 1,36,684 |
| (F) | The total number of shares arising as a result of exercise of options | 83,500 (Out of ESOP Grant I) 53,184 (Out of ESOP Grant II) 1,36,684 |
| (G) | Number of Options lapsed during the F.Y. 2012-13 | 12,166 (Out of Grant I) 9,004 (Out of Grant II) 5,838 (Out of Grant III) 27,008 |
| (H) | Variation of terms of option | None during the year |
| (I) | Money realized by exercise of options (in ₹) | 2,73,368 |
| (J) | Total number of options in force | 1,06,684 (Out of Grant I) 1,18,874 (Out of Grant II) 1,85,559 (Out of Grant III) 4,11,117 |
| (K) | Employee wise details of options granted to :- | |
| (i) | Senior Management Personnel | Designation |
| (a) | Mr. Abhijit Roy | Managing Director |
| (b) | Mr. Srijit Dasgupta | Director & Chief Financial Officer |
| (c) | Mr. Aniruddha Sen | Sr. Vice President & Company Secretary |
| (ii) | 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 |
| (iii) | 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 |

| | |
|---|--|
| (L) Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20 – ‘Earnings per share’ | ₹ 6.07 |
| (M) The Company has used intrinsic value method for calculating the employee compensation cost with respect to the stock options. The intrinsic value for each ESOP works out to ₹ 72.40 for options granted on 01.08.2010, ₹ 106.75 for options granted on 01.08.2011 and ₹ 137.45 for options granted on 01.08.2012. The fair value as on 31 st March, 2013 of each ESOP is determined as follows-a) ₹ 192.94 for options granted on 01.08.2010; b) ₹ 191.99 for options granted on 01.08.2011 and c) ₹ 190.39 for options granted on 01.08.2012. Had the employee compensation cost for the ESOP been determined in a manner consistent with the fair value approach, the stock option compensation expense would have been higher by ₹ 3.28 Crs. Consequently, profit after tax would have been lower by ₹ 3.28 Crs and the Basic EPS of the Company would have been ₹ 5.98 per share (lower by ₹ 0.10 per share). | |
| (N) Weighted average exercise price of the options granted during the year | ₹ 2/- |
| (O) Weighted average fair value of the options granted during the year | ₹ 192.94/- Grant - I ₹ 191.99/- Grant - II ₹ 190.39/- Grant - III |
| (P) 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) risk free interest rate | 7.78 % |
| (ii) expected life | 3.50 years |
| (iii) expected volatility | 24.08 % |
| (iv) expected dividend yield | 0.56 % |
| (v) the price of the underlying share in market at the time of option grant | ₹ 77.80 (Grant - I) 30.07.2010 ₹ 108.75 (Grant - II) 29.07.2011 ₹ 138.70 (Grant - III) 31.07.2012 |
| (vi) Time Maturity as at 31 st March, 2013 | Grant - I - 0.33 Yrs. Grant - II - 1.33 Yrs. Grant - III - 3 Yrs. |



ANNEXURE - I CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31st MARCH, 2013

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 the land and contributing, as a responsible corporate citizen, to the national exchequers.

I. COMPANY'S PHILOSOPHY

Your Company believes in professionalism of management, transparency and sound business ethics. It encourages wide participation from all stakeholders.

II. BOARD OF DIRECTORS

The Board comprises 10 Directors, out of which, 2 are Executive Directors, 2 are Non-executive Promoter Directors, 5 are Non-executive Independent Directors and 1, Non-executive Non-Independent Director. The Board has also appointed 2 Alternate Directors who are in whole-time employment in the Company.

The names of the Directors and their Directorships in other companies are mentioned hereunder.

The Chairman of the Board is a Non-executive Promoter Director. He is entitled to maintain an office in accordance with Clause (1) of Annexure ID of Clause 49 of the Listing Agreement. The Company also reimburses expenses incurred by the Chairman in course of performance of his duties.

The Company thinks that fixing tenures for Independent Directors is not in any way beneficial in the interest of the Company and hence, it has not fixed any such tenure for its Independent Directors.

The names and category of Directors on the Board, the number of Directorships and Committee Memberships held by them in other companies are given below:-

| Name of Director | Position | Directorship in other companies incorporated in India* | Membership / Chairmanship across all other companies in which the person is a director |
|-------------------------------|---|--|--|
| Mr. Kuldeep Singh Dhingra # | Non-executive Chairman / Promoter | 46 | Nil |
| Mr. Gurbachan Singh Dhingra # | Non-executive Vice Chairman / Promoter | 33 | 1 (Chairman – Audit Committee) |
| Mr. Abhijit Roy | Managing Director | 3 | Nil |
| Mr. Srijit Dasgupta | Director & Chief Financial Officer | 2 | Nil |
| Mr. Gerald Kenneth Adams | Non-executive / Independent | Nil | Nil |
| Mr. Anil Bhalla | Non-executive / Independent | 4 | Nil |
| Mr. Subir Bose | Non-executive Director / Non-Independent | 2 | Nil |
| Mr. Gurcharan Das | Non-executive / Independent | 6 | Nil |
| Mr. Kamal Ranjan Das | Non-executive / Independent | 2 | Nil |
| Mr. Pulak Chandan Prasad | Non-executive / Independent | 2 | 1 (Member – Audit Committee) |
| Mrs. Rishma Kaur† | Alternate Director to Mr. Kuldeep Singh Dhingra | 2 | Nil |
| Mr. Kanwardip Singh Dhingra† | Alternate Director to Mr. Gurbachan Singh Dhingra | 2 | Nil |

* Includes directorship in Private Companies also but does not include body corporate incorporated outside India.

Mr. Kuldeep Singh Dhingra and Mr. Gurbachan Singh Dhingra are brothers.

† Mrs. Rishma Kaur is the daughter of Mr. Kuldeep Singh Dhingra and Mr. Kanwardip Singh Dhingra is the son of Mr. Gurbachan Singh Dhingra.

The number of Board Meetings and the attendance of Directors as well as their attendance at the last AGM during the financial year 2012-13 are as mentioned below :-

| Name of Director | No. of Meetings Attended | Attendance at the last AGM held on 2 nd August, 2012 |
|-----------------------------|--------------------------|---|
| Mr. Kuldip Singh Dhingra | 5 | ✓ |
| Mr. Gurbachan Singh Dhingra | 5* | ✓ |
| Mr. Abhijit Roy | 6 | ✓ |
| Mr. Srijit Dasgupta | 6 | ✓ |
| Mr. Gerald Kenneth Adams | 5 | ✓ |
| Mr. Anil Bhalla | 4 | ✓ |
| Mr. Subir Bose | 5 | X |
| Mr. Gurcharan Das | 4 | ✓ |
| Mr. Kamal Ranjan Das | 5 | X |
| Mr. Pulak Chandan Prasad | 4 | ✓ |

* Including one meeting attended by Mr. Kanwardip Singh Dhingra as Alternate Director to Mr. Gurbachan Singh Dhingra.

Mrs. Rishma Kaur did not attend any Board meeting as Alternate Director. She attended the Annual General Meeting as a shareholder. Mr. Kanwardip Singh Dhingra attended one Board meeting as Alternate Director and was also present at the Annual General Meeting as a shareholder.

Six Board Meetings were held during the year 2012-13 and the gap between two meetings did not exceed four months.

The dates on which the Board Meetings were held are as follows:

1. April 13 and 14, 2012
2. May 30, 2012
3. August 2, 2012
4. November 2, 2012
5. February 2, 2013
6. March 8, 2013.

Other than the Executive Directors, all Directors attending meetings of the Board are entitled to a sitting fee of ₹ 2,000/- for every meeting attended by them.

Necessary quorum was present at all these meetings.

Compensation paid / payable to Non-executive Directors is given in Clause IX (B) (c) of the report.

The minutes of the subsidiary companies are placed before the Board, except in case of Berger Paints Overseas Limited, Russia, where such minutes are not required as per laws of the land.

III. COMMITTEE OF DIRECTORS

A. AUDIT COMMITTEE

The terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement, as amended, as well as in Section 292A of the Companies Act, 1956.

The responsibilities of the Audit Committee include, inter-alia, 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 external auditors, reviewing the Company's financial and risk management policies and looking into reasons for substantial defaults, if any, of non-payment to stakeholders.

The composition of the Audit Committee as on 31st March, 2013 was as follows:

Mr. Anil Bhalla – Chairman

Mr. Kamal Ranjan Das

Mr. Gerald Kenneth Adams

Mr. Gurbachan Singh Dhingra

Mr. Aniruddha Sen – Secretary.

Managing Director, Director & Chief Financial Officer and Mr. Subir Bose, Director are also usually present in Audit Committee meetings as invitees. Chief Internal Auditor attends all Audit Committee meetings.

Number of meetings of the above Committee and the attendance of Directors during the financial year 2012-13 were as follows:

| Name of Director | Status | No. of Meetings attended |
|-----------------------------|----------|--------------------------|
| Mr. Anil Bhalla | Chairman | 5 |
| Mr. Kamal Ranjan Das | Member | 5 |
| Mr. Gurbachan Singh Dhingra | Member | 5 |
| Mr. Gerald Kenneth Adams | Member | 4 |

Six Audit Committee Meetings were held during the year 2012-13 and the dates on which the Audit Committee Meetings were held are as follows:

1. May 30, 2012
2. August 2, 2012
3. October 13, 2012
4. November 2, 2012
5. January 4, 2013
6. February 2, 2013.

The quorum of two independent directors as required by the Listing Agreement, was present in all Audit Committee meetings held during the year.

All Directors attending meetings of the Audit Committee are entitled to a sitting fee of ₹ 2,000 for every meeting attended by them.

B. REMUNERATION COMMITTEE

The Company has not set up any Remuneration Committee in particular since currently the remuneration packages for the Executive Directors are being determined by the Compensation Committee. The Company has currently only two Executive Directors (including the Managing Director but excluding the Alternate Directors in wholetime employment) and all other Directors are Non-executive Directors who receive the following:-

1. Commission, which does not exceed one percent of the net profit of the Company for the financial year subject to maximum of ₹ 1 Crore distributed among them in accordance with resolution adopted by the Members at the Annual General Meeting held on 2nd August, 2012.
2. Sitting fees for attending Board and Committee meetings.

The Non-Executive Directors do not receive any other fee or remuneration.

The Company has however set up a Selection Committee on 29th October, 2009 for appointment of certain category of senior personnel.

C. **COMPENSATION COMMITTEE**

The Company has constituted a Compensation Committee pursuant to Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The said committee administers the Employee Stock Option Plan (ESOP) and determines remuneration of Executive Directors, subject to limits prescribed by members and Board of Directors.

The composition of the Compensation Committee as on 31st March, 2013 was as follows:

1. Mr. Anil Bhalla (Chairman)
2. Mr. Kamal Ranjan Das
3. Mr. Kuldeep Singh Dhingra.

Number of meetings of the above Committee and the attendance of Directors during the financial year 2012-13 were as follows :

| Name of Director | Status | No. of Meetings attended |
|---------------------------|----------|--------------------------|
| Mr. Anil Bhalla | Chairman | 3 |
| Mr. Kamal Ranjan Das | Member | 1 |
| Mr. Kuldeep Singh Dhingra | Member | 3 |

Three Compensation Committee Meetings were held during the year 2012-13 and the dates on which the Compensation Committee Meetings were held are as follows:

1. April 13, 2012
2. August 1, 2012
3. September 12, 2012.

The Company has framed an Employee Stock Option Plan for the purpose of issuing equity shares of the Company to certain category of employees and Directors, pursuant to Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The aforesaid scheme was approved by the Board of Directors at its meeting held on 18th June, 2010 and subsequently was approved by the shareholders at the Annual General Meeting held on 29th July, 2010. Pursuant to the said scheme, the Compensation Committee, at its meeting held on 1st August, 2012, had approved grant of 1,91,397 options convertible into equity shares to 105 employees including grant of 5,001 options each to Mr. Abhijit Roy and Mr. Srijit Dasgupta, Executive Directors. One third of the options granted to the employees on 1st August, 2012 will vest upon them on 1st August, 2013, 2014 and 2015 each year which they are entitled to exercise on or after the said dates as per the ESOP scheme.

The Compensation Committee had further approved grant of 27,150 options on 11th February, 2011 to Mr. Subir Bose and one employee out of which, 23,400 options were granted to Mr. Subir Bose who was the Managing Director till 30th June, 2012. Of the said options, Mr. Bose has exercised 7,800 numbers on 24th February, 2012 being one-third of the total grant. The remaining options have lapsed upon his retirement on 30th June, 2012.

All Directors attending meetings of the Compensation Committee are entitled to a sitting fee of ₹ 2,000 for every meeting attended by them.

Necessary quorum was present at all the Compensation Committee meetings.

D. SHAREHOLDERS' COMMITTEES

- The Composition of the Shareholders' Committees are as follows:

(a) Share Transfer Committee

Mr. Abhijit Roy (Appointed Chairman effective 1st July, 2012)

Mr. Subir Bose (Chairman upto 30th June, 2012)

Mr. Kamal Ranjan Das

Mr. Aniruddha Sen – Secretary

(b) Investors' Grievance Committee

Mr. Anil Bhalla

Mr. Abhijit Roy (effective 1st July, 2012)

Mr. Subir Bose (upto 30th June, 2012)

Mr. Kamal Ranjan Das

Mr. Aniruddha Sen – Secretary

- Number of meetings of the above Committees and the attendance of Directors during the financial year 2012-13 were as follows: -

a) SHARE TRANSFER COMMITTEE MEETING

| Name of Director | Status | No. of Meetings Attended |
|----------------------|---|--------------------------|
| Mr. Abhijit Roy | Appointed Chairman effective 1 st July, 2012 | 25 |
| Mr. Subir Bose | Member (Chairman) upto 30 th June, 2012 | 5 |
| Mr. Kamal Ranjan Das | Member | 8 |

Thirty Share Transfer Committee meetings were held during the year 2012-13.

b) INVESTORS' GRIEVANCE COMMITTEE MEETING (held every quarter)

| Name of Director | Status | No. of Meetings Attended |
|----------------------|----------|--------------------------|
| Mr. Anil Bhalla | Chairman | 3 |
| Mr. Abhijit Roy | Member | 3 |
| Mr. Subir Bose | Member* | 1 |
| Mr. Kamal Ranjan Das | Member | 3 |

* Upto 30th June, 2012

Four Investors' Grievance Committee meetings were held during the year 2012-13 and the dates on which such meetings were held are as follows:

- April 14, 2012
- August 2, 2012
- November 2, 2012
- February 2, 2013.

All Directors, other than the Managing Director, attending meetings of the Share Transfer Committee and Investors' Grievance Committee are entitled to a sitting fee of ₹ 2,000/- for every meeting attended by them.

Necessary quorum was present at all these meetings.

3. Shareholder complaints received during the year (2012-13) :

| | | |
|---|---|-----|
| Number of complaints received | : | 5 |
| Number of complaints attended to | : | 5 |
| Number of pending complaints as at 31 st March, 2013 | : | Nil |

IV. GENERAL BODY MEETINGS

Date, Time and Venue of the last three Annual General Meetings

| F.Y. ended | Date | Time | Venue | If Special Resolution Passed |
|----------------|----------|---------|---|------------------------------|
| March 31, 2010 | 29.07.10 | 11 a.m. | Kalamandir, 48, Shakespeare Sarani, Kolkata – 700 017 | Yes |
| March 31, 2011 | 02.08.11 | 11 a.m. | - DO - | No |
| March 31, 2012 | 02.08.12 | 11 a.m. | - DO - | Yes |

Postal Ballot:

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

V. DISCLOSURES

- The Company has not entered into any materially significant related party transaction that may have potential conflict with the interest of the Company at large.
- The Company has complied with all the requirements of the Listing Agreements entered into with the Stock Exchanges and SEBI Regulations and Guidelines. No penalties were imposed or strictures were passed against the Company with regard to the capital market.
- The Company does not have a formal whistle blower policy. However, no person has been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and complied with the following non-mandatory requirement:

The Non-executive Chairman is entitled to maintain a Chairman's office and allowed reimbursement of expenses incurred in performance of his duties.

VI. MEANS OF COMMUNICATION

The quarterly and half-yearly financial results of the Company are published in leading English and vernacular dailies such as the Mint, Sakalbela, Ekdin, Hindu Business Line and Pratyahik. Such results are also uploaded by the Company in its website: <http://www.bergerpaints.com>.

Other important announcements are also published by the Company in leading English and Bengali dailies.

No individual information to the shareholders is given since all the information are published in leading newspapers and are also put up on the Company's website.

VII. CODE OF CONDUCT

The Company has an approved Code of Conduct applicable to Directors and employees. A certificate of affirmation in this regard is appended.

VIII. NUMBER OF SHARES / CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS

The Company does not have any convertible instrument. Number of shares held by Non-executive Directors is given below :-

| Name of the Non-executive Director | Number of shares held |
|------------------------------------|-----------------------|
| Mr. Kuldip Singh Dhingra | 1,07,385* |
| Mr. Gurbachan Singh Dhingra | 8,64,960 |
| Mr. Anil Bhalla | 55,200 |
| Mr. Subir Bose | 7,800 |
| Mr. Kamal Ranjan Das | 33,312 |
| Mr. Gurcharan Das | — |
| Mr. Gerald Kenneth Adams | — |
| Mr. Pulak Chandan Prasad | — |

*Number of Shares held by Mr. Kuldip Singh Dhingra came down from 8,64,000 to 1,07,385 after sale of shares through Offer For Sale (OFS) method pursuant to SEBI direction to increase public shareholding to 25%.

IX. REMUNERATION POLICY AND REMUNERATION TO DIRECTORS

(A) Executive Directors

The remuneration paid to Mr. Abhijit Roy, Managing Director has been approved by the Shareholders of the Company and is subject to the limits laid down under Sections 198 and 309 and Schedule XIII to the Companies Act, 1956.

The remuneration includes salary, allowances, commission, medical reimbursement, leave travel allowances, club fees, personal accident insurance, provision of car and telephone and encashment of leave at the end of tenure, grant of ESOPs and the Company's contribution towards provident fund, superannuation fund and gratuity fund. The Company had entered into an agreement with the Managing Director to this effect. The agreement took effect from 1st July, 2012 and is valid up to 30th June, 2017. The agreement may terminate on occurrence of certain events specified therein.

Mr. Srijit Dasgupta (Mr. Dasgupta), Executive Director, is entitled to receive remuneration as recommended by the Compensation Committee which had been approved by the Board of Directors and the Members earlier. The remuneration of Mr. Dasgupta includes salary, allowances, commission, medical reimbursement, leave travel allowance, club fees, personal accident insurance, provision of car and telephone and encashment of leave at the end of tenure, grant of ESOPs and the Company's contribution towards provident fund, superannuation fund and gratuity fund. The Company had entered into an agreement with Mr. Dasgupta to this effect. The agreement with Mr. Dasgupta is effective 11th February, 2011 and is valid for five years. The agreement may terminate on occurrence of certain events specified therein.

The remuneration paid to Mr. Subir Bose, the Managing Director for the period 1st April, 2012 to 30th June, 2012, had been approved by the shareholders of the Company earlier and was subject to the limits laid down under sections 198 and 309 and Schedule XIII to the Companies Act, 1956.

The Company has also appointed wholtime employees of the Company viz., Mrs. Rishma Kaur as Alternate Director to Mr. Kuldip Singh Dhingra, Chairman and Mr. Kanwardip Singh Dhingra as Alternate Director to Mr. Gurbachan Singh Dhingra, Vice-Chairman on terms and conditions duly approved by the Members.

The remuneration paid to Alternate Directors in whole time employment includes salary, annual performance bonus, perquisites including allowances, medical reimbursement, leave travel allowance, encashment of leave at the end of tenure and the Company's contribution towards provident fund and gratuity fund.

The Managing Director and Executive Directors are not paid sitting fees for attending the meetings of the Board of Directors or committees thereof.

(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 maximum of ₹ 1 crore every year, distributed among them based on time devoted, advice rendered and expertise lent to the Company.

(a) Executive Director (Managing Director *):

Fixed Components

| | |
|---|-------------|
| Salary | ₹ 47,10,000 |
| Company's contribution to Provident, Gratuity and Superannuation Fund | 7,69,500 |
| Allowances and estimated benefits in kind | 13,76,928 |

Variable Component

| | |
|------------|-----------|
| Commission | 14,25,000 |
|------------|-----------|

Total

₹ 82,81,428

(b) Executive Director (Others):

(1) Director and Chief Financial Officer

Fixed Components

| | |
|---|-----------|
| Salary | 43,38,750 |
| Company's contribution to Provident, Gratuity and Superannuation Fund | 6,12,765 |
| Allowances and estimated benefits in kind | 11,48,300 |

Variable Component

| | |
|------------|-----------|
| Commission | 11,34,750 |
|------------|-----------|

Total

₹ 72,34,565

(2) Mr. Subir Bose (Managing Director for the period 01.04.2012-30.06.2012)

Fixed Components

| | |
|---|-----------|
| Salary | 12,74,130 |
| Company's contribution to Provident, Gratuity and Superannuation Fund | 3,44,015 |
| Allowances and estimated benefits in kind | 13,55,039 |

Variable Component

| | |
|------------|----------|
| Commission | 6,37,065 |
|------------|----------|

Total

₹ 36,10,249

(c) Non-executive Directors

(Commission only – Total)

₹ 81,50,000

* Comprises remuneration received by Mr. Abhijit Roy as Director & Chief Operating Officer for the period 1st April, 2012 to 30th June, 2012 and as Managing Director for the period commencing from 1st July, 2012 to 31st March, 2013.

Note: The above schedule of Executive Directors does not include Alternate Directors in whole time employment.

Kolkata

Dated : 30th May, 2013

On behalf of the Board of Directors

Kuldip Singh Dhingra

Chairman

APPENDIX

DECLARATION UNDER CLAUSE 49 (I) (D) (ii)

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, 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, 2013. The said Code of Conduct has also been uploaded by the Company in its website www.bergerpaints.com.

Place: Kolkata

Dated: 30th May, 2013

Abhijit Roy
Managing Director



ANNEXURE – II

[Annexure to Corporate Governance Report]

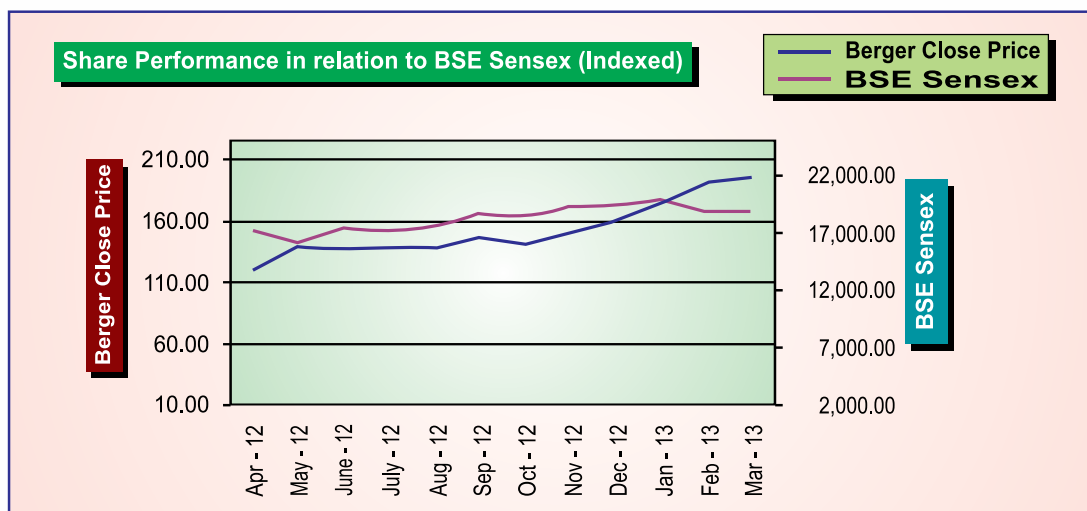
GENERAL SHAREHOLDERS' INFORMATION

| | | | | |
|-----------------------------------|---|---|-----------------------|--|
| Annual General Meeting | : | Date 2 nd August, 2013 | Time 11 a.m | Venue Kalamandir 48, Shakespeare Sarani Kolkata – 700 017 |
| Financial Year | : | The accounting year covers the period from 1 st April, 2012 to 31 st March, 2013. Financial Reporting for the quarters ending on:- 30 th June, 2013 (unaudited) – By 14 th August, 2013 30 th September, 2013 (unaudited) – By 14 th November, 2013 31 st December, 2013 (unaudited) – By 14 th February, 2014 31 st March, 2014 (audited) – By 30 th May, 2014 Note: The above calendar is indicative in nature. | | |
| Book Closure Dates | : | 19 th July, 2013 to 2 nd August, 2013 (both days inclusive) | | |
| Dividend Payment Date | : | 12 th August, 2013 | | |
| Listing on Stock Exchanges | : | The shares of the Company are listed on the following Stock Exchanges: National Stock Exchange of India Limited, B S E Limited “Exchange Plaza”, 5 th floor, Plot no. C/1, G Block, Phiroze Jeejeebhoy Towers, Bandra-Kurla Complex, Mumbai - 400 051. Dalal Street, Mumbai - 400 001. The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata – 700 001. | | |
| Stock Codes | : | 12529 (CSE) | 509480 (BSE) | BERGEPAIN (NSE) |
| Depositories | : | The National Securities Depository Limited, 4 th floor, Trade World, Kamala Mill Compound Senapati Bapat Marg, Lower Parel, Mumbai-400 013 | | Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17 th floor, Dalal Street, Mumbai-400 001. |
| ISIN No. | : | INE463A01020 | | |

**Market Price (High & Low)
at BSE during each month of
the Financial Year 2012-13 :**

| Month | High (₹) | Low (₹) |
|-----------------|----------|---------|
| April, 2012 | 125.20 | 107.40 |
| May, 2012 | 151.90 | 115.00 |
| June, 2012 | 153.30 | 130.00 |
| July, 2012 | 143.50 | 124.55 |
| August, 2012 | 153.00 | 133.00 |
| September, 2012 | 156.30 | 135.25 |
| October, 2012 | 148.80 | 136.25 |
| November, 2012 | 153.50 | 137.05 |
| December, 2012 | 164.00 | 146.00 |
| January, 2013 | 177.50 | 149.65 |
| February, 2013 | 210.00 | 169.10 |
| March, 2013 | 212.75 | 186.55 |

Share Performance in Relation to BSE Sensex (Indexed)



Number of Shareholders : 36,239
(As at 31st March, 2013)

Shareholding Pattern :
(As at 31st March, 2013)

| Status | Holding (%) |
|--|---------------|
| Promoters | 75.54 |
| Non Resident Individuals/Companies | 10.54 |
| Financial Institutions/Insurance Companies | 2.53 |
| Others (Resident Individuals & Clearing Members) | 9.36 |
| Domestic Companies | 1.68 |
| Nationalized Banks & Mutual Funds | 0.35 |
| TOTAL | 100.00 |

Shareholding Pattern

(As at 30th April, 2013)

| Status | Holding (%) |
|--|---------------|
| Promoters | 75.00 |
| Non Resident Individuals/Companies | 10.85 |
| Financial Institutions/Insurance Companies | 2.49 |
| Others (Resident Individuals & Clearing Members) | 9.35 |
| Domestic Companies | 1.68 |
| Nationalized Banks & Mutual Funds | 0.63 |
| TOTAL | 100.00 |

Distribution of Shareholding :

(As at 31st March, 2013)

| Share holding of nominal value | Share Amount | | Shareholder | |
|--------------------------------|---------------------|---------------|---------------|---------------|
| | ₹ | % to total | Number | % to total |
| 1-5000 | 2,62,92,812 | 3.80 | 33,017 | 91.11 |
| 5001-10000 | 1,45,31,182 | 2.10 | 1,851 | 5.11 |
| 10001-20000 | 1,18,74,408 | 1.72 | 879 | 2.42 |
| 20001-30000 | 56,41,492 | 0.81 | 230 | 0.63 |
| 30001-40000 | 27,79,954 | 0.40 | 79 | 0.22 |
| 40001-50000 | 22,82,748 | 0.33 | 51 | 0.14 |
| 50001-100000 | 40,44,790 | 0.58 | 57 | 0.16 |
| 100001 & above | 62,51,32,510 | 90.26 | 75 | 0.21 |
| TOTAL | 69,25,79,896 | 100.00 | 36,239 | 100.00 |

Share Transfer System

: Shares sent for physical transfer are effected within 10 working days of lodgement. The Share Transfer Committee meets regularly. The total number of shares transferred in physical form during the year 2012-13 was 90,780 as compared to 2,26,876 shares during 2011-12.



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| | |
|--|---|
| Dematerialization of Shares & Liquidity | : 97.13% of the Company's shares are held in electronic form. |
| Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity | : There is no outstanding GDRs /ADRs / Warrants or convertible instruments. |
| Plant Location [Including British Paints Division*] | <ul style="list-style-type: none"> ○ Howrah 14 & 15 Swarnamoyee Road Shibpur, Howrah - 711 103 Phone: 033-2668 4706 Fax: 033-2668 2956 ○ Puducherry 53-56 Pandasozhanallur Village Nettapakkam Commune Puducherry - 605 106 Phone: 0413-269 9574/171 Fax: 0413-2699171 ○ Goa 316-317 Kundaim Industrial Estate Kundaim, North Goa Phone: 0832-239 5610/6407 Fax: 0832- 239 5663/239 5610 ○ Surajpur* D-20, Site-B, Surajpur Industrial Area, Greater Noida, Distt. Gautam Budh Nagar Phone : 0120-2561320, 2560621, 2561321 ○ Sikandrabad* 38A, Industrial Area Bulandshar Road Sikandrabad (U.P.) Phone: 05735-222384, 222249 ○ Jammu SIDCO Industrial Growth Centre, Sambha, Distt. Jammu Jammu & Kashmir- 184 121 Phone: 09123-246451/58/59 (* Includes British Paints Division factory) ○ Rishra 103, G.T. Road Rishra Hooghly - 712248 Phone: 033-2672 0641/42 |
| 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: 033- 40116700, 40116725 Fax No : 033 - 40116739 Email: rta@cbmsl.com, dasg@cbmsl.com |
| Compliance Officer For query relating to your shareholding, please send your query/email at :- | : Mr. Aniruddha Sen (1) Berger Paints India Limited Berger House, 129 Park Street, Kolkata -700 017 Phone : 033-22299724-28, 033-22499754, 56 & 57 Fax No. : 033-22277288 Email: consumerfeedback@bergerindia.com (2) M/s C B Management Services (P) Ltd. at the above address. |
| Non-Mandatory requirement | : A Chairman's office with requisite facilities is provided and maintained at the Company's expense for use by its Non-executive Chairman. All expenses incurred in furtherance of the Company's business interest are reimbursed by the Company. |

Disclosure as per Clause 5A.I(g) of the Listing Agreement : As required by Clause 5A.I(g) of the Listing Agreement, the details of Suspense Account are disclosed here. (Please also refer to Point No. 10 of the notes appended to the Notice).

| Sl. No. | Particulars | No. of Shareholder(s) | Outstanding Shares |
|---------|--|-----------------------|--------------------|
| i) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | NIL | NIL |
| ii) | Number of shareholders who approached issuer for transfer of shares from suspense account during the year | NIL | NIL |
| iii) | Number of shareholders to whom shares were transferred from suspense account during the year | NIL | NIL |
| iv) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | NIL | NIL |

The voting rights on these shares under Sl.no. (iv) shall remain frozen till the claim of rightful owners of such shares are settled.

Note : 14,87,434 unclaimed shares of ₹ 2/- each related to 1,066 shareholders have been transferred to “M/s Berger Paints India Limited Unclaimed Demat Suspense Account” in physical form on 11th May, 2013. The said 14,87,434 shares were subsequently, dematerialized on 28th May, 2013 in the name of “M/s Berger Paints India Limited - Unclaimed Demat Suspense Account” as per requirement of the above mentioned clause.

On behalf of the Board of Directors

Place : Kolkata
Dated : 30th May, 2013

Kuldip Singh Dhingra
Chairman



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of **Berger Paints India Limited**

We have examined the compliance of conditions of Corporate Governance by Berger Paints India Limited, for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We state that such compliance 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.

Place: Kolkata
Dated: 18th June, 2013

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership Number 55000

ANNEXURE III TO DIRECTORS' REPORT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31st MARCH, 2013

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

| | Current Year | Previous Year |
|---|---|----------------|
| (A) Power and Fuel Consumption | | |
| 1. Electricity : | | |
| (a) Purchased Units | 1,99,21,824 | 2,09,26,644 |
| Total Amount | 11,60,46,992 | 10,42,16,280 |
| Rate/Unit | 5.83 | 4.98 |
| (b) Own Generation | | |
| (i) Through Diesel Generator: | | |
| Units | 6,15,906 | 7,06,220 |
| Units per litre of Diesel Oil | 2.75 | 2.67 |
| Cost/Unit | 15.03 | 14.20 |
| (ii) Through Steam Turbine/Generator: | | |
| Units | Not Applicable | Not Applicable |
| Units per litre of Fuel Oil/Gas | | |
| Cost/Unit | | |
| 2. Coal: | Not Applicable | Not Applicable |
| Quantity | | |
| Total Cost | | |
| Average Rate | | |
| 3. Furnace Oil: | | |
| Quantity (KL) | 130 | 359 |
| Total Cost | 49,21,447 | 1,36,52,911 |
| Average Rate / KL | 37,857 | 38,030 |
| 4. Others: | | |
| Quantity (LDO, HSD & FO for Resin Production) in KL | 2,176 | 2,277 |
| Total Cost | 10,04,87,134 | 9,44,66,192 |
| Rate/Unit (Per KL) | 46,173 | 41,479 |
| (B) Consumption per unit of Production | | |
| Products | Standard | |
| Paints, Varnishes & Enamles (KL) | No specific Standard as the consumption per unit depends on the product mix | 1,70,972 |
| Resin (KL) for Captive Consumption | | 1,71,824 |
| Unit/KL | | |
| Electricity | 38,203 | 39,851 |
| Furnace Oil | 98.18 | 102.46 |
| Coal (specific quantity) | Not Applicable | Not Applicable |
| Others (LDO for Resin Production) | Not Applicable | Not Applicable |
| (LDO KL/RESIN KL) | 0.06 | 0.06 |

On behalf of the Board of Directors

Kolkata

Dated : 30th May, 2013

Kuldip Singh Dhingra

Chairman

**ANNEXURE - III TO DIRECTORS' REPORT (Contd.)****FORM B****DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION****Research and Development (R&D)****1. Specific areas in which R&D is carried out by the Company:**

- Development of new products and upgradation of existing products
- Cost reduction without affecting quality
- Development of environment-friendly products
- Adaptation and reproduction of Collaborator's Technology
- OEM specific products

2. Benefits derived as a result of the above R&D :

- Development of new Decorative products
 - New waterbased Finish
 - New Decorative Product
 - Primer for application on masonry substrates
- Development of products for new business line - "Construction Chemicals"
 - Damp-proof Coating
 - Two Pack Water-proof Coating
- Development of new Protective Coating products
 - Coal Tar Reinforced Epoxy Coating
 - Single Coat Primer cum Finish
 - Epoxy Glass Flake Coating
- Development of new products for Wood Coating
- Development of new Automotive & General Industrial products
 - Bus Body Painting System
 - Coat for Two Wheelers

3. Future Plan of action:

- New products for retail market in Waterbased Emulsions and Enamel categories
- New Protective Coating products:
 - Super Durable Two Pack PU Coating
 - Floor Coatings
 - Tank Lining
- New Automotive & General Industrial products
 - Metallic System for passenger Vehicle

— Conductive Primer for Plastics

— Heat Resistant Paint

4. Expenditure on R&D (₹ in Lacs)

| | |
|---|--------|
| (a) Capital | 153.77 |
| (b) Recurring | 554.59 |
| (c) Total R&D expenditure as a Percentage of total turnover | 0.23% |

5. Technology Absorption, Adaptation and Innovation:**(a) Efforts, in brief, made towards technology absorption, adaptation and innovation:**

- New products for specific OEM customer through collaborators' technology.
- Products of Powder Coating offered to General Industrial & other specific customers through absorption of collaborators' technology.

(b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.

- Introduction of several new products in the areas of Automotive, Powder Coating, Protective Coating and Architectural Coating.

(c) Technology Imported during the last 5 years.

- Technology imported in 2005 in the area of Automotive Coating and Powder Coating has been fully absorbed and commercialized.
- Technology of new Cathodic Electrocoat was imported in 2011 and is under process of absorption.

On behalf of the Board of Directors

Kolkata

Dated: 30th May, 2013**Kuldip Singh Dhingra**

Chairman

ANNEXURE - IV TO DIRECTORS' REPORT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31st MARCH, 2013

| Name | Designation/ Nature of duties | Gross Remuneration | 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 ₹ 60,00,000/- OR MORE | | | | | | | |
| Mr. Abhijit Roy | Managing Director | ₹ 82,81,428 | BE, PGDM | 22 | 17.04.1996 | 47 | L'OREAL India Ltd. |
| Mr. Srijit Dasgupta | Director & CFO | ₹ 72,34,565 | AICWA, CS (Passed Final Exam.) | 28 | 01.09.1988 | 51 | Machinery Manufacturers' Corporation Ltd. |
| B. EMPLOYED FOR A PART OF THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING ₹ 5,00,000/- OR MORE PER MONTH | | | | | | | |
| Mr. Subir Bose | Managing Director | ₹ 36,10,249 | B. Tech, PGDBA | 42 | 09.07.1984 | 63 | Abucon Nigeria Ltd./ Marketing Manager |

Notes:

1. Gross remuneration includes salary, commission, value of perquisites, medical benefits and Company's contribution to Provident, Superannuation and Gratuity Funds.
2. The employee does not hold by himself or alongwith his spouse and dependant children, 2% or more of the Equity shares in the Company.
3. Mr. Abhijit Roy was appointed Managing Director w.e.f. July 1, 2012. Prior to that, he was Director & Chief Operating Officer of the Company.
4. Mr. Subir Bose retired as the Managing Director of the Company on 30th June, 2012.

On behalf of the Board of Directors

Kuldip Singh Dhingra

Chairman

Place : Kolkata
Date : 30th May, 2013

To
The Board of Directors
Berger Paints India Limited

Subject: SECRETARIAL AUDIT FOR THE YEAR ENDED 31ST MARCH, 2013

Dear Sir(s),

We have conducted the Secretarial Audit of Berger Paints India Limited for the Financial Year ended 31st March, 2013. Our audit is based on the registers, records and documents shown to us and clarifications furnished to us by the officers and agents of the Company, in the course of the said audit. This audit has been voluntarily adopted by your Company with an objective of obtaining an independent professional view of the corporate law compliance system as maintained in the Company.

We have audited the compliance system under the following Acts:

1. Companies Act, 1956;
2. Securities and Exchange Board of India Act, 1992;
3. Securities Contracts (Regulation) Act, 1956 and
4. Depositories Act, 1996.

Based on the registers, books, documents and other records shown to us and based on the information and explanation provided to us by the officers and agents of the Company, to the best of our understanding, we confirm that the Company, its Directors and officers have substantially complied with the provisions of the aforesaid Acts read with the Rules, Regulations and Guidelines, applicable to such Acts, during the year ended 31st March, 2013.

For **ANJAN KUMAR ROY & CO.**

Company Secretaries

Sd/-

CS ANJAN KUMAR ROY

FCS 5684

CP 4557

Place: Kolkata

Date: 30th May, 2013

To
The Board of Directors
Berger Paints India Limited

Subject: SECRETARIAL STANDARDS, AS MAINTAINED DURING THE YEAR ENDED 31ST MARCH, 2013

Dear Sir(s),

We have conducted the audit of the books, documents and records as shown to us by the officers and agents of the Company and based on that, we confirm that Berger Paints India Limited has adopted the Secretarial Standards 1-8 and 10 as issued by the Institute of Company Secretaries of India and as amended from time to time and has followed these standards, as far as practicable and applicable during the financial year ended 31st March, 2013.

Your Company has voluntarily adopted the aforesaid Secretarial Standards.

For **ANJAN KUMAR ROY & CO.**

Company Secretaries

Sd/-

CS ANJAN KUMAR ROY

FCS 5684

CP 4557

Place: Kolkata

Date: 30th May, 2013



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERGER PAINTS INDIA LIMITED

Report on the Financial Statements

1» We have audited the accompanying financial statements of Berger Paints India Limited (the "Company"), which comprise the Balance Sheet as at March 31st, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2» The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

- 3» Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4» An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
- 5» We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6» In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the

manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7» As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8» As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (e) On the basis of written representations received from the directors as on March 31st, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31st, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership Number 55000

Kolkata
30th May, 2012

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Berger Paints India Limited on the financial statements as of and for the year ended March 31st, 2013]

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, sales tax, income tax and service tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax and excise duty as at March 31st, 2013 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹ in Crores) | Period to which the amount relates | Forum where dispute is pending |
|---|------------------------------|-------------------------|--|---|
| Central Excise Act / Finance Act, 1994 | Excise duty / Service tax | 15.49 | 1997-1998, 2001-2002 to 2008-2009, 2009-2010 to 2012-2013 | Adjudicating Authority |
| | | 0.46 | 2005-2006 to 2008-2009 | Commissioner (Appeals) |
| | | 12.47 | 1977-1978, 1989-1990, 1998-1999, 2000-2001 to 2009-2010 | Tribunal (CESTAT) |
| Sales Tax Laws | Sales Tax | 16.42 | 1996-1997, 1999-2000 to 2006-2007, 2008-2009 | Revisional Board |
| | | 9.86 | 1983-1985, 1988-1989 to 2010-2011 | Appellate Authority |
| | | 2.78 | 1994-1995, 1996-1997 to 2004-2005, 2007-2008, 2009-2010 | Tribunal |
| Income Tax Act | Income Tax | 7.81 | 2009-2010 | Commissioner of Income Tax (Appeals) |

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.

- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4 (xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership Number 55000

Kolkata
30th May, 2013



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BALANCE SHEET AS AT 31ST MARCH, 2013

| | Note | 31 st March, 2013 ₹ Crores | 31 st March, 2012 ₹ Crores |
|-------------------------------------|------|--|--|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share Capital | 2 | 69.26 | 69.23 |
| Reserves and surplus | 3 | 915.17 | 776.37 |
| | | 984.43 | 845.60 |
| Non-current liabilities | | | |
| Deferred Tax liabilities (net) | 4 | 16.64 | 12.47 |
| Other Long term liabilities | 5 | 12.47 | 9.40 |
| | | 29.11 | 21.87 |
| Current liabilities | | | |
| Short-term borrowings | 6 | 303.02 | 169.85 |
| Trade payables | 7 | 351.65 | 328.17 |
| Other current liabilities | 8 | 89.15 | 80.76 |
| Short-term provisions | 9 | 81.47 | 64.00 |
| | | 825.29 | 642.78 |
| TOTAL | | 1,838.83 | 1,510.25 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed Assets | | | |
| Tangible assets | 10 | 314.43 | 268.30 |
| Intangible assets | 10 | 7.25 | 3.66 |
| Intangible assets under development | | 5.10 | 0.00 |
| Capital work-in-progress | | 166.13 | 65.87 |
| | | 492.91 | 337.83 |
| Non-current investments | 11 | 80.76 | 76.61 |
| Long-term loans and advances | 12 | 61.53 | 45.55 |
| Other non-current assets | 13 | 0.08 | 0.11 |
| | | 635.28 | 460.10 |
| Current assets | | | |
| Current investments | 14 | 9.82 | 2.96 |
| Inventories | 15 | 576.91 | 513.96 |
| Trade Receivables | 16 | 324.55 | 305.16 |
| Cash and bank balances | 17 | 222.54 | 176.29 |
| Short term loans and advances | 18 | 58.90 | 45.37 |
| Other current assets | 19 | 10.83 | 6.41 |
| | | 1,203.55 | 1,050.15 |
| TOTAL | | 1,838.83 | 1,510.25 |

Significant accounting policies

The accompanying notes form an integral part of the financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Kolkata

Dated : 30th May, 2013

On behalf of the Board of Directors
Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President &
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH , 2013

| | | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|---|-------------|--|--|
| INCOME | Note | | |
| Revenue from operations | 20 | 3,330.61 | 2,901.22 |
| Less: Excise Duty | | (306.40) | (239.13) |
| | | 3,024.21 | 2,662.09 |
| Other Income | 21 | 30.76 | 30.62 |
| Total Revenue | | 3,054.97 | 2,692.71 |
| EXPENDITURE | | | |
| Cost of materials consumed | 22 | 1,677.46 | 1,614.37 |
| Purchases of Stock-in-Trade | 23 | 235.78 | 167.04 |
| Increase in inventories of finished goods, work-in-process and stock-in-trade | 24 | (41.49) | (73.18) |
| Employee benefits expense | 25 | 139.96 | 122.32 |
| Finance costs | 26 | 27.67 | 22.37 |
| Depreciation and amortization expense | 27 | 46.28 | 37.56 |
| Other expenses | 28 | 676.18 | 554.06 |
| Total Expenses | | 2,761.84 | 2,444.54 |
| Profit Before Tax | | 293.13 | 248.17 |
| Tax expense | | | |
| Current Tax | | 79.16 | 67.30 |
| Deferred Tax | 29 | 4.17 | 3.48 |
| Profit After Tax | | 209.80 | 177.39 |
| Earnings per share (in ₹) | 30 | | |
| Basic | | 6.06 | 5.13 |
| Diluted | | 6.05 | 5.12 |

Significant accounting policies 1
The accompanying notes form an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Kolkata
Dated : 30th May, 2013

On behalf of the Board of Directors

Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President &
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS**1. Statement of significant accounting policies****a) Accounting convention**

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) [Companies (Accounting Standards) Rules, 2006], as amended and other relevant provisions of the Companies Act, 1956.

b) Current and Non Current Classification

Any asset / liability is classified as current if it satisfies any of the following conditions :

- a) it is expected to be realized /settled in the company's normal operating cycle;
- b) it is expected to be realized/settled within twelve months after the reporting date;
- c) in the case of an asset,
 - i) it is held primarily for the purpose of being traded; or
 - ii) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- d) in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets/liabilities are classified as non-current.

c) Fixed Assets and Depreciation / Amortization

- i) Fixed Assets are carried at cost of acquisition, except in the case of certain Land and Freehold Buildings which are carried at revaluation (based on valuation by an external valuer) on current cost basis less depreciation as applicable.
- ii) Depreciation is provided on a straight line method as follows :
 - (a) In respect of assets other than motor vehicles and computers:
 - > In respect of additions before 1.7.87 on the basis of specified period determined at the time of acquisition at the rates inter alia under the Income Tax Act, 1961 and Rules framed thereunder and,
 - > In respect of additions on or after 1.7.87 in accordance with the provisions of Schedule XIV of the Companies Act, 1956
 - (b) In respect of following assets, depreciation are charged at rates which are higher than the rates specified in Schedule XIV-
 - > Motor Vehicles - 15%
 - > Computers - 25%
 - > Tinting Machines - based on estimated useful life varying from 60 months to 100 months.
- iii) In respect of revalued assets, depreciation on the amount added on revaluation is set off against Revaluation Reserve.
- iv) Payments made/costs incurred in connection with acquisition of leasehold rights are amortised over the period of the lease.
- v) 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.
- vi) Cash generating units/Assets are assessed for possible impairment at balance sheet dates based on external and internal sources of information. Impairment losses, if any, are recognised as an expense in the statement of Profit and Loss.

d) Government Grants

Government subsidies related to specific fixed assets are deducted from the gross book value of the assets concerned and the subsidies related to revenue are recognised in the Profit and Loss statement.

e) Investments

Long term investments are stated at cost unless there is a permanent diminution in value. Current investments are valued at lower of cost or fair value.

f) Inventories

Finished goods inventories are stated at the lower of cost or estimated net realisable value. Costs comprise costs of purchase and production overheads. Other inventories are also valued at lower of cost or net realisable value. Provision is made for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined according to weighted average method of valuation.

NOTES FORMING PART OF FINANCIAL STATEMENTS**g) Foreign Currency Translation**

Transactions in foreign currency are recorded at the rates of exchange prevalent on the date of transaction. Exchange differences arising from foreign currency transactions are dealt with in the Company's statement of Profit and Loss after converting monetary assets and liabilities in foreign currencies at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported at balance sheet dates using the exchange rates at the date of transactions.

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of Profit and Loss in the year in which exchange rates change.

h) Sales

Sales comprise invoiced value of goods net of sales tax and are recognised on passing of property in goods.

i) Other Income

Other Income is recognised on accrual basis.

j) Employee Benefits

Provident Fund benefits are received by a majority of eligible employees from a trust administered by the Company as per the provisions of Employees' Provident Fund and Misc. Provisions Act, 1952. Both the Company and the employees contribute to the trust in accordance with the provisions of the Act. The Company's liability is actuarially determined and any shortfall in the Trust Fund to ensure the interest rate declared by the government is provided for.

Provident fund contributions for another category of employees are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Misc. Provisions Act, 1952 and are charged to Statement of Profit and Loss.

Contribution made to Superannuation Fund for certain category of employees are recognized in the Statement of Profit and Loss on an accrual basis.

Retirement Gratuity for employees, is funded through a scheme of Life Insurance Corporation of India. The excess / shortfall in the fair value of the plan assets and / or 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.

Liability for Leave encashment benefit is calculated using actuarial methods at year end and provided for.

k) Borrowing Costs

Borrowing costs charged to the statement of Profit and Loss include interest and discounts on bank borrowings and short and long term borrowings. Borrowing costs attributable to qualifying assets, if any, are capitalised as cost of the assets.

l) Taxation

Current Tax is the tax payable for the period determined as per the provisions of the Income Tax Act, 1961. Deferred Tax Assets and Liabilities represent adjustments for timing differences in the manner in which items of income or expenditure are recognised for tax calculations and annual accounts (as per the Companies Act, 1956).

Deferred tax assets are recognised subject to the consideration of prudence.

m) Employee Stock Option Scheme

Stock options granted to employees are accounted for as per the intrinsic value method and complies with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

n) Research and Development

Fixed Assets acquired for Research & Development are capitalized. Revenue expenditure on Research & Development is charged to statement of Profit and Loss in the year in which it is incurred.



NOTES FORMING PART OF FINANCIAL STATEMENTS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| 2. SHARE CAPITAL | | |
| Authorised : | | |
| 37,50,00,000 (2011-12: 37,50,00,000) | | |
| Equity Shares of ₹ 2 each | 75.00 | 75.00 |
| Issued : | | |
| 34,63,35,688 (2011-12: 34,61,99,004) | | |
| Equity Shares of ₹ 2 each | 69.27 | 69.24 |
| Subscribed and paid-up : | | |
| 34,62,89,948 (2011-12: 34,61,53,264) | | |
| Equity Shares of ₹ 2 each fully paid-up | 69.26 | 69.23 |
| | 69.26 | 69.23 |

a) Reconciliation of the number of shares and the amount of share capital :

| Particulars | For the year ended 31 st March, 2013 | | For the year ended 31 st March, 2012 | |
|--|--|----------------------|--|----------------------|
| | No. of Shares | Amount (₹ Crores) | No. of Shares | Amount (₹ Crores) |
| Balance as at 1st April | 34,61,53,264 | 69.23 | 34,60,72,464 | 69.23 |
| Add: Shares issued on exercise of employee stock options * | 1,36,684 | 0.03 | 80,800 | 0.00 |
| Balance as at 31st March | 34,62,89,948 | 69.26 | 34,61,53,264 | 69.23 |

b) Details of Shareholders having more than 5% of holding :

| Name of the Shareholder | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|---------------------------------------|------------------------------------|-----------|------------------------------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| U K Paints (India) Limited | 15,81,15,295 | 45.66 | 15,77,65,295 | 45.58 |
| Jenson & Nicholson (Asia) Limited, UK | 5,02,34,565 | 14.51 | 5,02,34,565 | 14.51 |
| Nalanda India Fund Limited | 1,81,24,788 | 5.23 | 1,92,77,648 | 5.57 |

c) Terms / rights attached to equity shares :

Share Capital comprises only equity shares of ₹ 2/- each only.

The equity shares rank pari passu in all respects including right to dividend, issue of new shares and voting rights.

d) Shares reserved for issue under options

Refer Note 45 for details.

* Refer Note 47

NOTES FORMING PART OF FINANCIAL STATEMENTS

3. Reserves and Surplus

| | For the year ended 31 st March, 2013 | For the year ended 31 st March, 2012 |
|--|--|--|
| | ₹ Crores | ₹ Crores |
| Capital Reserve | 0.02 | 0.02 |
| | 0.02 | 0.02 |
| Capital Redemption Reserve | 0.04 | 0.04 |
| | 0.04 | 0.04 |
| Securities Premium Account | | |
| Balance as at 1st April | 130.52 | 129.93 |
| Add: On exercise of employee stock options | 1.17 | 0.59 |
| Balance as at 31st March | 131.69 | 130.52 |
| Revaluation Reserve | | |
| Balance as at 1st April | 0.88 | 0.93 |
| Less: Adjustment in respect of depreciation on revalued assets (also refer Note 27) | (0.04) | (0.05) |
| Balance as at 31st March | 0.84 | 0.88 |
| Share Options Outstanding Account # | | |
| Options granted upto 1 st April | 1.83 | 2.16 |
| Add: Options granted during the year | 2.63 | 2.01 |
| Less: Deferred Employee Compensation | (0.40) | (1.56) |
| Less: Transferred to Securities Premium Account | (1.17) | (0.59) |
| Less: Forfeited / Lapsed | (0.26) | (0.19) |
| Balance as at 31st March | 2.63 | 1.83 |
| # Refer note 45 | | |
| General Reserve | | |
| Balance as at 1st April | 248.17 | 230.44 |
| Add: Transferred from Surplus in the Statement of Profit and Loss | 20.98 | 17.73 |
| Balance as at 31st March | 269.15 | 248.17 |
| Surplus in the Statement of Profit and Loss | | |
| Balance as at 1st April | 394.91 | 291.57 |
| Add: Net profit for the year | 209.80 | 177.39 |
| Amount available for Appropriation | 604.71 | 468.96 |
| Less: Appropriations | | |
| Proposed Final Dividend | (62.33) | (48.46) |
| Tax on distributable profit | (10.60) | (7.86) |
| Transfer to General Reserve | (20.98) | (17.73) |
| Balance as at 31st March | 510.80 | 394.91 |
| | 915.17 | 776.37 |



NOTES FORMING PART OF FINANCIAL STATEMENTS

4. DEFERRED TAX LIABILITIES (NET)

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Deferred Tax Liabilities | | |
| Difference between the Written Down Values of Fixed Assets as per financial books and Income Tax Act | 17.04 | 14.88 |
| | <u>17.04</u> | <u>14.88</u> |
| Deferred Tax Assets | | |
| Others | 0.40 | 2.41 |
| | <u>0.40</u> | <u>2.41</u> |
| Deferred Tax Liability (net) | <u>16.64</u> | <u>12.47</u> |

5. OTHER LONG -TERM LIABILITIES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|----------|---|---|
| Deposits | 11.94 | 9.06 |
| Others | 0.53 | 0.34 |
| | <u>12.47</u> | <u>9.40</u> |

6. SHORT-TERM BORROWINGS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| <u>From Banks -</u> | | |
| Secured - Cash credit | 147.68 | 71.87 |
| Unsecured - Overdraft | 109.09 | - |
| Import finance - Buyer's credit (unsecured) | 46.25 | 97.98 |
| | <u>303.02</u> | <u>169.85</u> |

- a. Cash Credit are secured by hypothecation of stock-in-trade and book debts and repayable on demand.
b. During the year, the Company borrowed monies through issuance of Commercial Papers.

Year-end amount of such outstanding Commercial Papers is ₹ Nil (2011-12 - ₹ Nil).

| | | |
|---|--------|--------|
| Maximum amount outstanding on account of | 300.00 | 257.00 |
| Commercial Papers at any time during the year | | |

NOTES FORMING PART OF FINANCIAL STATEMENTS

7. TRADE PAYABLES

| | As at 31 st March 2013 ₹ Crores | As at 31 st March 2012 ₹ Crores |
|------------------|--|--|
| Acceptances | 47.67 | 44.00 |
| Trade Payables # | 303.98 | 284.17 |
| | <u>351.65</u> | <u>328.17</u> |

Refer Note 33

8. OTHER CURRENT LIABILITIES

| | As at 31 st March 2013 ₹ Crores | As at 31 st March 2012 ₹ Crores |
|--|--|--|
| Interest accrued but not due on borrowings | 0.07 | 0.54 |
| Unpaid Dividends | 2.35 | 2.28 |
| Advances from customers | 7.65 | 13.24 |
| Capital creditors | 17.99 | 8.61 |
| Statutory liabilities | 45.92 | 40.73 |
| Accrued employee liabilities | 6.78 | 7.68 |
| Deposits | 6.41 | 5.11 |
| Other liabilities | 1.98 | 2.57 |
| | <u>89.15</u> | <u>80.76</u> |

9. SHORT-TERM PROVISIONS

| | As at 31 st March 2013 ₹ Crores | As at 31 st March 2012 ₹ Crores |
|-----------------------------------|--|--|
| Provision for Employee Benefits # | | |
| - Provision for Gratuity | 0.48 | 1.25 |
| - Provision for Leave Encashment | 8.07 | 6.43 |
| Others | | |
| - Proposed Dividend | 62.33 | 48.46 |
| - Tax on dividend | 10.59 | 7.86 |
| | <u>81.47</u> | <u>64.00</u> |

Refer note 40

NOTES FORMING PART OF FINANCIAL STATEMENTS

10. FIXED ASSETS

| Gross Block | | | | Depreciation / Amortization | | | | Net Block | |
|--|---------------|---------------|---|---|---------------------|---|---|---|---|
| Original Cost/ Professional Valuation at 1 st April, 2012 | Additions | Deletions | Original Cost/ Professional Valuation at 31 st March, 2013 | Upto 31 st March, 2012 | For the Year ### | On deletions (Accumulated upto the date of sale) | Upto 31 st March, 2013 | Net Book | Net Book |
| | | | | | | | | Value at 31 st March, 2013 | Value at 31 st March, 2012 |
| ₹ Cr | ₹ Cr | ₹ Cr | ₹ Cr | ₹ Cr | ₹ Cr | ₹ Cr | ₹ Cr | ₹ Cr | ₹ Cr |
| Tangible Assets | | | | | | | | | |
| Land : | | | | | | | | | |
| Freehold | 8.01 | - | - | 8.01 | - | - | - | 8.01 | 8.01 |
| Leasehold ## | 5.60 | - | - | 5.60 | 0.34 | 0.04 | 0.38 | 5.22 | 5.26 |
| Buildings : | | | | | | | | | |
| Freehold # | 86.01 | 28.92 | 0.70 | 114.23 | 20.09 | 3.09 | 0.05 | 23.13 | 91.10 |
| Leasehold ## | 3.11 | - | - | 3.11 | 0.79 | 0.04 | - | 0.83 | 2.28 |
| Plant and Machinery | 363.38 | 47.05 | 4.38 | 406.05 | 196.59 | 31.25 | 4.00 | 223.84 | 182.21 |
| Furniture and Fittings | 12.88 | 3.05 | 0.23 | 15.70 | 5.26 | 1.05 | 0.09 | 6.22 | 9.48 |
| Computer and Office Equipment | 22.20 | 9.98 | 0.42 | 31.76 | 15.11 | 7.10 | 0.42 | 21.79 | 9.97 |
| Motor Cars and Other Vehicles | 9.30 | 2.71 | 1.74 | 10.27 | 4.01 | 1.27 | 1.17 | 4.11 | 6.16 |
| | 510.49 | 91.71 | 7.47 | 594.73 | 242.19 | 43.84 | 5.73 | 280.30 | 314.43 |
| | | | | | | | | | 268.30 |
| Intangible Asset | | | | | | | | | |
| Computer Software | 8.26 | 6.07 | 0.00 | 14.33 | 4.60 | 2.48 | - | 7.08 | 7.25 |
| | | | | | | | | | 3.66 |
| Total | 518.75 | 97.78 | 7.47 | 609.06 | 246.79 | 46.32 | 5.73 | 287.38 | 321.68 |
| | | | | | | | | | 271.96 |
| Previous year | 419.50 | 107.45 | 8.20 | 518.75 | 215.30 | 37.61 | 6.12 | 246.79 | 271.96 |

Partly on Leasehold Land.

Represents payments made and costs incurred in connection with acquisition of leasehold rights in certain properties for 87, 90, 95 and 99 years and are being amortized over the period of such leases.

Year of Revaluation Asset Type

1989 Leasehold Land, Freehold Building

1985 Freehold Building

1993 Freehold Land, Freehold Building

Refer Note 27

NOTES FORMING PART OF FINANCIAL STATEMENTS

11. NON-CURRENT INVESTMENTS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Trade (Unquoted) | | |
| Investments in Equity Instruments (At cost) | | |
| In wholly owned Subsidiary Companies | | |
| Beepee Coatings Private Limited 25,00,000 Equity Shares of ₹ 10 each fully paid-up | 2.50 | 2.50 |
| Berger Jenson & Nicholson (Nepal) Private Limited 3,45,421 Equity shares of NRs. 100 each fully paid up | 4.46 | 4.46 |
| Berger Paints (Cyprus) Limited 20,63,156 (2011-12: 19,59,570) Equity Shares of Euro 1.71 each fully paid up | 21.02 | 19.79 |
| Lusako Trading Limited 38,59,122 (2011-12: 36,15,920) Equity Shares of Euro 1.71 each fully paid up | 42.70 | 39.78 |
| In Joint Ventures | | |
| Berger Becker Coatings Private Limited 2,70,850 Equity shares of ₹ 100 each fully paid-up | 2.71 | 2.71 |
| BNB Coatings India Limited 63,700 Equity Shares of ₹ 1,000 each fully paid-up | 6.37 | 6.37 |
| Other than Trade (Unquoted) | | |
| In Bonds | | |
| Rural Electrification Corporation Limited 500 (2011-12: 500) Bonds of ₹ 10,000 each | 0.50 | 0.50 |
| National Highways Authority of India 500 (2011-12: 500) Bonds of ₹ 10,000 each | 0.50 | 0.50 |
| Others | | |
| Shantikunj Apartments Limited - at cost * 1,498 Shares of ₹ 1 each fully paid up | 0.00 | 0.00 |
| Aggregate amount of unquoted investments | 80.76 | 76.61 |
| * Refer Note 47 | | |



NOTES FORMING PART OF FINANCIAL STATEMENTS

12. LONG-TERM LOANS AND ADVANCES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Unsecured, considered good | | |
| Capital advances | 38.54 | 32.66 |
| Deposits | 14.62 | 9.50 |
| Loan to related parties @ | 7.95 | 2.94 |
| Advances recoverable in cash or in kind or for value to be received | 0.42 | 0.45 |
| | 61.53 | 45.55 |

| @ | Subsidiary | Relation | 31 st March, 2013 | 31 st March, 2012 |
|---|---------------------------------|---|------------------------------|------------------------------|
| | Beepee Coatings Private Limited | Wholly owned subsidiary in which directors of the Company are directors | 2.95 | 2.95 |
| | Brushworks Paints Limited | Indirect Subsidiary in which directors of the Company are directors | 5.00 | - |

13. OTHER NON-CURRENT ASSETS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| In Fixed Deposit Account (with maturity more than 12 months) | 0.08 | 0.11 |
| | 0.08 | 0.11 |

14. CURRENT INVESTMENTS

(At lower of cost and market value)

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Unquoted | | |
| Investments in Mutual Funds | | |
| Birla Sunlife Short Term Fund- Growth Plan 8,15,359.799 units of ₹ 10 each | 3.54 | - |
| Reliance Short Term Fund- Growth Plan Growth Option 9,71,120.552 units of ₹ 10 each | 2.13 | - |
| Reliance Short Term Fund- Growth Plan 18,95,950.25 units of ₹ 10 each | 4.15 | - |
| Reliance Liquid Fund - Treasury Plan - Institutional Option 11,34,427.197 units of ₹ 10 each | - | 2.96 |
| Aggregate amount of unquoted investments | 9.82 | 2.96 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

15. INVENTORIES

(at lower of cost or net realizable value)

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Raw materials [including in transit - ₹ 29 (2011-12: ₹ 36)] | 157.16 | 154.86 |
| Containers | 8.72 | 8.01 |
| Work-in-process [including in transit - ₹ 2 (2011-12: ₹ 1)] | 33.79 | 32.43 |
| Finished goods [including in transit - ₹ 11 (2011-12: ₹ 13)] | 339.46 | 287.20 |
| Stock-in-trade [including in transit - ₹ 1 (2011-12: ₹ 1)] | 30.45 | 25.27 |
| Stores and Spare Parts | 7.33 | 6.19 |
| | 576.91 | 513.96 |

16. TRADE RECEIVABLES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Unsecured, considered good | | |
| Debts Outstanding for a period exceeding six months from the date they are due for payment | 12.07 | 8.56 |
| Other Debts @ | 312.48 | 296.60 |
| | 324.55 | 305.16 |

@ Includes debts due from Berger Becker Coatings Private Limited, a joint venture company, in which directors of the Company are directors 0.21

@ Includes debts due from BNB Coatings India Limited, a joint venture company, in which directors of the Company are directors 1.26

17. CASH AND BANK BALANCES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| a) Cash and cash equivalents | | |
| Cash on hand | 0.34 | 0.48 |
| Remittances-in-transit | - | 0.03 |
| Cheques in hand | 0.02 | 7.73 |
| Balances with banks : | | |
| In Current Account | 17.09 | 8.48 |
| In Fixed Deposit Account (less than 3 months maturity) | 0.13 | 30.62 |
| b) Other bank balances | | |
| In Unpaid Dividend Account | 2.35 | 2.28 |
| In Fixed Deposit Account (with maturity more than 3 months but less than 12 months) | 202.61 | 126.67 |
| | 222.54 | 176.29 |



NOTES FORMING PART OF FINANCIAL STATEMENTS

18. SHORT-TERM LOANS AND ADVANCES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Unsecured, considered good | | |
| Loans and advances to related parties | 4.41 | 0.22 |
| Others :- | | |
| Advances recoverable in cash or kind or for value @ to be received | 16.38 | 22.18 |
| Advance payment of income tax (net of provision for tax) | 4.10 | 1.36 |
| Balances with statutory/government authorities | 32.40 | 17.35 |
| Deposits | 1.61 | 4.26 |
| | <u>58.90</u> | <u>45.37</u> |

@ Represents payments made to wholly owned direct subsidiaries Lusako Trading Limited, Berger Paints (Cyprus) Limited, in which directors of the Company are directors, against shares allotted / to be allotted after 31st March, 2013, the end of accounting period for Berger Paints India Limited, the holding company, and payments made to indirect subsidiary Brushworks Paints Limited in which directors of the Company are directors

19. OTHER CURRENT ASSETS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Interest accrued on investments, deposits and others | 2.01 | 1.32 |
| Other Receivables | 7.97 | 4.47 |
| Unamortized Premium on Forward Contracts | 0.85 | 0.62 |
| | <u>10.83</u> | <u>6.41</u> |

20. REVENUE FROM OPERATIONS

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|--------------------------|--|--|
| Sale of Products | 3319.39 | 2890.80 |
| Other operating revenues | 11.22 | 10.42 |
| | <u>3330.61</u> | <u>2901.22</u> |

Details of Sale of Products -

| | | |
|---------------------------------|---------|---------|
| Intermediate | 7.57 | 5.24 |
| Paints, Varnishes, Enamels etc. | 3311.82 | 2885.56 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

21. OTHER INCOME

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|--|--|--|
| Interest Income | | |
| On bank deposits and others | 20.18 | 12.23 |
| On current investments | - | 3.22 |
| On long term investments | 0.06 | 0.06 |
| Dividend income from current investments | 0.05 | 0.26 |
| Profit on sale of investments | | |
| On long term investments | - | - |
| On current investments | 0.83 | - |
| Profit on sale of Fixed Assets (net) | 0.08 | 0.18 |
| Others | 9.56 | 14.67 |
| | <u>30.76</u> | <u>30.62</u> |

22. COST OF MATERIALS CONSUMED

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|-----------------------------------|--|--|
| <u>Raw Materials Consumed</u> | | |
| Opening Stocks | 154.86 | 129.40 |
| Add: Purchases | 1468.52 | 1436.24 |
| Less: Cost of materials sold | (14.56) | (12.09) |
| Less: Closing Stock | (157.16) | (154.86) |
| | <u>1451.66</u> | <u>1398.69</u> |
| <u>Packing Materials Consumed</u> | | |
| Opening Stocks | 8.01 | 9.57 |
| Add: Purchases | 226.77 | 214.29 |
| Less: Cost of materials sold | (0.26) | (0.17) |
| Less: Closing Stock | (8.72) | (8.01) |
| | <u>225.80</u> | <u>215.68</u> |
| | <u>1677.46</u> | <u>1614.37</u> |

Refer Note 34 for details of raw materials consumed.

23. PURCHASES OF STOCK-IN-TRADE

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|--|--|--|
| Details of Purchases of traded goods (Paints, enamels, varnishes etc.) | | |
| Liquid | 122.11 | 82.12 |
| Non-Liquid | 113.67 | 84.92 |
| | <u>235.78</u> | <u>167.04</u> |

NOTES FORMING PART OF FINANCIAL STATEMENTS

24. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Opening Stocks

| | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|-----------------|---|---|
| | <u>₹ Crores</u> | <u>₹ Crores</u> |
| Work-in-process | 32.43 | 23.11 |
| Finished Goods | 287.20 | 220.31 |
| Stock-in-trade | 25.27 | 17.09 |
| | 344.90 | 260.51 |

Closing Stocks

| | | |
|-----------------|-----------------|-----------------|
| Work-in-process | (33.79) | (32.43) |
| Finished Goods | (339.46) | (287.20) |
| Stock-in-trade | (30.45) | (25.27) |
| | (403.70) | (344.90) |

| | | |
|---|----------------|----------------|
| Consumed in painting contracts | (0.34) | (1.00) |
| (Decrease) / Increase in Excise Duty on Stock of Finished Goods | 17.65 | 12.21 |
| | (41.49) | (73.18) |

Details of Work-in-process as at 31st March :

| | | |
|-----------------------|--------------|--------------|
| Intermediate | 27.72 | 25.75 |
| Finished Goods - Bulk | 6.07 | 6.68 |
| | 33.79 | 32.43 |

25. EMPLOYEE BENEFITS EXPENSE

| | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|---|---|
| | <u>₹ Crores</u> | <u>₹ Crores</u> |
| Salaries and Wages | 110.52 | 97.54 |
| Contribution to provident and other funds # | 11.23 | 10.63 |
| Staff Welfare Expenses | 16.24 | 12.61 |
| Expense on Employee Stock Option Scheme | 1.97 | 1.54 |
| | 139.96 | 122.32 |

26. FINANCE COSTS

| | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|--|---|---|
| | <u>₹ Crores</u> | <u>₹ Crores</u> |
| Interest Expense | 22.68 | 18.02 |
| Exchange difference on foreign currency transactions and translation | 4.99 | 4.35 |
| | 27.67 | 22.37 |

27. DEPRECIATION AND AMORTIZATION EXPENSE

| | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|-----------------------------------|---|---|
| | <u>₹ Crores</u> | <u>₹ Crores</u> |
| Depreciation of tangible assets | 43.84 | 36.02 |
| Amortization of intangible assets | 2.48 | 1.59 |
| | 46.32 | 37.61 |

Less: Withdrawn from revaluation reserve on account of extra depreciation for the year arising out of assets revalued earlier

| | | |
|--|--------------|--------------|
| | (0.04) | (0.05) |
| | 46.28 | 37.56 |

Refer note 40

NOTES FORMING PART OF FINANCIAL STATEMENTS

28. OTHER EXPENSES

| | For the year ended 31 st March, 2013 | For the year ended 31 st March, 2012 |
|--|--|--|
| | ₹ Crores | ₹ Crores |
| Freight, Octroi and Delivery | 170.78 | 149.92 |
| Power & Fuel | 28.04 | 25.07 |
| Consumption of Stores and Spare Parts | 6.69 | 5.99 |
| Repairs to Buildings @ | 0.72 | 0.30 |
| Repairs to Machinery @ | 4.70 | 3.28 |
| Repairs to Other Assets @ | 6.47 | 3.27 |
| Rent | 23.64 | 18.38 |
| Rates & Taxes | 0.81 | 1.33 |
| Travelling | 25.02 | 21.98 |
| Advertisement and Sales Promotion Expenses | 170.71 | 136.73 |
| Insurance | 1.20 | 0.77 |
| Cash Discount | 118.59 | 100.76 |
| Processing Charges | 33.00 | 26.48 |
| Directors' Fees | 0.01 | 0.02 |
| Foreign Exchange Loss (net) | 3.06 | 3.66 |
| Commission to Non-Executive Directors | 0.82 | 0.34 |
| Other expenses (#) | 81.92 | 55.78 |
| | 676.18 | 554.06 |
| @ Includes Consumption of Stores and Spare Parts | 3.21 | 2.48 |
| # Other expenses include Auditor's Remuneration- | | |
| Audit fees | 0.30 | 0.23 |
| Tax Audit | 0.04 | 0.03 |
| Miscellaneous Certificates and Other Matters | 0.20 | 0.11 |
| Reimbursement of expenses * | 0.00 | 0.02 |
| | 0.54 | 0.39 |

29. DEFERRED TAX CHARGE / (CREDIT)

| | For the year ended 31 st March, 2013 | For the year ended 31 st March, 2012 |
|--|--|--|
| | ₹ Crores | ₹ Crores |
| Liability | | |
| Difference between the Written Down Values of Fixed Assets as per financial books and Income Tax Act | 2.16 | 3.46 |
| | 2.16 | 3.46 |
| Less: Asset | | |
| Amortisation of expenses allowed as per Income Tax Act * | (2.01) | (0.02) |
| Others | - | - |
| | (2.01) | (0.02) |
| | 4.17 | 3.48 |

*Refer note 47

NOTES FORMING PART OF FINANCIAL STATEMENTS

30. EARNINGS PER SHARE

| | | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|-------------|---|---|
| i) Profit after Taxation | ₹ in Crores | 209.80 | 177.39 |
| ii) Weighted average number of Equity Shares outstanding | Nos. | 34,62,32,844 | 34,61,13,824 |
| iii) Effect of potential Equity Shares on Employee Stock Options outstanding | Nos. | 4,02,261 | 3,15,399 |
| iv) Weighted average number of Equity Shares in computing diluted earnings per share [(ii) + (iii)] | Nos. | 34,66,35,105 | 34,64,29,223 |
| v) Earnings per share : (Face Value ₹ 2.00 per Share) - | | | |
| -Basic [(i) / (ii)] | in ₹ | 6.06 | 5.13 |
| -Diluted [(i) / (iv)] | in ₹ | 6.05 | 5.12 |

31. CONTINGENT LIABILITIES

| | As at 31st March, 2013 | As at 31st March, 2012 |
|---|--|--|
| | ₹ Crores | ₹ Crores |
| a) Claims against the Company not acknowledged as debts : The Sales Tax, Excise & Service Tax, Income Tax and Provident Fund Authorities have made certain claims totalling ₹ 28 (2011-12: ₹ 33), ₹ 29 (2011-12: ₹ 34), ₹ 9 (2011-12: ₹ 15) and ₹ Nil (2011-12: ₹ 1) respectively in respect of earlier years. The Company has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same. The future cash flows on account of the above cannot be determined unless the judgement/decisions are received from the ultimate judicial forums. | | |
| b) Corporate guarantees issued by the Company to certain banks for loans taken by some of its subsidiaries and amount outstanding as at 31 st March | 242.90 | 206.90 |
| c) Some of the fixed assets of the Company have been mortgaged by deposit of title deeds in favour of Standard Chartered Bank towards loan extended to its subsidiary, M/s Lusako Trading Limited. | | |

32. COMMITMENTS

| | | |
|--|--------|--------|
| Estimated amount of contracts remaining to be executed on capital account not provided for | 153.39 | 134.30 |
|--|--------|--------|

NOTES FORMING PART OF FINANCIAL STATEMENTS

33. DUES TO MICRO AND SMALL ENTERPRISES

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.

Total Outstanding with Micro, Medium & Small Creditors

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Principal amount remaining unpaid at the end of the year | 1.68 | 1.60 |
| Interest due thereon remaining unpaid at the end of the year | 0.53 | 0.30 |
| | <u>2.21</u> | <u>1.90</u> |
| Delayed Payment of Principal amount paid beyond appointed date during the entire accounting year | 10.81 | 7.40 |
| Interest actually paid under Section 16 of the Act during the entire accounting year. | Nil | Nil |
| 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. | Nil | Nil |
| Interest accrued and remaining unpaid at the end of the year | 0.01 | 0.20 |
| 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 | 0.53 | 0.30 |

34. DETAILS OF MATERIALS CONSUMED @ :

| | For the year ended 31 st March, 2013 Consumption | For the year ended 31 st March, 2012 Consumption |
|---------------------|---|---|
| Acids and Chemicals | 283.49 | 222.30 |
| Resins | 156.12 | 198.60 |
| Pigments | 340.22 | 332.30 |
| Solvents | 339.68 | 343.20 |
| Oils | 112.52 | 109.30 |
| Extenders | 89.09 | 79.80 |
| Others | 130.54 | 113.19 |
| | <u>1,451.66</u> | <u>1,398.69</u> |

@ Raw Materials consumed are after adjustment of shortage/excess.

35. C.I.F. VALUE OF DIRECT IMPORTS

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|------------------------|--|--|
| Raw Materials | 342.85 | 308.90 |
| Capital Goods | 10.86 | 2.80 |
| Stores and Spare Parts | 0.59 | 0.60 |
| | <u>354.30</u> | <u>312.30</u> |



NOTES FORMING PART OF FINANCIAL STATEMENTS

36. EXPENDITURE IN FOREIGN CURRENCY (NET OF TDS)

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|------------------|--|--|
| Travelling | 0.10 | 0.10 |
| Shade Card | 2.32 | 3.90 |
| Consultancy Fees | 0.11 | 0.00 |
| Interest | 1.21 | 0.80 |
| Others | 0.02 | - |
| | <u>3.76</u> | <u>4.80</u> |

37. IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMPTION

| | % of Total Consumption | For the year ended 31 st March, 2013 ₹ Crores | % of Total Consumption | For the year ended 31 st March, 2012 ₹ Crores |
|------------------------|---------------------------|--|---------------------------|--|
| Raw Materials | | | | |
| (i) Imported | 24.64 | 357.66 | 19.89 | 278.20 |
| (ii) Indigenous | 75.36 | 1,094.00 | 80.11 | 1,120.49 |
| | <u>100.00</u> | <u>1,451.66</u> | <u>100.00</u> | <u>1,398.69</u> |
| Stores and Spare Parts | | | | |
| (i) Imported | 2.22 | 0.22 | 3.54 | 0.30 |
| (ii) Indigenous | 97.78 | 9.68 | 96.46 | 8.17 |
| | <u>100.00</u> | <u>9.90</u> | <u>100.00</u> | <u>8.47</u> |

38. DIVIDEND REMITTED IN FOREIGN CURRENCY

Remittance in Foreign Currency on account of dividend to non-resident shareholders

| | 2011-12 | 2010-11 |
|---|-------------|-------------|
| (a) Financial Year for which the dividend was remitted | | |
| (b) Number of non-resident shareholders to whom remittance was made | 1 | 1 |
| (c) Number of shares on which remittance was made | 5,02,34,565 | 5,02,34,565 |
| (d) Dividend remitted | 7 | 4 |

39. EARNINGS IN FOREIGN EXCHANGE

| | | |
|------------------------|-------------|-------------|
| F.O.B. value of Export | 2.59 | 2.00 |
| Consultancy Fees | 1.65 | 1.00 |
| | <u>4.24</u> | <u>3.00</u> |

NOTES FORMING PART OF FINANCIAL STATEMENTS

40. EMPLOYEE BENEFITS

i) Defined benefit plans - as per Actuarial Valuation as on 31st March, 2013.

| | | Gratuity | |
|----------|--|---|------------------------------|
| | | 31 st March, 2013 | 31 st March, 2012 |
| | | ₹ Crores | ₹ Crores |
| A | Expense recognised in the statement of Profit & Loss | | |
| | 1. Current service cost | 1.39 | 1.25 |
| | 2. Interest cost | 1.49 | 1.34 |
| | 3. Expected return on plan assets | (1.66) | (1.43) |
| | 4. Net actuarial (gain) / loss recognized during the year | 1.41 | 1.34 |
| | 5. Past service cost | 0.00 | 0.00 |
| | 6. Total Expense | 2.63 | 2.50 |
| B | Change in Present value of the Obligation during the year | | |
| | 1. Present value of obligation as at the beginning of the year | 18.57 | 16.76 |
| | 2. Current service cost | 1.39 | 1.25 |
| | 3. Interest cost | 1.49 | 1.34 |
| | 4. Benefits paid | (2.82) | (2.12) |
| | 5. Actuarial (gain) / loss on obligation | 1.41 | 1.34 |
| | 6. Past service cost | 0.00 | 0.00 |
| | 7. Present value of obligation as at the end of the year | 20.04 | 18.57 |
| C | Change in Fair value of plan assets during the year | | |
| | 1. Fair value of plan assets as at the beginning of the year | 17.32 | 13.87 |
| | 2. Expected return on plan assets | 1.66 | 1.43 |
| | 3. Contributions made | 3.40 | 4.14 |
| | 4. Benefits paid | (2.82) | (2.12) |
| | 5. Actuarial gain / (loss) on plan assets | 0.00 | 0.00 |
| | 6. Fair value of plan assets as at the end of the year | 19.56 | 17.32 |
| D | Major categories of plan assets as a % of total plan | 100% Qualifying Insurance Policy | |
| E | Actuarial Assumptions | | |
| | 1. Discount rate | 8% | 8% |
| | 2. Expected return on plan assets actual = rate of return as ARD falls on 31 st March | | |
| | 3. Future salary increases consider inflation, promotion, seniority and other relevant factors | | |

| F. | Net Asset / (Liability) recognised in the Balance Sheet | Gratuity | Gratuity | Gratuity | Gratuity | Gratuity |
|----|---|---------------|---------------|---------------|---------------|---------------|
| | | 31.03.2013 | 31.03.2012 | 31.03.2011 | 31.03.2010 | 31.03.2009 |
| | | ₹ Crore | ₹ Crore | ₹ Crore | ₹ Crore | ₹ Crore |
| | 1. Present value of the obligation | 20.04 | 18.57 | 16.8 | 13.6 | 10.1 |
| | 2. Fair value of plan assets | 19.56 | 17.32 | 13.9 | 10.8 | 9.4 |
| | 3. Funded Status [surplus / (deficit)] | (0.48) | (1.25) | (2.90) | (2.80) | (0.70) |
| | 4. Net Asset / (Liability) recognized in the Balance Sheet | (0.48) | (1.25) | (2.90) | (2.80) | (0.70) |



NOTES FORMING PART OF FINANCIAL STATEMENTS

- Notes : a) The disclosures included above are limited to the extent provided by the actuary.
- b) The amounts for “Other Defined Benefit Plans” are below the rounding off norm adopted by the Company (refer note 47) and hence the disclosures as required under AS - 15 “Employee Benefits” have not been given.
- ii) During the year, the Company has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans :
- Provident and Family Pension Fund (applicable for certain eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner - ₹ 1.12 (2011-12: ₹ 0.9)
 - Superannuation Fund - ₹ 1.94 (2011-12: ₹ 2).
- iii) Provident Fund for certain eligible employees is administered by the Company through the Trust “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, being exempt under Section 17(1) of the said Act, any shortfall in the rate of interest on contributions as compared to the rate approved by the government for the Employees’ Provident Fund administered by the Regional Provident Fund Commissioner is to be met by the employer. Such a provident fund would in effect be a defined benefit plan in accordance with the requirement of AS 15, Employee Benefits (Revised 2005).

The actuarial valuation conducted (as per the Guidance Note issued by the Actuarial Society of India during the year) indicate that there is no shortfall as on 31st March, 2013 based on the following assumptions :

| | | |
|--|---|-------------|
| Discount rate (per annum) | — | 8% |
| Expected rate of return on plan assets | — | 8.6% - 8.8% |

NOTES FORMING PART OF FINANCIAL STATEMENTS

41. DISCLOSURES ON RELATED PARTIES

| Related Party | Relationship | Outstanding as on 31 st March, 2013 | Outstanding as on 31 st March 2012 | Payable/ Receivable | Nature of transaction | For the year ended 31 st March, 2013 Value of Transaction ₹ Crores | For the year ended 31 st March, 2012 Value of Transaction ₹ Crores |
|---|--|--|---|------------------------|--|--|--|
| | | ₹ Crores | ₹ Crores | | | | |
| (A) U K Paints (India) Limited | Associate Company | 10.86 | 9.40 | Payable | 1 Charges for Processing of Goods 2 Purchase of Goods 3 Sale of Goods 4 Rent Expense / Security Charges 5 Sale of Fixed Assets | 14.80 49.28 0.31 3.07 - | 19.00 39.80 0.30 2.00 0.00* |
| (B) Berger Becker Coatings Private Limited | Joint Venture Company | 0.21 | 0.10 | Receivable | Sale of Goods / Services | 0.14 | 0.20 |
| (C) BNB Coatings India Limited | Joint Venture Company | 1.26 | 0.60 | Receivable | 1 Sale of Goods 2 Purchase of Goods 3 Sale of Fixed Assets | 2.32 0.00 - | 1.70 - 0.10 |
| (D) Berger Jenson & Nicholson (Nepal) Private Limited | Wholly owned Subsidiary Company | 1.98 | 9.80 | Receivable | 1 Sale of Goods 2 Royalty Income | 8.48 0.96 | 8.20 0.90 |
| (E) Beepee Coatings Private Limited | Wholly owned Subsidiary Company | 2.18 | 2.10 | Receivable | 1 Charges for Processing of Goods 2 Machinery Rental Income 3 Building Rent Paid 4 Interest on Loan given | 17.41 0.41 0.07 0.19 | 12.20 0.30 0.10 0.20 |
| Brushworks Paints Limited | Subsidiary of Beepee Coatings Private Limited | 5.01 | - | Receivable | 1 Advance paid | 5.00 | - |
| (F) Seaward Packaging Private Limited | Enterprise over which directors have significant influence | 0.44 | 0.50 | Payable | Purchase of goods | 5.45 | 2.10 |
| Kanwar Properties Pvt. Ltd. | Fellow Subsidiary Company | 0.08 | - | | Rent Expense/Security Deposit | 0.24 | - |
| Flex Properties Pvt. Ltd. | Enterprise over which directors have significant influence | 0.00 | - | | Rent Expense/Security Deposit | 0.04 | - |
| (G) Berger Paints (Cyprus) Limited | Wholly owned Subsidiary Company | 1.06 | 0.20 | Receivable | 1 Equity Contribution 2 Share Application | 1.03 1.06 | 0.20 4.40 |
| (H) Berger Paints Overseas Limited | Wholly owned Indirect Subsidiary Company | 3.56 | 1.10 | Receivable | 1 Sale of Goods 2 Sale of Fixed Assets | 2.77 - | 0.20 - |
| (I) Lusako Trading Limited | Wholly owned Subsidiary Company | 3.35 | - | Receivable | 1 Equity Contribution 2 Share Application | 2.91 3.35 | 6.00 - |
| (J) Bolix S.A. | Wholly owned Indirect Subsidiary Company | - | - | Payable | 1 Purchase of goods | - | - |
| (K) Build - Trade sp. z.o.o. | Wholly owned Indirect Subsidiary Company | - | - | - | | - | - |
| (L) U K Paints (Overseas) Limited | Enterprise over which directors have significant influence | 0.01 | 0.00* | Payable | | - | - |
| (M) Mr. K S Dhingra | Key Management Personnel | 0.01 | 0.10 | Payable | 1 Rent Paid 2 Director's commission | 0.16 0.10 | 0.10 0.10 |
| (N) Mr. G S Dhingra | Key Management Personnel | 0.01 | 0.10 | Payable | 1 Rent Paid 2 Director's commission | 0.16 0.10 | 0.10 0.10 |
| (O) Mr. S N Dhingra | Relative of Key Management Personnel | - | - | Receivable | Rent Paid | - | 0.00* |
| (P) Mr. Subir Bose | Key Management Personnel | 0.00 | 0.00* | Receivable | Rent Paid | 0.00 | 0.00* |
| (Q) Mrs. Chandrika Bose | Relative of Key Management Personnel | 0.00 | 0.00* | Receivable | Rent Paid | 0.00 | 0.00* |
| (R) Mr. Kanwardip Singh Dhingra | Relative of Key Management Personnel | - | - | | Remuneration | 0.21 | 0.10 |
| (S) Mrs. Rishma Kaur | Relative of Key Management Personnel | - | - | | Remuneration | 0.22 | 0.20 |
| (T) Wholtime directors | Key Management Personnel | 0.32 | 0.50 | Payable | Remuneration | 1.87 | 2.40 |

* Refer Note 47

There are no individuals who are related parties other than the members of the Board of Directors or their relatives. Except for the transaction mentioned above, none of the Directors had any transactions with the Company other than sitting fees (refer Note 28 to the Statement of Profit and Loss) received for attendance of board meetings, commission or remuneration received as per contract of employment with the Company.



NOTES FORMING PART OF FINANCIAL STATEMENTS

42. INTEREST IN JOINT VENTURES

- a) Description of interest in the joint venture company

| Name of the Company | Proportion of interest | Country of incorporation |
|--|------------------------|--------------------------|
| Berger Becker Coatings Private Limited | 48.98% | India |
| BNB Coatings India Limited | 49.00% | India |

- b) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the joint venture companies are as follows :

| | Berger Becker Coatings Private Limited | | BNB Coatings India Limited | |
|-------------|---|------------------------------|-------------------------------|------------------------------|
| | 31 st March, 2013 | 31 st March, 2012 | 31 st March, 2013 | 31 st March, 2012 |
| | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores |
| Assets | 57.63 | 42.00 | 18.30 | 9.50 |
| Liabilities | 34.07 | 22.40 | 6.21 | 4.20 |
| Income | 90.62 | 67.50 | 19.62 | 7.60 |
| Expenses | 85.59 | 65.10 | 18.28 | 7.00 |

43. SEGMENT INFORMATION

The Company has only one business segment, namely Paints with almost the entire sales being made in the domestic market.

44. LEASES

The Company's leasing arrangement are in the nature of operating leases which are not non cancellable. These are usually renewed periodically by mutual consent. The rentals payable against these arrangements appear under the head Rent in Note 28 to the Statement of Profit and Loss - ₹ Nil (2011-12: ₹ Nil).

45. DISCLOSURE REGARDING EMPLOYEE STOCK OPTION PLAN PURSUANT TO THE SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999

(as on 31st March, 2013)

| | |
|---|---|
| a. Number of Stock Options as on 01.04.12 | 2,02,350 (ESOP Grant I) |
| Number of Stock Options as on 01.04.12 | 1,81,062 (ESOP Grant II) |
| b. Options granted during the FY 2012-13 | 1,91,397 (ESOP Grant III) granted on 01.08.2012 |
| c. Pricing Formula | Use of Intrinsic Value |
| Exercise Price for all the three Grants will be @ ₹ 2 FV | |
| d. Number of Options vested during the FY 2012-13 | 99,550 (out of ESOP Grant I) |
| Number of Options vested during the FY 2012-13 | 62,668 (out of ESOP Grant II) |
| e. The total number of shares arising as a result of exercise of option | 83,500 (out of ESOP Grant I) |
| f. The total number of shares arising as a result of exercise of option | 53,184 (out of ESOP Grant II) |
| g. Number of Options lapsed during the FY 2012-13 | 12,166 (out of Grant I) |
| | 9,004 (out of Grant II) |
| | 5,838 (out of Grant III) |
| | 27,008 |
| h. Variation of terms of option | None during the year |
| i. Money realised by exercise of option (in ₹) | 2,73,368 |
| j. Total Number of options in force | 1,06,684 (out of Grant I) |
| | 1,18,874 (out of Grant II) |
| | 1,85,559 (out of Grant III) |
| | 4,11,117 |

- k. Employee wise details of options granted to:

| (i) Senior Management Personnel | Designation | No. of options granted in 2012-13 |
|---------------------------------|---------------------------------------|--------------------------------------|
| a. Mr. Abhijit Roy | Managing Director | 5,001 |
| b. Mr. Srijit Dasgupta | Director & Chief Financial Officer | 5,001 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| | | |
|--|---|---|
| c. Mr. Aniruddha Sen | Sr. Vice President & Company Secretary | 3,336 |
| (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year. | None | |
| (iii) Employees who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant. | None | |
| l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20- 'Earnings Per Share' | | ₹ 6.07 |
| The Company has used intrinsic value method for calculating the employee compensation cost with respect to the stock options. The intrinsic value for each ESOP works out to ₹ 72.40 for options granted on 01.08.2010, ₹ 106.75 for options granted on 01.08.2011 and ₹ 137.45 for options granted on 01.08.2012. The fair value as on 31st March, 2013 of each ESOP is determined as follows- a) ₹ 192.94 for options granted on 01.08.2010; b) ₹ 191.99 for options granted on 01.08.2011 and c) ₹ 190.39 for options granted on 01.08.2012. Had the employee compensation cost for the ESOP been determined in a manner consistent with the fair value approach, the stock option compensation expense would have been higher by ₹ 3.28 Crores. Consequently, profit after tax would have been lower by ₹ 3.28 Crores and the Basic EPS of the Company would have been ₹ 5.98 per share (lower by ₹ 0.10 per share). | | |
| m. Weighted average exercise price of the options granted during the year | | ₹ 2.00 |
| n. Weighted average fair value of the options granted during the year | | ₹ 192.94 - Grant I ₹ 191.99 - Grant II ₹ 190.39 - Grant III |
| o. 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. risk free interest rate | | Grant II 7.78% |
| ii. expected life | | 3.50 years |
| iii. expected volatility | | 24.08% |
| iv. expected dividend yield | | 0.56% |
| v. the price of the underlying share in the market at the time of option grant | | ₹ 77.80 (Grant-I) 30.07.2010 ₹ 108.75 (Grant-II) 29.07.2011 ₹ 138.70 (Grant-III) 31.07.2012 |
| vi. Time to Maturity as at 31 st March, 2013 | | Grant-I-0.33 Yrs. Grant-II-1.33 Yrs. Grant-III-3 Yrs. |

46. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped and reclassified to conform to current year's classification.

47. All figures are in Rupees Crores. Figures marked with asterisks (*) are below the rounding off norm adopted by the Company.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Kolkata
Dated : 30th May, 2013

On behalf of the Board of Directors
Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President &
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|--|--|--|
| A Cash flow from operating activities | | |
| Net Profit before Income Tax & Exceptional Items | 293.13 | 248.17 |
| Adjusted for: | | |
| Depreciation and Amortization Expenses | 46.28 | 37.56 |
| Interest Income | (20.24) | (15.51) |
| Dividend Income from Current Investment | (0.88) | (0.26) |
| Interest Charged | 22.68 | 18.02 |
| Profit on Sale of Fixed Assets | (0.08) | (0.18) |
| Expenses on Employees Stock Option | 1.97 | 1.54 |
| Unrealised (Gain)/Loss on Exchange - Net | (0.12) | 7.20 |
| Operating profit before working capital changes | 342.74 | 296.54 |
| Changes in: | | |
| Trade & Other Receivables | (39.67) | (78.46) |
| Inventories | (63.00) | (110.00) |
| Trade & Other Payables | 27.47 | 88.40 |
| Cash generated from operations | 267.54 | 196.48 |
| Deferred Employee Expenses | (1.15) | (0.58) |
| Direct Taxes Paid (Net of Refund) | (89.77) | (75.98) |
| Net cash from operating activities | 176.62 | 119.92 |
| B Cash Flow from investing activities | | |
| Purchase of Fixed Assets | (199.65) | (123.02) |
| Proceeds from Sale of Fixed Assets | 1.82 | 2.30 |
| Interest Received | 19.60 | 15.45 |
| Dividend Received | 0.88 | 0.26 |
| Share Application Money for Investment in Subsidiaries | (4.20) | (0.07) |
| Investment in Joint Venture and Subsidiaries | (4.15) | (10.73) |
| Purchase of Other Long Term Investments | - | (0.40) |
| Purchase of Current Investments | (9.81) | (2.96) |
| Sale of Current Investments | 2.96 | 52.11 |
| Net cash used in investing activities | (192.55) | (67.06) |
| C Cash flow from financing activities | | |
| Proceeds from Share Issue | 0.03 | 0.02 |
| Share Premium on Employees Stock Option | 1.17 | 0.59 |
| Proceeds from Short Term Loans | 184.90 | 64.82 |
| Repayment of Short Term Loans | (52.39) | (6.67) |
| Interest Paid | (23.15) | (17.52) |
| Dividend Paid | (48.38) | (40.62) |
| Net cash used in financing activities | 62.18 | 0.62 |
| Net changes in cash & cash equivalents (A+B+C) | 46.25 | 53.48 |
| Cash & cash equivalents - opening balance # | 176.29 | 122.81 |
| Cash & cash equivalents - closing balance # | 222.54 | 176.29 |
| # Cash & cash equivalents are Cash & Bank balances as mentioned in Note 17 | | |
| Notes to the Cash Flow Statement: | | |
| 1) Cash and cash equivalents represent: | | |
| (a) Cash-in-hand | 0.34 | 0.51 |
| (b) Cheques in hand | 0.02 | 7.73 |
| (c) Balance with banks | 222.18 | 168.05 |
| | 222.54 | 176.29 |
| 2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India. | | |
| 3) Previous year's figures have been regrouped, wherever necessary. | | |
| This is the Cash Flow Statement referred to in our report of even date. | | |

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000
Kolkata
Dated: 30th May, 2013

On behalf of the Board of Directors

Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President &
Company Secretary

STATEMENT REGARDING SUBSIDIARY COMPANIES Pursuant to Section 212 of the companies act, 1956

| 1 | Name of the Subsidiary Company | Beepee Coatings Pvt. Limited | Brushworks Paints Limited | Berger Jenson & Nicholson (Nepal) Pvt. Limited | Berger Paints (Cyprus) Limited | Berger Paints Overseas Limited | Lusako Trading Limited | Bolix S. A. | Build-Trade sp z.o.o. | Bolix Ukraine Limited Liability Company |
|---|---|---|------------------------------|--|--|---|--|--|--|---|
| 2 | The Financial Year of the Subsidiary Company Ended | 31 st March, 2013 | 31 st March, 2013 | 13 th March, 2013 | 31 st December, 2012 | 31 st December, 2012 | 31 st December, 2012 | 31 st December, 2012 | 31 st December, 2012 | 31 st December, 2012 |
| 3 | Holding Company's Interest as at 31-03-13 / 31-12-12 (as applicable) : a. No. of Equity Shares held | 25,00,000 Shares of ₹ 10/- each | 50,000 Shares of ₹ 10/- each | 3,45,421 Shares of NRs. 100/- each | 20,63,156 Shares of Euro 1.71 each | The Charter Capital of 13,886,300 is held by Berger Paints (Cyprus) Ltd, the wholly owned subsidiary of the Company | 38,59,122 Shares of Euro 1.71 each | 1,00,00,000 Shares of PLN 1.0 each is held by Lusako Trading Ltd, the wholly-owned subsidiary of the Company | 50,000 Shares of PLN 1.0 each is held by Bolix S.A., the wholly-owned indirect subsidiary of the Company | 99 Shares of UAH 5,650 each is held by Bolix S.A., the wholly-owned indirect subsidiary of the Company and 1 share of UAH 5,650 is held by Build-Trade s.p.z.o.o., a subsidiary of Bolix S.A. |
| | b. Percentage of shareholding | 100% | 99.9% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores |
| 4 | Net aggregate amount of Profits/Losses of the subsidiary so far as it concerns the members of the Company a. Not dealt with in the Accounts of the Company for the financial year ended 31 st March, 2013 i) for the financial year of the Subsidiary for previous financial years of the Subsidiary since it became Subsidiary of the Company. b. Dealt with in the accounts of the Company i) for the financial year of the Subsidiary for previous financial years of the Subsidiary since it became Subsidiary of the Company. | (+) 0.26 (-) 0.98 Nil (+) 2.01 | (-) 0.40 Nil | (+) 9.45 (+) 22.43 Nil Nil | (-) 0.26 (-) 0.96 Nil Nil | (-) 2.45 (-) 7.45 Nil Nil | (-) 6.15 (-) 27.9 Nil Nil | (+) 3.85 (+) 142.05 Nil Nil | (+) 0.01* (-) 0.2 Nil Nil | (-) 0.06 (-) 0.1 Nil Nil |

Notes:

- Indian rupees equivalent of the figures for subsidiaries whose financial statements are in a currency other than Indian Rupees have been translated at average exchange rates of the respective years as per Accounting Standard - 21 "Consolidated Financial Statements".
- All figures are in Rupees Crores. Figures marked with asterisks (*) are below the rounding off norm adopted by the Company.

On behalf of the Board of Directors
Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President &
Company Secretary



ANNUAL REPORT 2012 - 13

Kolkata
Dated : 30th May, 2013

SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES

| Subsidiary Name | Accounting Period | Original Currency | Exchange Rate | Share Capital | Reserves & Surplus | Total Liabilities | Total Assets | Investments (other than investments in subsidiaries) | Turnover / Net Sales | Profit Before Tax | Provision For Taxation | Profit After Tax | Proposed Dividend |
|--|-------------------|-------------------|---------------|---------------|--------------------|-------------------|--------------|--|----------------------|-------------------|------------------------|------------------|-------------------|
| Berger Jenson & Nicholson (Nepal) Pvt. Limited | Apr - Mar | Nepali Rupees | 0.624 | 2.16 | 31.88 | 20.15 | 54.18 | 0.00 | 66.15 | 12.06 | 2.61 | 9.45 | 0.00 |
| Beepee Coatings Pvt. Limited | Apr - Mar | Indian Rupees | 1.000 | 25.00 | (0.72) | 7.09 | 8.88 | 0* | 17.60# | 0.39 | 0.13 | 0.26 | 0.00 |
| Brushworks Paints Limited | Apr - Mar | Indian Rupees | 1.000 | 0.05 | (0.40) | 37.59 | 37.25 | - | - | (0.40) | 0.00 | (0.40) | 0.00 |
| Berger Paints (Cyprus) Limited | Jan - Dec | US Dollars | 54.99 | 25.61 | (1.22) | 0.04 | 24.43 | 0.00 | 0.00 | (0.26) | 0.00 | (0.26) | 0.00 |
| Lusako Trading Limited | Jan - Dec | US Dollars | 54.99 | 52.00 | (342.00) | 211.00 | 229.00 | - | - | (6.15) | 0.00 | (6.15) | 0.00 |
| Berger Paints Overseas Limited | Jan - Dec | Roubles | 1.80 | 2.50 | (9.90) | 23.50 | 16.10 | 0.00 | 2.96 | (2.45) | 0.00 | (2.45) | 0.00 |
| Bolix S.A. | Jan - Dec | Polish Zloty | 17.67 | 17.67 | 145.91 | 95.07 | 258.65 | 0.00 | 166.66 | 6.71 | 2.86 | 3.85 | 0.00 |
| Build-Trade sp z o.o. | Jan - Dec | Polish Zloty | 17.67 | 0.09 | (0.01) | 0.14 | 0.22 | 0.00 | 0.69 | 0.01* | 0.00 | 0.01* | 0.00 |
| Bolix Ukraine Limited Liability Company | Jan - Dec | Ukrainian Grivna | 6.63 | 0.20 | (0.07) | 0.49* | 0.62 | 0.00 | 1.19* | (0.06) | 0.00 | (0.06) | 0.00 |

Consists of Processing Income

Notes :

1. Indian rupees equivalent of the figures given in foreign currency are translated at the exchange rate as at 31.03.2013 / 31.12.2012 as applicable.
2. All figures are in Rupees Crores. Figures marked with asterisks (*) are below the rounding off norm adopted by the Company.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Berger Paints India Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Berger Paints India Limited ("the Company") and its subsidiaries and its jointly controlled entities; hereinafter referred to as the "Group" (refer Note 34 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31st, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31st, 2013;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of three direct subsidiaries, five indirect subsidiaries and two jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹ 438.77 crores and net assets of ₹ 305.80 crores as at March 31st, 2013, total revenue of ₹ 328.82 crores, net profit of ₹ 14.94 crores and net cash flows amounting to ₹ (1.72) crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership Number 55000

Kolkata
30th May, 2013



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CONSOLIDATED BALANCE SHEET OF BERGER PAINTS INDIA LIMITED AND ITS SUBSIDIARY AND JOINT VENTURE COMPANIES

AS AT 31ST MARCH, 2013

| | Note | 31 st March, 2013 ₹ Crores | 31 st March, 2012 ₹ Crores |
|--|------|--|--|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share Capital | 2 | 69.26 | 69.23 |
| Reserves and surplus | 3 | 883.90 | 722.31 |
| | | 953.16 | 791.54 |
| Non-current liabilities | | | |
| Deferred Tax liabilities (net) | 4 | 40.76 | 31.24 |
| Long-term borrowings | 5 | 215.22 | 144.43 |
| Other Long term liabilities | 6 | 18.00 | 9.40 |
| Long-term provisions | 7 | 2.96 | 0.84 |
| | | 276.94 | 185.91 |
| Current liabilities | | | |
| Short-term borrowings | 8 | 334.44 | 196.60 |
| Trade payables | 9 | 407.21 | 358.32 |
| Other current liabilities | 10 | 126.18 | 185.33 |
| Short-term provisions | 11 | 89.28 | 70.40 |
| | | 957.11 | 810.65 |
| TOTAL | | 2,187.21 | 1,788.10 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed Assets | | | |
| Tangible assets | 12 | 397.58 | 332.95 |
| Intangible assets | 12 | 201.32 | 175.98 |
| Intangible assets under development | | 5.10 | - |
| Capital work-in-progress | | 167.40 | 72.91 |
| [Includes share of Joint Venture ₹ 0.02 (2011-12 : ₹ 0.16)] | | | |
| | | 771.40 | 581.84 |
| Non-current investments | 13 | 1.00 | 1.00 |
| Long-term loans and advances | 14 | 54.53 | 44.72 |
| Other non-current assets | 15 | 0.13 | 0.12 |
| | | 827.06 | 627.68 |
| Foreign Currency Monetary Item Translation Difference Account | | | |
| | | 0.45 | 1.00 |
| Current assets | | | |
| Current investments | 16 | 9.82 | 2.96 |
| Inventories | 17 | 636.39 | 555.22 |
| Trade Receivables | 18 | 411.44 | 358.62 |
| Cash and bank balances | 19 | 227.01 | 182.43 |
| Short term loans and advances | 20 | 64.87 | 54.23 |
| Other current assets | 21 | 10.17 | 5.96 |
| | | 1,359.70 | 1,159.42 |
| TOTAL | | 2,187.21 | 1,788.10 |

Significant accounting policies

The accompanying notes form an integral part of the financial statements.

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

For Lovelock & Lewes

Firm Registration No. 301056E

Chartered Accountants

Sunit Kumar Basu

Partner

Membership Number 55000

Kolkata

Dated: 30th May, 2013

On behalf of the Board of Directors
Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President &
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS OF BERGER PAINTS INDIA LIMITED AND ITS SUBSIDIARY AND JOINT VENTURE COMPANIES

FOR THE YEAR ENDED 31ST MARCH, 2013

| | Note | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|--|------|--|--|
| INCOME | | | |
| Revenue from operations | 22 | 3,663.12 | 3,193.68 |
| Less: Excise Duty [Includes share of Joint Venture ₹ 10.31 (2011-12: ₹ 6.82)] | | (316.71) | (245.95) |
| | | 3,346.41 | 2,947.73 |
| Other Income | 23 | 31.43 | 30.54 |
| Total Revenue | | 3,377.84 | 2,978.27 |
| EXPENDITURE | | | |
| Cost of materials consumed | 24 | 1,866.68 | 1,783.02 |
| Purchases of Stock-in-Trade | 25 | 238.89 | 167.70 |
| (Increase) / Decrease in inventories of finished goods, work-in-process and stock-in-trade | 26 | (46.94) | (75.29) |
| Employee benefits expense | 27 | 187.12 | 164.00 |
| Finance costs | 28 | 37.66 | 32.36 |
| Depreciation and amortization expense | 29 | 56.72 | 47.18 |
| Other expenses | 30 | 729.47 | 604.87 |
| Total Expenses | | 3,069.60 | 2,723.84 |
| PROFIT BEFORE TAX | | 308.24 | 254.43 |
| Tax expense | | | |
| Current Tax | 31 | 82.94 | 70.00 |
| Deferred Tax | 32 | 6.90 | 4.39 |
| PROFIT AFTER TAX | | 218.40 | 180.04 |
| Earnings per share (in ₹) | 33 | | |
| Basic | | 6.31 | 5.20 |
| Diluted | | 6.30 | 5.20 |
| Significant accounting policies | 1 | | |

The accompanying notes form an integral part of the financial statements.
This is the statement of Profit and Loss referred to in our report of even date.

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Kolkata
Dated: 30th May, 2013

On behalf of the Board of Directors

Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President &
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****a) Accounting convention**

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211 (3C) [Companies (Accounting Standards) Rules, 2006], as amended and other relevant provisions of the Companies Act, 1956.

b) Current and Non Current Classification

Any asset / liability is classified as current if it satisfies any of the following conditions :

- a) it is expected to be realized /settled in the company's normal operating cycle;
- b) it is expected to be realized/settled within twelve months after the reporting date;
- c) in the case of an asset,
 - i) it is held primarily for the purpose of being traded; or
 - ii) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- d) in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets / liabilities shall be classified as non-current.

c) Fixed Assets and Depreciation / Amortization

- i) Fixed Assets are carried at cost of acquisition, except in the case of certain Land and Freehold Buildings which are carried at revaluation (based on valuation by an external valuer) on current cost basis less depreciation as applicable.
- ii) Depreciation is provided on a straight line method as follows :
 - (a) In respect of assets other than motor vehicles and computers:
 - > In respect of additions before 1.7.87 on the basis of specified period determined at the time of acquisition at the rates inter alia under the Income Tax Act, 1961 and Rules framed thereunder and,
 - > In respect of additions on or after 1.7.87 in accordance with the provisions of Schedule XIV of the Companies Act, 1956.
 - (b) In respect of following assets, depreciation are at rates which are higher than the rates specified in Schedule XIV-
 - > Motor Vehicles - 15%
 - > Computers - 25%
 - > Tinting Machines - based on estimated useful life varying from 60 months to 100 months.
- iii) In respect of foreign subsidiaries, the depreciation rates are as per the useful lives of the assets.
- iv) In respect of revalued assets, depreciation on the amount added on revaluation is set off against Revaluation Reserve.
- v) Payments made / costs incurred in connection with acquisition of leasehold rights are amortised over the period of the lease.
- vi) 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

In the financial statements of Bolix S.A., goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired and is stated at cost less impairment losses which are tested annually.

- vii) Cash generating units/Assets are assessed for possible impairment at balance sheet dates based on external and internal sources of information. Impairment losses, if any, are recognised as an expense in the Statement of Profit and Loss.

d. Government Grants

Government subsidies related to specific fixed assets are deducted from the gross book value of the assets concerned and the subsidies related to revenue are recognised in the profit and loss statement.

e) Investments

Long term investments are stated at cost unless there is a permanent diminution in value. Current investments are valued at lower of cost or fair value.

f) Inventories

Finished goods inventories are stated at the lower of cost or estimated net realisable value. Costs comprise costs of purchase and production overheads. Other inventories are also valued at lower of cost or net realisable value. Provision is made for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined according to weighted average method of valuation. Cost of all inventories other than that of Berger Becker Coatings Private Limited, BNB Coatings India Limited, Berger Paints Overseas Limited and Bolix S.A. is valued according to weighted average method of valuation.

g) Foreign Currency Translation

Transactions in foreign currency are recorded at the rates of exchange prevalent on the date of transaction. Exchange differences arising from foreign currency transactions are dealt with in the Company's Statement of Profit and Loss after converting monetary assets and liabilities in foreign currencies at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported at balance sheet dates using the exchange rates at the date of transactions. The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which exchange rates change.

h) Sales

Sales comprise invoiced value of goods net of sales tax and are recognised on passing of property in goods.

i) Other Income

Other Income is recognised on accrual basis.

j) Employee Benefits

Provident Fund benefits are received by a majority of eligible employees from a trust administered by the Company as per the provisions of Employees' Provident Fund and Misc. Provisions Act, 1952. Both the Company and the employees contribute to the trust in accordance with the provisions of the Act. The Company's liability is actuarially determined and any shortfall in the Trust Fund to ensure the interest rate declared by the government is provided for.

Provident fund contributions for another category of employees are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Misc. Provisions Act, 1952 and are charged to Statement of Profit and Loss.

Contribution made to Superannuation Fund for certain category of employees are recognized in the Statement of Profit and Loss on an accrual basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Retirement Gratuity for employees, is funded through a scheme of Life Insurance Corporation of India. The excess / shortfall in the fair value of the plan assets and / or 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. The liability for gratuity and leave encashment in respect of Berger Jenson & Nicholson (Nepal) Private Limited are accounted for on cash basis.

In respect of certain other subsidiary and joint venture companies, liability for gratuity has been provided for based on actuarial valuation basis.

Liability for Leave encashment benefit is calculated using actuarial methods at year end and provided for.

k) Borrowing Costs

Borrowing costs charged to the Statement of Profit and Loss include interest and discounts on bank borrowings and short and long term borrowings. Borrowing costs attributable to qualifying assets, if any, are capitalised as cost of the assets.

l) Taxation

Current Tax is the tax payable for the period determined as per the provisions of the Income Tax Act, 1961. Deferred Tax Assets and Liabilities represent adjustments for timing differences in the manner in which items of income or expenditure are recognised for tax calculations and annual accounts (as per the Companies Act, 1956). Deferred tax assets are recognised subject to the consideration of prudence.

m) Employee Stock Option Scheme

Stock options granted to employees are accounted for as per the intrinsic value method and complies with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

n) Research and Development

Fixed Assets required for Research & Development are capitalized. Revenue expenditure on Research & Development is charged to the statement of Profit and Loss in the year in which it is incurred.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2. SHARE CAPITAL

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Authorised : | | |
| 37,50,00,000 (2011-12: 37,50,00,000) | | |
| Equity Shares of ₹ 2 each | 75.00 | 75.00 |
| Issued : | | |
| 34,63,35,688 (2011-12: 34,61,99,004) | | |
| Equity Shares of ₹ 2 each | 69.27 | 69.24 |
| Subscribed and paid-up : | | |
| 34,62,89,948 (2011-12: 34,61,53,264) | | |
| Equity Shares of ₹ 2 each fully paid-up | 69.26 | 69.23 |
| | 69.26 | 69.23 |

a) Reconciliation of the number of shares and the amount of share capital :

| Particulars | For the year ended 31 st March, 2013 | | For the year ended 31 st March, 2012 | |
|--|--|----------------------|--|----------------------|
| | No. of Shares | Amount (₹ Crores) | No. of Shares | Amount (₹ Crores) |
| Balance as at 1 st April | 34,61,53,264 | 69.23 | 34,60,72,464 | 69.23 |
| Add: Shares issued on exercise of employee stock options * | 1,36,684 | 0.03 | 80,800 | 0.00 |
| Balance as at 31 st March | 34,62,89,948 | 69.26 | 34,61,53,264 | 69.23 |

b) Details of Shareholders having more than 5% of holding :

| Name of the Shareholder | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|---------------------------------------|------------------------------------|-----------|------------------------------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| U K Paints (India) Limited | 15,81,15,295 | 45.66 | 15,77,65,295 | 45.58 |
| Jenson & Nicholson (Asia) Limited, UK | 5,02,34,565 | 14.51 | 5,02,34,565 | 14.51 |
| Nalanda India Fund Limited | 1,81,24,788 | 5.23 | 1,92,77,648 | 5.57 |

c) Terms / rights attached to equity shares

Share Capital comprises only equity shares of ₹ 2/- each only.

The equity shares rank *pari passu* in all respects including right to dividend, issue of new shares and voting rights.

d) Shares reserved for issue under options

Under the Employee Stock Option Scheme, the Company has granted 1,91,397 (2011-12: 1,88,064) options during the year which have been accounted at an intrinsic value of ₹ 137.45 (2011-12: ₹ 106.75) per option.

* Refer Note 44



NOTES FORMING PART OF FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|---|--|--|
| Capital Reserve | 0.19 | 0.19 |
| | 0.19 | 0.19 |
| Capital Redemption Reserve | 0.04 | 0.04 |
| | 0.04 | 0.04 |
| Securities Premium Account | | |
| Balance as at 1 st April | 130.52 | 129.93 |
| Add: On exercise of employee stock options | 1.17 | 0.59 |
| Balance as at 31 st March | 131.69 | 130.52 |
| Revaluation Reserve | | |
| Balance as at 1 st April | 0.88 | 0.93 |
| Less: Adjustment in respect of depreciation on revalued assets | (0.04) | (0.05) |
| Balance as at 31 st March | 0.84 | 0.88 |
| Share Options Outstanding Account | | |
| Options granted upto 1 st April | 1.83 | 2.16 |
| Add: Options granted during the year | 2.63 | 2.01 |
| Less: Deferred Employee Compensation | (0.40) | (1.56) |
| Less: Transferred to Securities Premium Account | (1.17) | (0.59) |
| Less: Forfeited / Lapsed | (0.26) | (0.19) |
| Balance as at 31 st March | 2.63 | 1.83 |
| Foreign Currency Translation Reserve | | |
| Balance as at 1 st April | (66.83) | (43.62) |
| Add: Currency translation (loss) / gain during the year | 14.19 | (23.21) |
| Balance as at 31 st March | (52.64) | (66.83) |
| General Reserve | | |
| Balance as at 1 st April | 261.05 | 243.32 |
| Add: Transferred from Surplus in the Statement of Profit and Loss | 20.98 | 17.73 |
| Balance as at 31 st March | 282.03 | 261.05 |
| Surplus in the Statement of Profit and Loss | | |
| Balance as at 1 st April | 394.63 | 288.64 |
| Add: Net profit for the year | 218.40 | 180.04 |
| Amount available for Appropriation | 613.03 | 468.68 |
| Less: Appropriations | | |
| Interim dividend | - | - |
| Proposed Final dividend | (62.33) | (48.46) |
| Tax on dividend | (10.60) | (7.86) |
| Transfer to General Reserve | (20.98) | (17.73) |
| Balance as at 31 st March | 519.12 | 394.63 |
| | 883.90 # | 722.31 # |

Includes ₹ 20.86 (2011-12: ₹ 16.92) on account of 48.98% holding in the joint venture company M/s Berger Becker Coatings Private Limited & ₹ (0.45) [2011-12: ₹ (0.11)] on account of 49% holding in the joint venture company M/s BNB Coatings India Limited as per proportionate consolidation principle.

NOTES FORMING PART OF FINANCIAL STATEMENTS

4. DEFERRED TAX LIABILITIES (NET)

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Deferred Tax Liabilities | | |
| Difference between the Written Down Values of Fixed Assets as per financial books and Income Tax Act | 44.01 | 39.36 |
| Others | 0.04 | 0.04 |
| | <u>44.05</u> | <u>39.40</u> |
| Deferred Tax Assets | | |
| Amortisation of expenses allowed as per Income Tax Act * | - | 0.00 |
| Others | 3.29 | 8.16 |
| | <u>3.29</u> | <u>8.16</u> |
| Deferred Tax Liability (net) | <u>40.76 #</u> | <u>31.24 #</u> |
| # Includes share of Joint Venture | 0.38 | 0.50 |

5. LONG TERM BORROWINGS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Loan and advances from related parties (unsecured) | - | - |
| Term loan from banks (secured) | 215.22 | 144.43 |
| | <u>215.22</u> | <u>144.43</u> |

Note : Term loan from banks are secured by a charge by way of mortgage on some specific fixed assets.
The above loans are repayable within 31st December, 2014.

6. OTHER LONG-TERM LIABILITIES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|----------|---|---|
| Deposits | 14.98 | 9.06 |
| Others | 3.02 | 0.34 |
| | <u>18.00</u> | <u>9.40</u> |

7. LONG-TERM PROVISIONS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|-----------------------------------|---|---|
| Provision for Employee Benefits @ | | |
| -Provision for Gratuity | 1.29 | 0.57 |
| -Provision for Leave Encashment | 1.48 | 0.18 |
| -Others | 0.19 | 0.09 |
| | <u>2.96 #</u> | <u>0.84 #</u> |

Includes share of Joint Venture

@ Refer Note 39

* Refer Note 44

NOTES FORMING PART OF FINANCIAL STATEMENTS

8. SHORT-TERM BORROWINGS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| <u>Secured</u> | | |
| Cash credit from banks | 159.14 | 79.33 |
| Unsecured Overdraft in Current Account from banks | 109.73 | 0.27 |
| Other loans from banks | 19.32 | 15.13 |
| <u>Unsecured</u> | | |
| Import finance from banks - Buyer's Credit | 46.25 | 97.98 |
| Other loans from banks | - | 2.50 |
| Loan and advances from related parties | - | 1.39 |
| | <u>334.44 #</u> | <u>196.60 #</u> |
| # Includes share of Joint Venture | 11.24 | 7.40 |
| a. Cash Credit are secured by hypothecation of stock-in-trade and book debts and repayable on demand. | | |
| b. During the year, the Company borrowed monies through issuance of Commercial Papers. | | |
| Year-end amount of such outstanding Commercial Papers is ₹ Nil (2011-12 - ₹ Nil). | | |
| Maximum amount outstanding on account of Commercial Papers at any time during the year | 300.00 | 257.00 |

9. TRADE PAYABLES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March 2012 ₹ Crores |
|-----------------------------------|---|--|
| Acceptances | 74.90 | 44.00 |
| Trade Payables | 332.31 | 314.32 |
| | <u>407.21 #</u> | <u>358.32 #</u> |
| # Includes share of Joint Venture | 17.75 | 14.20 |

10. OTHER CURRENT LIABILITIES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Current maturities of long-term debt | - | 77.03 |
| Interest accrued but not due on borrowings | 0.91 | 1.23 |
| Interest accrued and due on borrowings | - | 0.01 |
| Unpaid Dividends | 2.35 | 2.28 |
| Unpaid matured deposits and interest accrued thereon * | - | 0.00 |
| Advances from customers | 7.70 | 14.97 |
| Capital creditors | 18.47 | 8.61 |
| Statutory liabilities | 52.61 | 43.94 |
| Accrued employee liabilities | 12.31 | 11.85 |
| Deposits | 6.93 | 7.83 |
| Other liabilities | 24.90 | 17.58 |
| | <u>126.18 #</u> | <u>185.33 #</u> |
| # Includes share of Joint Venture | 5.20 | 3.60 |

* Refer Note 44

NOTES FORMING PART OF FINANCIAL STATEMENTS

11. SHORT-TERM PROVISIONS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March 2012 ₹ Crores |
|-----------------------------------|---|--|
| Provision for Employee Benefits @ | | |
| -Provision for Gratuity | 1.07 | 1.30 |
| -Provision for Leave Encashment | 8.18 | 6.75 |
| -Others | 0.26 | 0.22 |
| Others | | |
| -Claims against Warranty | 0.73 | 0.51 |
| -Others | 6.12 | 5.30 |
| -Proposed Dividend | 62.33 | 48.46 |
| -Tax on dividend | 10.59 | 7.86 |
| | 89.28 # | 70.40 # |
| # Includes share of Joint Venture | 2.19 | 0.50 |
| @ Refer Note 39 | | |

12. FIXED ASSETS

| | Gross Block | | | | Depreciation / Amortization | | | | | | Net Block | |
|-------------------------------|--|---------------|--------------|---------------------------|---|---|--------------------------------|---|---------------------------|---|---|---|
| | Original Cost/ Professional Valuation at 1 st April, 2012 ^{^^} | Additions | Deletions | Translation Difference | Original Cost/ Professional Valuation at 31 st March, 2013 | As at 1 st April, 2012 | For the Year ^{^^^} | On deletions (Accumulated upto the date of sale) | Translation Difference | Upto 31 st March, 2013 | Net Book Value at 31 st March, 2013 | Net Book Value at 31 st March, 2012 |
| | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores |
| Tangible Assets | | | | | | | | | | | | |
| Land : | | | | | | | | | | | | |
| Freehold | 10.07 | 0.01 | 0.00 | 0.27 | 10.35 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10.35 | 10.07 |
| Leasehold# | 6.37 | 0.74 | 0.00 | 0.00 | 7.11 | 0.58 | 0.06 | 0.00 | 0.00 | 0.64 | 6.47 | 5.79 |
| Buildings : | | | | | | | | | | | | |
| Freehold [^] | 123.05 | 33.06 | 1.32 | 3.35 | 158.14 | 32.88 | 4.71 | 0.05 | 1.33 | 38.87 | 119.27 | 90.17 |
| Leasehold ^{^^} | 11.87 | 8.42 | 0.00 | 0.00 | 20.29 | 2.28 | 0.68 | 0.00 | 0.00 | 2.96 | 17.33 | 9.59 |
| Plant and Equipment | 424.71 | 55.00 | 5.37 | 5.16 | 479.50 | 233.11 | 36.49 | 4.65 | 4.08 | 269.03 | 210.47 | 191.60 |
| Furniture and Fittings | 19.14 | 4.91 | 0.23 | 0.67 | 24.49 | 9.41 | 1.99 | 0.09 | 0.52 | 11.83 | 12.66 | 9.73 |
| Office Equipment | 23.95 | 10.91 | 0.42 | 0.00 | 34.44 | 16.32 | 7.19 | 0.42 | 0.00 | 23.09 | 11.35 | 7.63 |
| Motor Cars and Other Vehicles | 16.91 | 4.41 | 3.03 | 0.88 | 19.17 | 8.54 | 2.59 | 2.31 | 0.67 | 9.49 | 9.68 | 8.37 |
| | 636.07 | 117.46 | 10.37 | 10.33 | 753.49 | 303.12 | 53.71 | 7.52 | 6.60 | 355.91 | 397.58 | 332.95 |
| Intangible Assets | | | | | | | | | | | | |
| Trade Mark | 1.06 | 0.00 | 0.00 | 0.03 | 1.09 | 0.40 | 0.11 | 0.00 | 0.02 | 0.53 | 0.56 | 0.66 |
| Software | 24.56 | 6.14 | 0.00 | 2.15 | 32.85 | 19.25 | 2.94 | 0.00 | 1.99 | 24.18 | 8.67 | 5.31 |
| Goodwill ^{^^^^} | 170.01 | 0.00 | 0.00 | 22.08 | 192.09 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 192.09 | 170.01 |
| | 195.63 | 6.14 | 0.00 | 24.26 | 226.03 | 19.65 | 3.05 | 0.00 | 2.01 | 24.71 | 201.32 | 175.98 |
| | 831.70 | 123.60 | 10.37 | 34.59 | 979.52 | 322.77 | 56.76 | 7.52 | 8.61 | 380.62 | 598.90# | 508.93# |
| Previous year | 715.70 | 117.30 | 10.00 | 8.70 | 831.70 | 281.58 | 47.23 | 7.50 | 1.46 | 322.77 | 508.93 | |

Includes share of Joint Venture.

[^] Partly on Leasehold Land.

^{^^} Represents payments made and costs incurred in connection with acquisition of leasehold rights in certain properties for 87, 90 and 99 years and are being amortized over the period of such leases.

^{^^^} Year of Revaluation

Asset Type

1989

Leasehold Land, Freehold Building

1985

Freehold Building

1993

Freehold Land, Freehold Building

Refer Note 29 below

^{^^^^} Includes Goodwill on consolidation ₹ 1.06 (2011-12 - 1.06)

^{^^^^} Includes ₹ 0.00* (2011-12 : ₹ 0.00*) on account of 48.98 % holding in the joint venture company M/s Berger Becker Coatings Pvt. Limited as per proportionate consolidation principle.

* Refer Note 44



NOTES FORMING PART OF FINANCIAL STATEMENTS

13. NON-CURRENT INVESTMENTS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Other than Trade (Unquoted) | | |
| In Bonds | | |
| Rural Electrification Corporation Limited 500 (2011-12: 500) Bonds of ₹ 10,000 each | 0.50 | 0.50 |
| National Highways Authority of India 500 (2011-12: 500) Bonds of ₹ 10,000 each | 0.50 | 0.50 |
| Others | | |
| Shantikunj Apartments Limited - at cost * 1,498 Shares of ₹ 1 each fully paid up | 0.00 | 0.00 |
| Charotar Gas Company * 10 shares of ₹ 10 each | 0.00 | 0.00 |
| Aggregate amount of unquoted investments | <u>1.00</u> | <u>1.00</u> |

14. LONG-TERM LOANS AND ADVANCES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Secured, considered good | | |
| Deposits | 0.07 | 0.10 |
| Unsecured, considered good | | |
| Capital advances | 38.54 | 34.00 |
| Deposits | 15.19 | 9.99 |
| Loan to related parties | - | - |
| Advances recoverable in cash or in kind or for value to be received | 0.73 | 0.63 |
| | <u>54.53 #</u> | <u>44.72 #</u> |
| # Includes share of Joint Venture | 0.56 | 0.40 |

15. OTHER NON-CURRENT ASSETS

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Bank deposits with more than 12 months' maturity | 0.13 | 0.12 |
| | <u>0.13 #</u> | <u>0.12 #</u> |
| # Includes share of Joint Venture | 0.05 | 0.05 |

16. CURRENT INVESTMENTS

| (At lower of cost and market value) | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| Unquoted | | |
| Investment in Mutual Funds | | |
| Birla Sunlife Short Term Fund-Growth Plan 815359.799 units of ₹ 10 each | 3.54 | - |
| Reliance Short Term Fund- Growth Plan Growth Option 971120.552 units of ₹ 10 each | 2.13 | - |
| Reliance Short Term Fund- Growth Plan 1895950.25 units of ₹ 10 each | 4.15 | - |
| Reliance Liquid Fund - Treasury Plan - Institutional Option 1134427.197 units of ₹ 10 each | - | 2.96 |
| Aggregate amount of unquoted investments | <u>9.82</u> | <u>2.96</u> |

* Refer Note 44

NOTES FORMING PART OF FINANCIAL STATEMENTS

17. INVENTORIES

(At lower of cost and net realizable value)

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Raw materials [including in transit - ₹ 29 (2011-12: ₹ 36)] | 179.96 | 175.70 |
| Containers | 9.59 | 8.87 |
| Work in process [including in transit - ₹ 2 (2011-12: ₹ 1)] | 43.00 | 39.38 |
| Finished goods [including in transit - ₹ 11 (2011-12: ₹ 13)] | 352.95 | 298.63 |
| Stock-in-trade [including in transit - ₹ 1 (2011-12: ₹ 1)] | 31.75 | 25.28 |
| Stores and Spare Parts | 19.14 | 7.36 |
| | 636.39 # | 555.22 # |
| # Includes share of Joint Venture | 24.70 | 18.60 |

18. TRADE RECEIVABLES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|--|---|---|
| Debts Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured Considered Good | 16.95 | 10.44 |
| Unsecured Considered Doubtful * | 0.00 | 0.03 |
| | 16.95 | 10.47 |
| Less: Provision for bad and doubtful debts * | 0.00 | (0.03) |
| | 16.95 | 10.44 |
| Other Debts (Secured Considered Good) | 1.45 | 1.33 |
| Other Debts (Unsecured Considered Good) | 393.04 | 346.85 |
| Other Debts (Unsecured Considered Doubtful) | 0.34 | 0.34 |
| | 394.83 | 348.52 |
| Less: Provision for bad and doubtful debts | (0.34) | (0.34) |
| | 394.49 | 348.18 |
| | 411.44 # | 358.62# |
| # Includes share of Joint Venture | 24.54 | 16.80 |

19. CASH AND BANK BALANCES

| | As at 31 st March, 2013 ₹ Crores | As at 31 st March, 2012 ₹ Crores |
|---|---|---|
| a) Cash and cash equivalents | | |
| Cash on hand | 0.59 | 0.63 |
| Remittances-in-transit * | 0.00 | 0.03 |
| Cheques, drafts on hand | 0.02 | 7.73 |
| Balances with banks | | |
| In Current Account | 21.09 | 14.42 |
| In Fixed Deposit Account (less than 3 months' maturity) | 0.19 | 30.67 |
| b) Other bank balances | | |
| In Unpaid Dividend Account | 2.35 | 2.28 |
| In Fixed Deposit Account (with maturity more than 3 months but less than 12 months) | 202.77 | 126.67 |
| | 227.01 # | 182.43# |
| # Includes share of Joint Venture | 1.63 | 1.90 |

* Refer Note 44



NOTES FORMING PART OF FINANCIAL STATEMENTS

20. SHORT-TERM LOANS AND ADVANCES

| | As at 31st March, 2013 | As at 31st March, 2012 |
|--|--|--|
| | ₹ Crores | ₹ Crores |
| Secured, considered good | | |
| Advances recoverable in cash or kind or for value to be received | 0.99 | - |
| Unsecured, considered good | | |
| Loans and advances to related parties @ | 1.28 | 2.12 |
| Others :- | | |
| Advances recoverable in cash or kind or for value to be received | 18.64 | 25.61 |
| Advance payment of income tax (net of provision for tax) | 4.24 | 2.24 |
| Balances with statutory / government authorities | 37.17 | 19.90 |
| Deposits | 2.55 | 4.36 |
| | 64.87 # | 54.23# |
| # Includes share of Joint Venture | 5.52 | 4.23 |
| @ Includes amounts pertaining to payments made to subsidiary companies, Berger Paints (Cyprus) Limited and Lusako Trading Limited in which directors of Company are directors, against shares allotted / to be allotted after 31 st March, 2013, the end of accounting period for Berger Paints India Limited, the holding company. | | |

21. OTHER CURRENT ASSETS

| | As at 31st March, 2013 | As at 31st March, 2012 |
|--|--|--|
| | ₹ Crores | ₹ Crores |
| Interest accrued on investments, deposits and others | 1.17 | 0.72 |
| Other Receivables | 8.15 | 4.62 |
| Unamortized Premium on Forward Contracts | 0.85 | 0.62 |
| | 10.17# | 5.96 # |
| # Includes share of Joint Venture * | - | 0.00* |

22. REVENUE FROM OPERATIONS

| | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|-----------------------------------|---|---|
| | ₹ Crores | ₹ Crores |
| Sale of Products | 3651.31 | 3182.04 |
| Other operating revenues | 11.81 | 11.64 |
| | 3663.12 # | 3193.68 # |
| # Includes share of Joint Venture | 110.33 | 81.40 |

* Refer Note 44

NOTES FORMING PART OF FINANCIAL STATEMENTS

23. OTHER INCOME

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|--|--|--|
| <u>Interest Income</u> | | |
| On bank deposits and others | 20.28 | 12.55 |
| On current investments | - | 3.22 |
| On long term investments | 0.06 | 0.06 |
| Dividend income from current investments | 0.05 | 0.28 |
| Profit on sale of investments | | |
| On long term investments | - | - |
| On current investments | 0.83 | - |
| Profit on sale of Fixed Assets (net) | 0.16 | 0.18 |
| Foreign Exchange Gain (net) | 1.33 | - |
| Others | 8.72 | 14.25 |
| | <u>31.43 #</u> | <u>30.54 #</u> |
| # Includes share of Joint Venture | 0.22 | 0.50 |

24. COST OF MATERIALS CONSUMED

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|-----------------------------------|--|--|
| <u>Raw Materials Consumed</u> | | |
| Opening Stocks | 175.70 | 152.26 |
| Add: Purchases | 1662.47 | 1593.05 |
| Less: Cost of materials sold | (22.28) | (8.17) |
| Less: Closing Stock | (179.96) | (175.70) |
| | <u>1635.93</u> | <u>1561.44</u> |
| <u>Packing Materials Consumed</u> | | |
| Opening Stocks | 8.87 | 10.67 |
| Add: Purchases | 231.73 | 219.95 |
| Less: Cost of materials sold | (0.26) | (0.17) |
| Less: Closing Stock | (9.59) | (8.87) |
| | <u>230.75</u> | <u>221.58</u> |
| | <u>1866.68 #</u> | <u>1783.02 #</u> |
| # Includes share of Joint Venture | 82.58 | 60.40 |

25. PURCHASES OF STOCK-IN-TRADE

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|-----------------------------|--|--|
| Purchases of Stock-in-Trade | 238.89 | 167.70 |
| | <u>238.89</u> | <u>167.70</u> |

NOTES FORMING PART OF FINANCIAL STATEMENTS

26. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

For the year ended

31st March, 2013

₹ Crores

For the year ended

31st March, 2012

₹ Crores

Opening Stocks

Work-in-process

Finished Goods

Stock-in-trade

39.38

298.63

25.28

363.29

27.65

231.93

17.09

276.67

Closing Stocks

Work-in-process

Finished Goods

Stock-in-trade

(43.00)

(352.95)

(31.75)

(427.70)

(39.38)

(298.63)

(25.28)

(363.29)

Consumed in painting contracts

(0.34)

(1.00)

(Decrease) / Increase in Excise Duty on Stock of Finished Goods

17.81

12.33

(46.94) #
(75.29) #

Includes share of Joint Venture

(3.21)
(1.40)
27. EMPLOYEE BENEFITS EXPENSE

For the year ended

31st March, 2013

₹ Crores

For the year ended

31st March, 2012

₹ Crores

Salaries and Wages

150.87

133.99

Contribution to provident and other funds (refer note 39)

17.01

14.84

Staff Welfare Expenses

17.13

13.73

Expense on Employee Stock Option Scheme

2.11

1.44

187.12 #
164.00 #

Includes share of Joint Venture

3.40
3.30
28. FINANCE COSTS

For the year ended

31st March, 2013

₹ Crores

For the year ended

31st March, 2012

₹ Crores

Interest Expense

32.37

27.70

Other borrowing costs

0.29

0.31

Exchange difference on foreign currency transactions and translation

5.00

4.35

37.66 #
32.36 #

Includes share of Joint Venture

1.33

1.00

29. DEPRECIATION AND AMORTIZATION EXPENSE

For the year ended

31st March, 2013

₹ Crores

For the year ended

31st March, 2012

₹ Crores

Depreciation of tangible assets

53.71

45.20

Amortization of intangible assets

3.05

2.03

56.76

47.23

Less: Withdrawn from revaluation reserve on account of extra depreciation for the year arising out of assets revalued earlier

(0.04)

(0.05)

56.72 #
47.18 #

Includes share of Joint Venture

0.74
0.70

NOTES FORMING PART OF FINANCIAL STATEMENTS

30. OTHER EXPENSES

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|---|--|--|
| Freight, Octroi and Delivery | 187.50 | 165.56 |
| Power & Fuel | 36.46 | 31.96 |
| Consumption of Stores and Spare Parts | 11.72 | 9.46 |
| Repairs to Buildings | 0.93 | 0.62 |
| Repairs to Machinery | 7.34 | 5.18 |
| Repairs to Other Assets | 9.32 | 5.60 |
| Rent | 24.74 | 19.36 |
| Rates & Taxes | 3.24 | 3.09 |
| Travelling | 29.02 | 25.49 |
| Advertisement and Sales Promotion Expenses | 183.34 | 149.63 |
| Insurance | 2.57 | 2.10 |
| Cash Discount | 119.27 | 101.30 |
| Processing Charges | 15.83 | 14.46 |
| Directors' Fees | 0.54 | 0.02 |
| Commission to Non-Executive Directors | 6.09 | 0.34 |
| Foreign Exchange Loss (net) | 3.29 | 6.19 |
| Loss on impairment of Assets | 0.17 | 0.06 |
| Other expenses (##) | 88.10 | 64.45 |
| | 729.47 # | 604.87 # |
| # Includes share of Joint Venture | 9.70 | 7.60 |
| ## Other expenses include Auditor's Remuneration- | | |
| Audit fees | 0.40 | 0.31 |
| Tax Audit & Tax Matters | 0.06 | 0.05 |
| Miscellaneous Certificates and Other Matters | 0.20 | 0.11 |
| Reimbursement of expenses * | 0.00 | 0.03 |
| | 0.66 | 0.50 |

31. CURRENT TAX

| | For the year ended 31 st March, 2013 ₹ Crores | For the year ended 31 st March, 2012 ₹ Crores |
|--|--|--|
| Provision for the year | 82.89 | 69.90 |
| Adjustment in respect of earlier years | 0.05 | 0.10 |
| | 82.94 # | 70.00 # |
| # Includes share of Joint Venture | 1.26 | 0.40 |
| * Refer Note 44 | | |



NOTES FORMING PART OF FINANCIAL STATEMENTS

32. DEFERRED TAX CHARGE / (CREDIT)

| | For the year ended 31st March, 2013 ₹ Crores | For the year ended 31st March, 2012 ₹ Crores |
|--|--|--|
| Liability | | |
| Difference between the Written Down Values of Fixed Assets as per financial books and Income Tax Act | 3.02 | 3.59 |
| Others | - | (0.21) |
| | <u>3.02</u> | <u>3.38</u> |
| Less: Asset | | |
| Amortization of expenses allowed as per Income Tax Act | (2.01) | (0.02) |
| Others | (1.87) | (0.99) |
| | <u>(3.88)</u> | <u>(1.01)</u> |
| | <u>6.90 #</u> | <u>4.39 #</u> |
| # Includes share of Joint Venture | 0.01 | 0.02 |

33. EARNINGS PER SHARE

| | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|---|---|
| i) Profit after Taxation | ₹ Cr 218.40 | ₹ Cr 180.04 |
| ii) Weighted average number of Equity Shares outstanding | Nos. 34,62,32,844 | Nos. 34,61,13,824 |
| iii) Effect of potential Equity Shares on Employee Stock Options outstanding | Nos. 4,02,261 | Nos. 3,15,399 |
| iv) Weighted average number of Equity Shares in computing diluted earnings | Nos. 34,66,35,105 | Nos. 34,64,29,223 |
| v) Earnings per share : (Face Value ₹ 2.00 per Share) - | | |
| - Basic [(i) / (ii)] | in ₹ 6.31 | in ₹ 5.20 |
| - Diluted [(i) / (iv)] | in ₹ 6.30 | in ₹ 5.20 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

34. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" and Accounting Standard 27 (AS 27) - "Financial Reporting of Interests in Joint Ventures", notified by the Companies (Accounting Standard) Rules, 2006.

- a) The consolidated financial statements pertain to Berger Paints India Limited, its wholly owned subsidiary and joint venture companies as detailed below -

| Name of the Company | Country of Incorporation | % voting power held on 31 st March, 2013 | Accounting Period |
|---|--------------------------|---|---|
| Direct Subsidiaries | | | |
| Berger Jenson & Nicholson (Nepal) Private Limited | Nepal | 100.00 | 1 st April - 13 th March @ |
| Beepee Coatings Private Limited | India | 100.00 | 1 st April - 31 st March |
| Berger Paints (Cyprus) Limited | Cyprus | 100.00 | 1 st January - 31 st December |
| Lusako Trading Limited | Cyprus | 100.00 | 1 st January - 31 st December |
| Indirect Subsidiaries | | | |
| Brushworks Paints Limited | India | 99.90 | 20 th December - 31 st March |
| Berger Paints Overseas Limited [a 100% subsidiary of Berger Paints (Cyprus) Limited] | Russia | 100.00 | 1 st January - 31 st December |
| Bolix S.A. [a 100% subsidiary of Lusako Trading Limited] | Poland | 100.00 | 1 st January - 31 st December |
| Build-Trade sp. z.o.o. [a 100% subsidiary of Bolix S.A.] | Poland | 100.00 | 1 st January - 31 st December |
| Bolix Ukraine Limited Liability Company [a 99% subsidiary of Bolix S.A.] | Ukraine | 99.00 | 1 st January - 31 st December |
| Joint Ventures | | | |
| Berger Becker Coatings Private Limited | India | 48.98 | 1 st April - 31 st March |
| BNB Coatings India Limited | India | 49.00 | 1 st April - 31 st March |

- @ To align the year-end accounting date with the accounting dates usually prevailing in their respective countries, Berger Jenson & Nicholson (Nepal) Private Limited have changed their accounting year from 1st April - 13th March.

- i) The financial statements of Berger Paints India Limited and its subsidiaries have been compiled by adding together on a line by line basis the book value of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions. The Company's interest in its joint venture companies, M/s Berger Becker Coatings Private Limited and M/s BNB Coatings India Limited have been consolidated using the proportionate consolidation principle based on the audited financial statements.

In translating the financial statements of non-integral foreign operations, assets & liabilities have been translated using the exchange rates prevailing at the end of the financial year and income & expenses have been translated at the average exchange rates for the period. The resulting exchange differences are transferred to the Foreign Currency Translation Reserve.

- ii) Brushworks Paints Limited (a subsidiary of Beepee Coatings Private Limited) has acquired the architectural operations of Sherwin Williams Paints India Private Limited with effect from the close of business hours on 31st March, 2013, on a slump sale basis. The assets and liabilities acquired thereby have been accounted in the books of Brushworks Paints Limited based on the valuation made by a registered valuer.
- iii) The excess / deficit of the cost to the Company of its investments over its share in the equity of the subsidiaries and joint venture companies as on the date (or as near to the date as practicable) of takeover has been recognised in the consolidated financial statements as goodwill / (capital reserve).

**NOTES FORMING PART OF FINANCIAL STATEMENTS****35. CONTINGENT LIABILITIES**

- a) Claims against the Company not acknowledged as debts :
The Sales Tax, Excise & Service Tax, Income Tax and Provident Fund Authorities have made certain claims totalling ₹ 37 (2011-12: ₹ 34), ₹ 30 (2011-12: ₹ 34), ₹ 9 (2011-12: ₹ 15) and ₹ Nil (2011-12: ₹ 1) respectively in respect of earlier years. The Company has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same. The future cash flows on account of the above cannot be determined unless the judgement/decisions are received from the ultimate judicial forums.
- b) Some of the fixed assets of the Company have been mortgaged by deposit of title deeds in favour of Standard Chartered Bank towards loan extended to its subsidiary, M/s Lusako Trading Limited.

36. COMMITMENTS

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------------------------|------------------------------------|
| | ₹ Crores | ₹ Crores |
| Estimated amount of Contracts remaining to be executed on Capital Account not provided for | 153.4 | 134.3 |
| 37. Inventories amounting to ₹ 28.80 (2011-12: ₹ 30.80) of Berger Becker Coatings Private Limited, BNB Coatings India Limited, Berger Paints Overseas Limited and Bolix S.A. have been valued at FIFO method. | | |
| 38. In accordance with Government of India notification amending Companies (Accounting Standards) Rules, 2006, in respect of AS 11, one of the Company's subsidiary has capitalized foreign exchange loss on reporting of long term foreign currency monetary items used for depreciable assets amounting to ₹ 0.6 (2011-12: ₹ 0.9). Amount remaining to be amortized in respect of long term foreign currency monetary items used in other cases as at 31 st December, 2012 is ₹ 0.4 (2011-12: ₹ 0.8). | | |

NOTES FORMING PART OF FINANCIAL STATEMENTS

39. EMPLOYEE BENEFITS

i) Defined benefit plans - as per Actuarial Valuation as on 31st March, 2013.

| | Gratuity | |
|--|----------------------------------|------------------------------|
| | 31 st March, 2013 | 31 st March, 2012 |
| | ₹ Crores | ₹ Crores |
| A. Expense recognised in the statement of Profit & Loss | | |
| 1. Current service cost | 2.07 | 1.30 |
| 2. Interest cost | 1.62 | 1.50 |
| 3. Expected return on plan assets | (1.76) | (1.50) |
| 4. Net actuarial (gain) / loss recognised during the year | 1.21 | 1.30 |
| 5. Past service cost | 0.92 | 0.00 |
| 6. Total Expense | 4.06 | 2.60 |
| B. Change in Present value of the obligation during the year | | |
| 1. Present value of obligation as at the beginning of the year | 20.35 | 18.40 |
| 2. Current service cost | 2.07 | 1.30 |
| 3. Interest cost | 1.62 | 1.50 |
| 4. Benefits paid | (2.88) | (2.15) |
| 5. Actuarial (gain)/loss on obligation | 1.21 | 1.30 |
| 6. Past service cost | 0.92 | 0.00 |
| 7. Present value of obligation as at the end of the year | 23.29 | 20.35 |
| C. Change in Fair value of plan assets during the year | | |
| 1. Fair value of plan assets as at the beginning of the year | 18.48 | 14.90 |
| 2. Expected return on plan assets | 1.76 | 1.53 |
| 3. Contributions made | 3.55 | 4.23 |
| 4. Benefits paid | (2.88) | (2.17) |
| 5. Actuarial gain / (loss) on plan assets | 0.02 | (0.01) |
| 6. Fair value of plan assets as at the end of the year | 20.93 | 18.48 |
| D. Major categories of plan assets as a % of total plan | 100% Qualifying Insurance Policy | |
| E. Actuarial Assumptions | | |
| 1. Discount rate | 8.00% | 8.00% |
| 2. Expected return on plan assets = actual rate of return as ARD falls on 31 st March | | |
| 3. Future salary increases consider inflation, promotion, seniority and other relevant factors | | |

| F. Net Asset / (Liability) recognised in the Balance Sheet | Gratuity | Gratuity | Gratuity | Gratuity | Gratuity | Gratuity |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 31.03.2013 | 31.03.2012 | 31.03.2011 | 31.03.2010 | 31.03.2009 | 31.03.2008 |
| | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores | ₹ Crores |
| 1. Present value of the obligation | 23.29 | 20.35 | 18.40 | 15.00 | 11.30 | 9.90 |
| 2. Fair value of plan assets | 20.93 | 18.48 | 14.90 | 11.80 | 10.30 | 9.10 |
| 3. Funded Status [surplus/(deficit)] | (2.36) | (1.87) | (3.50) | (3.20) | (1.00) | (0.80) |
| 4. Net Asset / (Liability) recognised in the Balance Sheet | (2.36) | (1.87) | (3.50) | (3.20) | (1.00) | (0.80) |

NOTES FORMING PART OF FINANCIAL STATEMENTS

Notes :-

- a) The disclosures included above are limited to the extent provided by the actuary.
- b) The amounts for “Other Defined Benefit Plans” are below the rounding off norm adopted by the Company (refer note 44) and hence the disclosures as required under AS-15 “Employee Benefits” have not been given.
- ii) During the year, the Company has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans :
 - Provident and Family Pension Fund [applicable for certain eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner - ₹ 1.12 (2011-12: ₹ 1.30)]
 - Superannuation Fund - ₹ 1.94 (2011-12: ₹ 2.0).
- iii) A Provident Fund for certain eligible employees is administered by the Company through the Trust “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, being exempt under Section 17(1) of the said Act, any shortfall in the rate of interest on contributions as compared to the rate approved by the government for the Employees’ Provident Fund administered by the Regional Provident Fund Commissioner is to be met by the employer. Such a provident fund would in effect be a defined benefit plan in accordance with the requirement of AS 15, Employee Benefits (Revised 2005).

The actuarial valuation conducted (as per the Guidance Note issued by the Actuarial Society of India during the year) indicate that there is no shortfall as on 31st March, 2013 based on the following assumptions :

| | |
|--|---------------|
| Discount rate (per annum) | — 8% |
| Expected rate of return on plan assets | — 8.6% - 8.8% |

40. SEGMENT REPORTING FOR THE YEAR ENDED 31st MARCH, 2013

Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS-17) issued by the “Institute of Chartered Accountants of India”, the financial information about the primary business segment is as under:

₹ Crores

| | 2012-13 | | | 2011-12 | | |
|--|----------------|---------------|----------------|----------------|---------------|----------------|
| | Paints | Others # | Total | Paints | Others # | Total |
| REVENUE | | | | | | |
| External Sales (Net) | 3187.95 | 158.45 | 3346.41 | 2800.33 | 147.40 | 2947.73 |
| Total Revenue | 3187.95 | 158.45 | 3346.41 | 2800.33 | 147.40 | 2947.73 |
| RESULTS | | | | | | |
| Segment/Operating Results | 337.43 | 8.47 | 345.90 | 283.89 | 2.90 | 286.79 |
| Finance Costs | (29.31) | (8.35) | (37.66) | (28.86) | (3.50) | (32.36) |
| Provision for Tax [including Deferred Tax] | (87.18) | (2.66) | (89.84) | (73.59) | (0.80) | (74.39) |
| Net Profit | 220.94 | (2.54) | 218.40 | 181.44 | (1.40) | 180.04 |
| OTHER INFORMATION | | | | | | |
| Segment Assets | 1920.69 | 266.52 | 2187.21 | 1556.20 | 231.90 | 1788.10 |
| Total Assets | 1920.69 | 266.52 | 2187.21 | 1556.20 | 231.90 | 1788.10 |
| Segment Liabilities | 939.02 | 295.03 | 1234.05 | 916.36 | 80.20 | 996.56 |
| Total Liabilities | 939.02 | 295.03 | 1234.05 | 916.36 | 80.20 | 996.56 |
| Depreciation / Amortization | 49.74 | 6.98 | 56.72 | 40.58 | 6.60 | 47.18 |
| Total Depreciation / Amortization | 49.74 | 6.98 | 56.72 | 40.58 | 6.60 | 47.18 |
| Capital Expenditure including CWIP | 211.42 | 6.66 | 218.08 | 104.90 | 3.60 | 108.50 |

Others represent External Insulation Finishing Systems

NOTES FORMING PART OF FINANCIAL STATEMENTS

41. DISCLOSURES ON RELATED PARTIES

| Related Party | Relationship | Outstanding as on 31 st March, 2013 | Outstanding as on 31 st March, 2012 | Payable/ Receivable | Nature of transaction | For the year ended 31 st March, 2013 | For the year ended 31 st March, 2012 |
|---------------------------------------|--|---|---|------------------------|---|--|--|
| | | ₹ Crores | ₹ Crores | | | Value of Transaction ₹ Crores | Value of Transaction ₹ Crores |
| (A) U K Paints (India) Limited | Associate Company | 10.86 | 9.35 | Payable | 1 Charges for Processing of Goods 2 Purchase of Goods 3 Sale of Goods 4 Rent Expense / Security Charges 5 Services rendered 6 Sale of Fixed Assets | 14.80 49.28 0.31 3.07 - - | 19.50 39.80 0.30 2.10 0* 0* |
| (B) Seaward Packaging Private Limited | Enterprise over which directors have significant influence | 0.44 | 0.50 | Payable | Purchase of goods | 5.45 | 2.10 |
| Kanwar Properties Pvt. Ltd. | Fellow Subsidiary Company | 0.08 | 0.00 | - | Rent Expense/Security | 0.24 | 0.00 |
| Flex Properties Pvt. Ltd | Enterprise over which directors have significant influence | 0.00* | 0.00* | - | Rent Expense/Security | 0.04 | 0.00 |
| (C) U K Paints (Overseas) Limited | Enterprise over which directors have significant influence | 0.01 | 0.00* | Payable | Loan taken and repaid | - | 1.40 |
| (D) Mr. K S Dhingra | Key Management Personnel | 0.01 | 0.10 | Payable | 1 Rent Paid 2 Director's commission | 0.16 0.10 | 0.10 0.10 |
| (E) Mr. G S Dhingra | Key Management Personnel | 0.01 | 0.10 | Payable | 1 Rent Paid 2 Director's commission | 0.16 0.10 | 0.10 0.10 |
| (F) Mr. S N Dhingra | Relative of Key Management Personnel | - | 0.00 | Receivable | Rent Paid | - | - |
| (G) Mr. Subir Bose | Key Management Personnel | 0.00 | 0.00* | Receivable | Rent Paid | 0.00 | 0.00* |
| (H) Mrs. Chandrika Bose | Relative of Key Management Personnel | 0.00 | 0.00* | Receivable | Rent Paid | 0.00 | 0.00* |
| (I) Mr. Kanwardip Singh Dhingra | Relative of Key Management Personnel | - | - | - | Remuneration | 0.21 | 0.10 |
| (J) Mrs. Rishma Kaur | Relative of Key Management Personnel | - | - | - | Remuneration | 0.22 | 0.20 |
| (K) Whole-time directors | Key Management Personnel | 0.32 | 0.50 | Payable | Remuneration | 1.87 | 2.40 |

* Refer Note 44
Also refer Note 20 (a)



NOTES FORMING PART OF FINANCIAL STATEMENTS

42. The Company's leasing arrangement are in the nature of operating leases which are not non cancellable. These are usually renewed periodically by mutual consent. The rentals payable against these arrangements appear under the head 'Rent' in Note 30 to the Statement of Profit and Loss - ₹ 0* (2011-12: ₹ 0*).

43. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped and reclassified to confirm to current year's classification.

44. All figures are in Rupees Crores. Figures marked with asterisks (*) are below the rounding off norm adopted by the Company.

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000

Kolkata
Dated: 30th May, 2013

On behalf of the Board of Directors

Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT OF BERGER PAINTS INDIA LIMITED AND ITS SUBSIDIARY AND JOINT VENTURE COMPANIES FOR THE YEAR ENDED 31st MARCH, 2013

| | For the year ended 31 st March 2013 ₹ Crores | For the year ended 31 st March 2012 ₹ Crores |
|---|---|---|
| A. Cash flow from operating activities | | |
| Net Profit before Income Tax & Exceptional Items | 308.24 | 254.43 |
| Adjusted for: | | |
| Depreciation and Amortization Expenses | 56.72 | 47.18 |
| Interest Income | (20.34) | (15.83) |
| Dividend Income from Current Investment | (0.05) | (0.28) |
| Interest Charged | 32.37 | 27.70 |
| Deferred Tax | (2.63) | 0.51 |
| Profit on Sale of Fixed Assets | (0.16) | (0.18) |
| Unrealized (Gain)/Loss on Exchange - Net | (0.12) | 7.20 |
| Foreign Currency Translation | (11.38) | (31.27) |
| Expenses Employees Stock Option | 2.11 | 1.44 |
| Operating profit before working capital changes | 364.76 | 290.90 |
| Changes in: | | |
| Trade & Other Receivables | (71.06) | (97.09) |
| Inventories | (81.13) | (110.71) |
| Trade & Other Payables | (6.19) | 172.31 |
| Cash generated from operations | 206.38 | 255.41 |
| Deferred Employee Expenses | (1.49) | (0.48) |
| Direct Taxes Paid (Net of Refund) | (84.32) | (78.86) |
| Net cash from operating activities | 120.57 | 176.07 |
| B. Cash Flow from investing activities | | |
| Purchase of Fixed Assets | (217.92) | (136.31) |
| Proceeds from Sale of Fixed Assets | 3.02 | 2.70 |
| Interest Received | 19.89 | 15.97 |
| Dividend Received | 0.05 | 0.28 |
| Advance for Investment in Subsidiaries | (2.30) | (1.91) |
| Purchase of Other Long Term Investments | - | (0.40) |
| Purchase of Current Investments | (9.81) | (2.96) |
| Sale of Current Investments | 2.96 | 52.11 |
| Net cash used in investing activities | (204.11) | (70.52) |
| C. Cash flow from financing activities | | |
| Proceeds from Share Issue | 0.03 | 0.02 |
| Share Premium on Employees Stock Option | 1.17 | 0.59 |
| Repayment of Long Term Loans | 70.81 | (38.99) |
| Proceeds from Short Term Loans | (52.39) | 64.82 |
| Repayment of Short Term Loans | 189.58 | (6.83) |
| Interest Paid | (32.70) | (27.40) |
| Dividend Paid | (48.38) | (40.62) |
| Net cash used in financing activities | 128.12 | (48.41) |
| Net changes in cash & cash equivalents (A+B+C) | 44.58 | 57.14 |
| Cash & cash equivalents - opening balance # | 182.43 | 125.29 |
| Cash & cash equivalents - closing balance # | 227.01 | 182.43 |

Cash & cash equivalents are Cash & Bank balances as mentioned in Note 19

Notes to the Cash Flow Statement:

| | | |
|--------------------------|---------------|---------------|
| 1) (a) Cash-in-hand | 0.59 | 0.66 |
| (b) Cheques in hand | 0.02 | 7.73 |
| (c) Balance with banks | 226.40 | 174.04 |
| | 227.01 | 182.43 |

2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

3) Previous year's figures have been regrouped, wherever necessary.

This is the Cash Flow Statement referred to in our report of even date

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000
Kolkata
Dated: 30th May, 2013

On behalf of the Board of Directors

Kuldip Singh Dhingra – Chairman
Kanwardip Singh Dhingra – Alternate to G. S. Dhingra,
Vice-Chairman
Abhijit Roy – Managing Director
Anil Bhalla – Director & Chairman,
Audit Committee
Srijit Dasgupta – Director & CFO
Aniruddha Sen – Sr. Vice President & Company Secretary



FINANCIAL SUMMARY OF BERGER PAINTS INDIA LIMITED (CONSOLIDATED) – FIVE YEARS AT A GLANCE

₹ Crores

| | 2012-13 @ | 2011-12 @ | 2010-11 | 2009-10 | 2008-09 |
|--|----------------|----------------|----------------|----------------|----------------|
| Gross Revenue | 3651.31 | 3182.04 | 2525.80 | 2033.20 | 1808.20 |
| Revenue from Operations (Net of Excise Duty) | 3346.41 | 2947.73 | 2340.70 | 1891.30 | 1623.90 |
| % Growth | 13.52 | 25.93 | 23.76 | 16.47 | 16.25 |
| Other Income | 31.43 | 30.54 | 30.20 | 25.90 | 26.30 |
| Materials Consumed | 2058.63 | 1875.43 | 1468.70 | 1193.10 | 1073.90 |
| Employee Benefits Expense | 187.12 | 164.00 | 143.20 | 124.60 | 96.00 |
| Other Expenses | 729.47 | 604.87 | 478.50 | 374.50 | 321.10 |
| Operating Profit - EBITDA | 402.62 | 333.97 | 280.50 | 225.00 | 159.20 |
| % to Net Revenue | 12.03 | 11.33 | 11.98 | 11.90 | 9.80 |
| Depreciation / Amortization | 56.72 | 47.18 | 40.10 | 35.80 | 25.10 |
| Finance Cost | 37.66 | 32.36 | 24.30 | 17.20 | 21.70 |
| Profit Before Tax & Exceptional Item | 308.24 | 254.43 | 216.10 | 172.00 | 112.40 |
| Profit Before Tax | 308.24 | 254.43 | 216.10 | 172.00 | 112.40 |
| Tax Expense | 89.84 | 74.39 | 66.00 | 51.60 | 29.60 |
| Profit After Tax | 218.40 | 180.04 | 150.10 | 120.40 | 82.80 |
| Return On Net Worth (%) ^ | 22.93 | 22.77 | 21.80 | 20.22 | 21.29 |
| Shareholders' Funds : | | | | | |
| Share Capital | 69.26 | 69.23 | 69.20 | 69.20 | 63.80 |
| Reserves and Surplus | 883.90 | 722.31 | 620.30 | 527.30 | 316.40 |
| Share Warrants | - | - | - | - | 9.90 |
| | 953.16 | 791.54 | 689.50 | 596.50 | 390.10 |
| Other current and non-current liabilities | 1234.05 | 996.56 | 780.60 | 650.40 | 650.90 |
| EQUITY AND LIABILITIES | 2187.21 | 1788.10 | 1470.10 | 1246.90 | 1041.00 |
| Fixed Assets | 771.40 | 581.84 | 515.90 | 462.00 | 434.20 |
| Investments | 10.82 | 3.96 | 52.60 | 128.20 | 4.50 |
| Other current and non-current assets | 1404.99 | 1202.30 | 901.60 | 656.70 | 602.30 |
| ASSETS | 2187.21 | 1788.10 | 1470.10 | 1246.90 | 1041.00 |
| Cash Earnings Per Share (₹) | 7.95 | 6.56 | 5.50 | 4.75 | 3.38 |
| Earnings Per Share - Basic (₹) | 6.31 | 5.20 | 4.34 | 3.66 | 2.60 |
| Earnings Per Share - Diluted (₹) | 6.30 | 5.20 | 4.33 | 3.66 | 2.60 |
| Book Value Per Share (₹) ^ | 27.51 | 22.84 | 19.90 | 18.09 | 12.20 |

^ Net Worth and Book Value is exclusive of Revaluation Reserve.

@ Figures are as per Revised Schedule VI to the Companies Act, 1956.

FINANCIAL SUMMARY OF BERGER PAINTS INDIA LIMITED (STANDALONE) – FIVE YEARS AT A GLANCE

₹ Crores

| | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
|---|----------------|----------------|----------------|---------------|---------------|
| Gross Revenue | 3319.39 | 2890.80 | 2288.20 | 1822.30 | 1688.50 |
| Revenue from Operations (Net of Excise Duty) ^^ | 3024.21 | 2662.09 | 2107.10 | 1694.40 | 1518.70 |
| % Growth | 13.60 | 26.34 | 24.36 | 11.57 | 12.48 |
| Other Income | 30.76 | 30.62 | 29.60 | 14.20 | 15.40 |
| Materials Consumed | 1871.75 | 1708.23 | 1338.90 | 1077.50 | 1006.90 |
| Employee Benefits Expense | 139.96 | 122.32 | 106.70 | 89.80 | 76.80 |
| Other Expenses | 676.18 | 554.06 | 437.80 | 340.70 | 297.30 |
| Operating Profit - EBITDA | 367.08 | 308.10 | 253.30 | 200.60 | 153.10 |
| % to Net Revenue | 12.14 | 11.57 | 12.02 | 11.84 | 10.08 |
| Depreciation / Amortization | 46.28 | 37.56 | 30.00 | 26.40 | 20.40 |
| Finance Cost | 27.67 | 22.37 | 12.20 | 4.80 | 15.30 |
| Profit Before Tax & Exceptional Item | 293.13 | 248.17 | 211.10 | 169.40 | 117.40 |
| Profit Before Tax | 293.13 | 248.17 | 211.10 | 169.40 | 117.40 |
| Tax Expense | 83.33 | 70.78 | 62.80 | 49.30 | 28.60 |
| Profit After Tax | 209.80 | 177.39 | 148.30 | 120.10 | 88.80 |
| Return On Net Worth (%) ^ | 21.29 | 20.96 | 20.54 | 19.21 | 20.94 |
| Dividend -including Tax on Dividend | 72.93 | 56.32 | 52.30 | 44.40 | 22.40 |
| Retained Earnings | 136.87 | 121.07 | 96.00 | 75.70 | 66.40 |
| Shareholders' Funds : | | | | | |
| Share Capital | 69.26 | 69.23 | 69.20 | 69.20 | 63.80 |
| Reserves and Surplus | 915.17 | 776.37 | 653.80 | 557.00 | 351.40 |
| Share Warrants | - | - | - | - | 9.90 |
| | 984.43 | 845.60 | 723.00 | 626.20 | 425.10 |
| Deferred Tax Liability (Net) | 16.64 | 12.47 | 9.00 | 9.00 | 7.20 |
| Borrowings ^^ | 303.02 | 169.85 | 107.00 | 24.50 | 92.20 |
| Other current and non-current liabilities | 534.74 | 482.33 | 379.80 | 317.70 | 224.40 |
| EQUITY AND LIABILITIES | 1838.83 | 1510.25 | 1218.80 | 977.40 | 748.90 |
| Fixed Assets | 492.91 | 337.83 | 281.00 | 217.20 | 181.10 |
| Investments | 90.58 | 79.57 | 117.60 | 170.20 | 29.50 |
| Other current and non-current assets | 1255.34 | 1092.85 | 820.20 | 590.00 | 538.30 |
| ASSETS | 1838.83 | 1510.25 | 1218.80 | 977.40 | 748.90 |
| Debt - Equity Ratio | 0.31 : 1 | 0.2 : 1 | 0.15 : 1 | 0.04 : 1 | 0.22 : 1 |
| Cash Earnings Per Share (₹) | 7.40 | 6.21 | 5.15 | 4.45 | 3.42 |
| Earnings Per Share - Basic (₹) | 6.06 | 5.13 | 4.29 | 3.65 | 2.78 |
| Earnings Per Share - Diluted (₹) | 5.12 | 5.12 | 4.28 | 3.65 | 2.78 |
| Book Value Per Share (₹) ^ | 28.46 | 24.46 | 20.87 | 18.99 | 13.30 |
| Dividend per share (₹) | 1.80^^^ | 1.40 | 1.30 | 1.10 | 0.60 |
| Number of employees | 2464 | 2431 | 2446 | 2315 | 2259 |

^ Net Worth and Book Value is exclusive of Revaluation Reserve.

^^ Figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956.

^^^ Proposed Dividend - ₹ 1.80 per share.



BERGER PAINTS INDIA LIMITED

REGISTERED & HEAD OFFICE - BERGER HOUSE, 129, Park Street, Kolkata - 700 017

Phone Nos. : 033-2249 9754, 56 & 57, 2229 9724-28 ; Fax Nos. : 033-2227 7288

E-mail : consumerfeedback@bergerindia.com

DEPOTS

KOLKATA

6C, Rameshwar Shaw Road, Kolkata - 700 014
Phone : 033 2245 4361/2290 0994/2284 8012
Fax : 033 2289 7084

C/o : Central Warehousing Corporation
Administrative Block
Kishore Mohan Banerjee Road
P.O. Panihati, Kolkata - 700 114

Godown Nos. 2B & 2C
C/o : Central Warehousing Corporation
1B, Kishore Mohan Banerjee Road
Kolkata - 700 114
Phone : 033 6499 0773/706

* 100 A & B, Kabi Sukhanta Sarani
Beliaghata, Kolkata - 700 085
Phone : 033 6616 1801/02/03

HOWRAH

Jalan Complex
NH - 6, Near Brickfield, Bipparnapara
Begri, Howrah - 711 411

CHAMRAIL

C/o : Shriram Warehousing Pvt. Ltd., Chamrail
Nh-6, Bombay Road, Dist. Howrah - 711 114
Phone : 033 64992325/26/27/28/29

DURGAPUR

G. T. Road, Khairasole, Durgapur - 713 212
Phone : 0343 645 0158/159/160/136

SILIGURI

* C/o : Kusum Warehousing Company
3rd Mile, Sevoke Road
Beside Hotel Cindrella, Siliguri - 734 008
Phone : 0353 254 5391/254 8886

GUWAHATI

Hanuram Boro Path, Kachari Basti
Dispur, Guwahati - 781 005, Assam
Phone : 0361 234 8381/259 5169
Assam Fertilizer Compound
Tripura Road, Jawaharnagar, Beltola
Guwahati - 781 028, Assam
Phone : 0361 2306288/89

PATNA

TPS Godown, Anisabad Bye Pass Road
Patna - 800 002
Phone : 0612 225 6004/6006
Fax : 0612 225 6006

RANCHI

* Plot No.763/26, Thana 194, P.S. Sadar
Kokar Area, Opp. Hanuman Dharam Kanta
Ranchi-834 001

BHUBANESWAR

* Plot No.146, Sector - A, Zone-B
Mancheswar Industrial Estate
Near Mancheswar Police Station
Bhubaneswar - 751 010
Phone : 0674 2588719/8720
Fax : 0674 2588721

* Berger Paints Home Decor Centre

CUTTACK

Village : Bilateruan
Near Maguli Chhak
N.H. 5, P.O. Harianta
P.S. Tangi, Cuttack - 754 025
Phone : 0671 239 2616
Fax : 0671 239 2584

RAIPUR

Nathani Compound, Shyamnagar
Near Govt. ITI, Ravigram, Raipur - 492 001
Phone : 0771 661 6601/6620/21/23
Fax : 0771 661 6602

AGARTALA

Road No.2&3, Crossing
Dhaleswar Natunpally
Agartala - 799 007
Phone : 0381 220 8404/231 1433
Fax : 0381 220 2760

SHILLONG

Near Chief Engineer Office, M.E.S.
Lower Nongrim Hills
Shillong - 793 003
Meghalaya

MUMBAI

8th floor, Office No.804
Windfall Building, Sahar Plaza, M.V. Road
Kondivita Village, Andheri East
Mumbai - 400 059
(Office only)

PATTANWALA GLASS WORKS

L.B.S. Marg, Chirag Nagar
Ghatkopar (West)
Mumbai - 400 086
Phone : 022 2516 8355 / 7398 / 9414
Fax : 022 2516 6406

178, JUBILEE MILL COMPOUND

Tokershi Jivraj Road
Sewree - West, Mumbai - 400 015
Phone : 022 241 28876/241 25606

KALYAN

Survey No.202, Water Supply Road
Navi Koliwada, At.Post: Kongaon
Taluka : Bhiwandi, Kalyan
Dist: Thane - 421 301
Phone : 02522 280265/281147
Fax : 02522 280667

C/o : Indian Corporation
Gala No.63/66, Opp. Gajanand Petrol Pump
Mankoli Naka, Dapode
Dist: Thane, Bhiwandi - 421 302

KOLHAPUR

C/o, Dunrex Rubber Foam
96/4-K, Uchagoan, Gandhi Nagar Road
Tal - Karveer, Dist. Kolhapur - 416 005
Phone: 0231 261 3539/3255

NAGPUR

House No.49, Ward No.83

Mahadeonagar
Behind Jabalpur Goods Garage
Waddhamana
Amravati Road, Nagpur - 440 023
Phone : 07104 240740/41/42
Fax : 07104 240743

PUNE

* C/o. Jai Bhawani Mata Warehousing
Company
Phursungi Village Road
Phursungi, Pune - 410 308
Phone : 020 6478 4010 to 25
Fax : 020 2698 0338

NASHIK

Godown Nos.F-9, F-10 & F-11
Baphana Warehousing Pvt. Ltd.
Gate No.103, Ambe Hill
Mumbai - Agra Road
Village Jaulke, Tal. Dindori
Dist. Nashik - 422 201
Phone : 0927 223 3531 - 32
Fax : 02557 279343

AURANGABAD

C-18, MIDC Panderpur Waluj
Aurangabad - 431 136
Phone : 0240 255 5177/5178
Fax : 0240 255 5177/5178

GOA

Inteloc-S1, Rhea-Estate
Nuvem, Salcete, Goa - 403 604
Phone : 0832 2791 758/959/883
Fax : 0832 2791 960

AHMEDABAD

* Godown Nos.12, 13 & 14, V L Estate
Near Jamnagar Transport Company
Sarkhej Balwa Road, Sarkhej
Ahmedabad - 382 210
Phone : 079 2689 1481/83
Fax : 079 2689 1482

RAJKOT

Plot No.9, 10, 11, Survey No.112/1
Ruda Transport Nagar, Anandpar
Navagam, Rajkot - 360 003
Phone : 0281 270 2563/2564
Fax : 0281 270 2564

VADODARA

12, 13, V. P. Industrial Estate
Survey No.225
Behind F. G. Patel Estate
Opp. L & T Niro, N. H. No.8
Padamala Dist. Vadodara - 390 002
Phone : 0265 224 3070/1/2
Fax : 0265 224 3231

SURAT

* Survey No.94/5
B/h: Cancer Hospital

Opp. : HPL-LPG Refilling Station
Surat Kadodara Road, At. Saroli
Tal. Choryasi, Dist. Surat - 394 210
Phone : 0261 264 6440/264 8614
Fax : 0261 264 8614

INDORE

329/2, Udyog Nagar, Nemawar Road
Palda, Indore - 452 020
Madhya Pradesh
Phone : 0731 4294 601 to 617
Fax : 0731 2494 613

BHOPAL

C/o. Shelly Products
45, Ancillary Industrial Estate
Habibganj, Bhopal - 462 024
Phone : 0755 4261 495/2600 856
Fax : 0755 4261 495

GWALIOR

39/2322-23, Sakhiavilas, Jhansi Road
Lashkar, Gwalior - 474 001
Phone : 0751 232 7071
Fax : 0751 232 7071

JABALPUR

C/o. Sumitra Warehousing Complex
497, Katangi Road, Karmeta
Jabalpur-482 001, Madhya Pradesh
Phone : 0761 409 2200 to 08
Fax : 0761 409 2208

NEW DELHI

D-14/2, Okhla Industrial Area
Phase-II, New Delhi - 110 020
Phone : 011 2638 4714/4796/7256
Fax : 011 2638 5644

* (Currently, the above set up has been
shifted to - A99/3, Okhla Industrial Area
Phase II, New Delhi)

12/3, Asaf Ali Road
New Delhi - 110 002
Phone : 011 2325 3494/3515
Fax : 011 2328 2366

Block-A-1, Plot No.B-2 & B-3, Pankha Road
Janakpuri, New Delhi - 110 001
Phone : 011 2562 3741/3742
Fax : 011 2554 8654

Warehouse No.MJ-2, Hari Chand Mela
Ram Complex, Village Mandoli
Delhi - 110 093
Phone : 011 2234 1985/2255/3730
Fax : 011 2234 1422

No.104, 1st floor, Plot No.19
Sagar Plaza Building
Dist. Centre, Laxmi Nagar
Delhi - 110 092
(Office only)

102&103 DDA Transport Centre
Punjabi Bagh Chowk, New Rohtak Road
New Delhi - 110 035
Phone : 011 2511 7460/1, 2831/6922/23

Fax : 011 2543 8880

Industrial Plot No.E-12, SMA
Industrial Estate, G.T. Karnal Road
New Delhi - 110 033
Phone : 011 2769 2270/71/72
Khasra No.36/22, Behind Mirage Garden
Mundka Village
New Rohtak Road
Delhi - 110 041
Phone : 011 2834 5623

• LUCKNOW

* C-518 & C-519 Transport Nagar
Lucknow
Ground, 1st & 2nd floor
B-22, Sector-B, Aliganj
Lucknow - 226 024
(Office only)

• GHAZIABAD

Cloud - 9 Resort, Opp. Uttam Toyota
Meerut Road, Ghaziabad - 201 003

• DEHRADUN

Khasra No.891, Vill. Majra
Opp. Transport Nagar
Near Himalayan Drugs
Dehradun - 248 001, Uttarakhand
Phone : 0135 654 5014

• VARANASI

Pama Complex, DLW Road
Shivadaspur, Lehartara
Varanasi - 221 002
Phone : 0542 237 1041/42
Fax : 0542 237 1042

• AGRA

1/2, Mau Road
Opp. Ganapati Apartments
Khandari, Bye Pass Road, Agra
Phone : 0562 253 0688/253 1422

• KANPUR

84/1-B, Fazalganj, Industrial Area
Kanpur - 208 012
Phone : 0512 224 2259/60/61
Fax : 0512 224 2262

• BAREILLY

Clutter Buck Ganj
Opp. GTI 7th Km. Stone
Bareilly (UP) - 243 502
Phone : 0581 256 0340 / 0940
Fax : 0581 256 1049

• HALDWANI

Opp. - Old I.T.I., Gaujajali Road
Haldwani - 263 139
Phone : 05946-245648/254652

• NOIDA

* B-20, Sector-3, Noida
Phone : 0120 253 3681/254 4164
Fax : 0120 254 5776

• LUDHIANA

658, Industrial Area-A, Shiv Chowk
G. T. Road, Ludhiana - 141 008

• GURGAON

* Kataria Complex
Khasra No.10947/7283/2918/2
Daultabad Road Industrial Area, Gurgaon
Phone : 0124 225 5470/473

• GORAKHPUR

Vill. Harraya
P.O. Balrampur Tah. Sadar
Dist. Gorakhpur
Uttar Pradesh
Phone : 0551 2320027/52/69/71

* Berger Paints Home Decor Centre

• MOHALI

421, Industrial Area, Phase- IX
Mohali, Punjab - 160 059
Phone : 0172 509 5105/06
Fax : 0172 223 3401

• BHATINDA

E-21, Old Industrial Area, Bhatinda
Phone : 0164 2240 239/2222 473

• JALANDHAR

Vakiya Abadi
Near Nakodar Road
Village - Khambra
Dist. Jalandhar - 144 026
Phone : 0181 2791466/2791467

• CHANDIGARH

Plot No.136-140/92, Industrial Area
Phase-1, Chandigarh-160 001
Phone : 0172 2637 181/4670 401

• PARWANOO

Plot No.9, Sector-1
Parwanoo - 173 220
Haryana
Phone : 01792 234164/235164

• JAIPUR

* 114A-115A, Jhotwara Industrial Area
Jaipur - 302 012
Phone : 0141 234 4054/4213/4162
Fax : 0141 234 4054

• JODHPUR

Plot No. G-121, A, E & F
M. I. A. Basni, II Phase, Near Poorva
Hospital, Jodhpur - 342003

• BIKANER

C/o: Mamta Woollen Mills
G-1, Karni Industrial Area
Bikaner - 334 004, Rajasthan

• FARIDABAD

Plot No.33, Sector - 6
Faridabad - 121 006, Haryana
Phone : 0129 4263400/2212491/2211839
Fax : 0129 221 0827

• JAMMU

Krystal Ice Factory kunjwani,
Bye Pass Crossing
Jammu - 180 010
Phone : 0191 248 3334/895

• CHENNAI

* 99/5, M. G. R. Salai
Chennai - 600 044
Plot No.D-18
Ambattur Industrial Estate
Ambattur, Chennai - 600 058
Phone : 044 2635 7835/6/7/8/9

• PUDUCHERRY

8, Main Road
Gnanapragasam Nagar
Puducherry - 605 008
Phone : 0413 224 9035 / 8098
Fax : 0413 224 8098

• COIMBATORE

* 1/1, Mettupalayam Road
Cheran Nagar-P.O.
Coimbatore - 641 029
Phone : 0422 243 4508/243 1132
Fax : 0422 243 1132

• TRICHY

No.249/2B, Opp. Sit Hostel
Tanjavur Main Road
Ariyamangalam, Trichy - 620 208
Phone : 0431 244 1476/71
Fax : 0431 244 0104

• MADURAI

* "Sundara Bhavanam"
Door No.175, Kamarajar Salai
Madurai - 625 009
Phone : 0452 262 8274/8312
Fax : 0452 262 9023

• HOSUR

C-13, Sidco Industrial Estate
Hosur - 635 126, Tamil Nadu
Phone : 04344 274939/274 929

• TIRUNELVELI

Door No.219-B, Madurai Road
Sankar Nagar, Tirunelveli - 627 357
Phone : 0462 230 0316/319

• BENGALURU

* 22, Fort, A Street
K R Road, Bengaluru - 560 002
Phone : 080 2670 1315/1815
Fax : 080 2670 9641
Plot No.32, Peenya III Phase
Industrial Area, Sy.No.93
Peenya Village
Yeshwanthpur Hobli
Bengaluru North Taluk
Bengaluru District - 560 058
Telefax : 080 283 77778/283 77668
Survey No.250, Huchegowdanapalya
T.Begur Post, Nelamangala Taluk
Bengaluru Rural District - 562 123
Phone : 080 2773 3557

• MANGALORE

* D. No.8-92/6, Dambel,
Ashoknagar
Mangalore - 575 006
Phone : 0824 242 8221/2444296
Fax : 0824 2454292

• HUBLI

Vanashri Traders Compound
Thorvi Hakkal, Mill Road
Hubli - 580 024
Phone : 0836 221 8025/27

• MYSORE

* No. 92 "A" Layout
Bannimantap Industrial Area
Mysore - 575 015
Phone : 0821 249 6633/77
Fax : 0821 249 6633

• KOCHI

* Building No.XVI/222 F
Trikkakara North, Mundampalam
Pukkattupady Road, Vadacode P.O.
Kochi - 682 021
Phone : 0484 241 0304

• THRISSUR

Building No. XVI 564B, 564C, 564D
Ponganamkad Centre
Kurichikkara P.O.
Thrissur - 680 028
Phone : 0487 6459836/9846/2695001
Fax : 0487 2695001

• KOZHIKODE

7/2 & 2A, Kundayithodu
P.O. Kolatahra, Kozhikode - 673 655
Phone : 0495 248 4413/5411/5412/13

• KOTTAYAM

Chakalayi Building
Building Number. XI/13A

Near Tata Motors Showroom
Vijayapuram Grama Panchayath
Vadavathoor - 686 010, Kottayam
Phone : 0481 2307638/3207638

• THIRUVANANTHAPURAM

G.H. Auditorium, Vazhuthoorkonam
Malayinkeezhu, Machel P.O.
Thiruvananthapuram - 695 571
Phone : 0471 228 4027
Fax : 0471 228 0102

• SECUNDERABAD

* Survey No.133, Plassey Lanes
Bowenpally, Secunderabad - 500 011
Phone : 040 2795 3677/88/89
Fax : 040 2795 5006
Plot No.4, Block 36/A
D. No.4-10-819, Autonagar
Hayatnagar, Hyderabad - 500 070
Phone : 040 2412 3688
Fax : 040 2402 3688

• VISAKHAPATNAM

Plot No. 188, "D" Block
Industrial Development Area
Gajuwaka-530012
Visakhapatnam

• VIJAYAWADA

R.S. No.171/2, Kanuru Donka Road
Enikepadu, Vijayawada Rural Mandal
Krishna District - 521 108
Phone : 0866 284 3641/42
Fax : 0866 284 3640

• TIRUPATI

Do No.3/95, S.No.240/1, Srinivasa Puram,
Tiruchanoor Road, Tirupati - 517 501
Phone : 0877 223 9395
Fax : 0877 223 9200

• DEVLA

Village - Devla, P.O. Surajpur
Noida - Dadri Road Greater Noida,
Tehsil Dadri, District Gautam Budh Nagar
Uttar Pradesh - 201 306

• PATHANKOT

Village Kiri Khurd, Sunder Chak Road
Tehsil Pathankot, Jammu Road
Pathankot, Punjab - 145 025

• AMBALA

6, Rishi Markanda Complex
Kesari Road, Vill: Khanpur
Dist : Ambala - 133 001
Phone : 0171 283 0022/283 0033

• UDAIPUR

Ground floor, Prajapat Palace, Bedla Road,
Badgaon, Udaipur, Rajasthan - 313 001
Phone : 0294 2451 790

• KURNOOL

D. No.51/15/A/4/8, Sy.No.312/2, 321
Rajiv Nagar, Bellary Road
Kurnool - 518 003
Phone : 08518 259 677/577

• KOLLAM

K.P. 1/293, 294, 295, 296
Najeem Cashew Industry
T.K.M.C., P.O. Karikode
Kollam - 691 005, Kerala
Phone : 0474 2707063/68/7707

BRITISH PAINTS DIVISION DEPOTS

• CENTRAL DELHI

3976/80, Ajmeri Gate Corner,
Ajmeri Gate, New Delhi.
Phone: 011-23216792/32573212
Fax: 011-23216792

• WEST DELHI

62/1, Rama Road, Industrial Area, New Delhi-110015.
Phone: 011-25913379/25913380/32573141
Fax: 011-25913380

• SOUTH DELHI

365, 400 Yards, Mehrauli Gurgaon Road,
Sultanpur, New Delhi-110030.
Phone: 011-26802293/32573398
Fax: 011-26802293

• FARIDABAD

3D/44 A (B.P) NIT, Faridabad, Haryana-121001.
Phone: 0129-2426440/3209885
Fax: 0129-2426440

• PANIPAT

New Risalu Road, Behind M.J.R. Public School
Adjoining Annapurna Banquet Hall,
Panipat-132103.
Phone: 0180-3257640/3209805
Fax: 0180-4000791

• GURGAON

2nd Milestone, Killa No. 6/25, Basai Road,
Gurgaon-122001 (Haryana).
Phone: 0124-3295330/4059157

• GHAZIABAD

C-213, Bulandsahar Road, Industrial Area,
Site-I, Near Rupali Petrol Pump,
Opp Silver City, Ghaziabad-201009.
Phone: 0120-3269987/3292682
Fax: 0120-4164110

• NOIDA

H-102 & 103 Sector-9, Noida-201301.
Phone: 0120-3104829/2532251

• AGRA

Plot No. 91, Sector-3,
Transport Nagar, Agra, U.P.
Phone: 0562-3216163

• KANPUR (UNIT-I)

117/O/505, Geeta Nagar, Rawatpur,
(Near Gumti No.9), G. T. Road, Kanpur-208025.
Phone: 0512-3209738

• KANPUR (UNIT-II)

49-B, Dada Nagar, Kanpur-208022.
Phone: 0512-3217112

• VARANASI

Pama Complex, Lahartara DLW Road,
Near Vishal Auto Agencies,
Lahartara, Varanasi-221103.
Phone: 0542-2372279/3209989
Fax: 0542-2372278

• CHANDIGARH

S.C.O. 268, Sector-32-D, Chandigarh.
Phone: 0172-2605149/2663823/3209987
Fax: 0172-2605149/2663823

• JALANDHAR

Asiatic Compound, Basti Baba Khel,
Near Usha Dharam Kanta, Kapurthala Road,
Jalandhar-144 001.
Phone: 0181-2651096/3209989
Fax: 0181-2651096

• LUDHIANA

Plot No. 270, Industrial Area A, Near SBI,
Ludhiana-141003.
Phone: 0161-3205552, 0161/2220270
Fax: 0161-2220270

• HALDWANI

Building No BA-A-1, Transport Nagar, Rampur Road,
Haldwani-263139.
Phone: 05946-326984/234126
Fax: 05946-254596

• DEHRADUN

238, Mohabbe Wala, Saharanpur Road,
Near Sai Baba Mandir, Dehradun, (Uttarakhand).
Phone: 0135-2131755

• PARWANOO

C/o Nirman Ghar (Basement),
Near Fire Station, Sector-3, Parwanoo, Distt-Solan,
Pin Code -173220 (H.P.).
Phone: 01792-320498/232002
Fax: 01792-232002

• JAMMU

55/1, M.B.S. College Road, Ajit Nagar,
P.O. Gadigarh, Jammu-18.
Phone: 0191-2263896
Fax: 0191-2453816

• PATNA

Asho Chak, Nand Lal Chhapra,
New Bye Pass Road, Patna-800026.
Phone: 0612-3261558/2341462

• GUWAHATI (UNIT-I)

Gali No. 7, Pather Kuchi, Near Sani Mandir Tinali,
Beltola, Guwahati-781029, Assam.
Phone: 0361-2307338/2307336
Fax: 0361-2232349

• GUWAHATI (UNIT-II)

C/o. Eden Cold Storage Pvt. Ltd.
Jawahar Nagar, Opp. Kamrup Kata,
Kanapara, Guwahati-781029.
Phone: 0361-2305960-61/2307339
Fax: 0361-2307339

• RANCHI

Road No. A-1, Hawaii Nagar, Near Birsa Chowk,
Khunti Road, Ranchi-834003, Jharkhand.
Phone: 0651-3209987/2253746
Fax: 0651-2253746

• AHMEDABAD

2, A, B & C, Tirupati Estate,
Opp. Bansidhar Engrs., Nr. Gokulesh Petrol Pump,
N.H. No. 8, Narol, Ahmedabad-382405.
Phone: 079-25735737/32922800
Fax: 079-25735687

• VADODARA

Industrial Casting Block No. 4/26,
BIDC Industrial Estate, Gorwa Road, Vadodara-390016.
Phone: 09327733995 (M) 09377985634 (WLL)

• SURAT

Plot No. 17, 18, 19, Ambica Industrial Estate,
Punakumbhariya Road, Saroli, Surat (Gujarat).
Phone: 0261-2647734/3110087

• INDORE

20, Timber Scheme,
Navlakha, Lohamandi, Indore-452001.
Phone: 0731-3209486/4088473
Fax: 0731-4088473

• BHOPAL

C/o. Adhish Industries, 11-A, J.K. Road,
Industrial Area, Govindpura, Bhopal (M.P.).
Pin Code-462021.
Phone: 0755-3209452/4083274

• PUNE

C/o Nath Warehousing Co., Survey No. 164,
Fursungi Village Road,
Taluka Haveli, Fursungi, Pune-412308.

Phone: 020-32549910/26980158
Fax: 020-26980844

• MUMBAI

Plot No. C-8/2 TTC Industrial Area,
Pawane MIDC, Thane Belapur Road,
Navi Mumbai-400705.
Phone: 022-32168090/27622950
Fax: 022-27622950

• MUMBAI-II

C.T.S. No. 177, Garden Estates,
Opposite Dhiraj Upavan,
Near Khatau Mill Compound,
Borivali (East), Mumbai-400066.
Phone: 07498218855

• SOLAPUR

GUT No. 301/2B, Kondi,
Solapur-Pune Highway,
Distt. Solapur.

• GOA

No. 56/C Vivenda Gaurish Nirboga,
Camurlin-Village,
Post Loutulim, Salcette, Goa-403705.
Phone: 0832-3264142/2858815
Fax: 0832-2858815

• HYDERABAD

Plot No. 17-18, BHEL Colony, Rasoolpura,
Secunderabad-500 003. (A.P.).
Phone: 040-32999779/27904495
Fax: 040-27904495

• TIRUPATI

D. No. 8/66, Padmavathipuram,
Tiruchanoor Road, Tirupati-517503.
Phone: 0877-3207249

• VIJAYAWADA

Plot No. 77, Phase-3,
Jawahar Autonagar, Vijayawada-520007.
Phone: 0866-2544355

• BENGALURU

114/16, Patel Puttiah Indl. Estate,
Mysore Road, Bengaluru-560 026.
Phone: 080-26752865/32935557
Fax: 080-26752896

• HUBLI

A. L. Handa Godowns, Anchatgeri Village,
7th KM, Karwar Road, Hubli-580 029.
Phone: 0836-2200855/2200866

• COCHIN

50/857 C1, Kalyani Towers,
Changampuzha Samadhi Road,
Edapally. P.O., Cochin-682024.
Phone: 0484-3269969/2535464
Fax: 0484-2332485

• CALICUT

1/90, D&E, Dawood Chambers, Butt Road,
West Hill Chungam, Calicut-673005.
Phone: 0495-3268877/2380492
Fax: 0495-2380492

• KARUNAGAPALLY

Door No. VII/466-B, Near Khans Theatre,
Karunagapally.
Phone: 0476-2631345/0477-3292819

• JAIPUR

35-A, Tagore Nagar,
Nr. D.C.M., Ajmer Road, Jaipur-302024.
Phone: 0141-3269963/2353741
Fax: 0141-2356426

• KOTA

H-39, Opp. Multimetall,
Chambal Industrial Area, Kota-324003.
Phone: 0744-3231489/2480106

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Berger Breathe Easy emits far less toxic chemicals than ordinary paints, and has no smell, even during painting. It is also anti-microbial and allergen-free, and keeps indoor air fresh and healthy. So even your little ones can breathe easy.



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The unique textures from **Silk Illusions**
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Silk Emulsion are sure to keep you riveted.
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Experience Silk



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NAZAR NAHI HATTI



Experience Silk



DEEWARON SE NAZAR NAHI HAT-TI

The unique textures from **Silk Illusions**
and the luxurious smoothness of
Silk Emulsion are sure to keep you riveted.
The Silk collection is the perfect way
to usher in a new lifestyle.

Experience Silk



Being Human — The Salman Khan Foundation is a registered charitable trust that works in the areas of education and healthcare. The association with Berger Paints' Breathe Easy works on multiple levels:

Being Human — The Salman Khan Foundation is a registered charitable trust that works in the areas of education and healthcare. The association with Berger Paints' Breathe Easy works on multiple levels:

- The paint itself is formulated to be friendly to little children and people with respiratory problems
- ₹ 4 from the sale of each can goes to Being Human and supports education and healthcare charities
- Berger has also committed to provide Breathe Easy paint to two schools and one hospital supported by Being Human



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IS PROUD TO BE
ASSOCIATED WITH
BEING HUMAN —
THE SALMAN KHAN
FOUNDATION

BREATHE EASY
IS PROUD TO BE
ASSOCIATED WITH
BEING HUMAN —
THE SALMAN KHAN
FOUNDATION



Live healthy with Breathe Easy

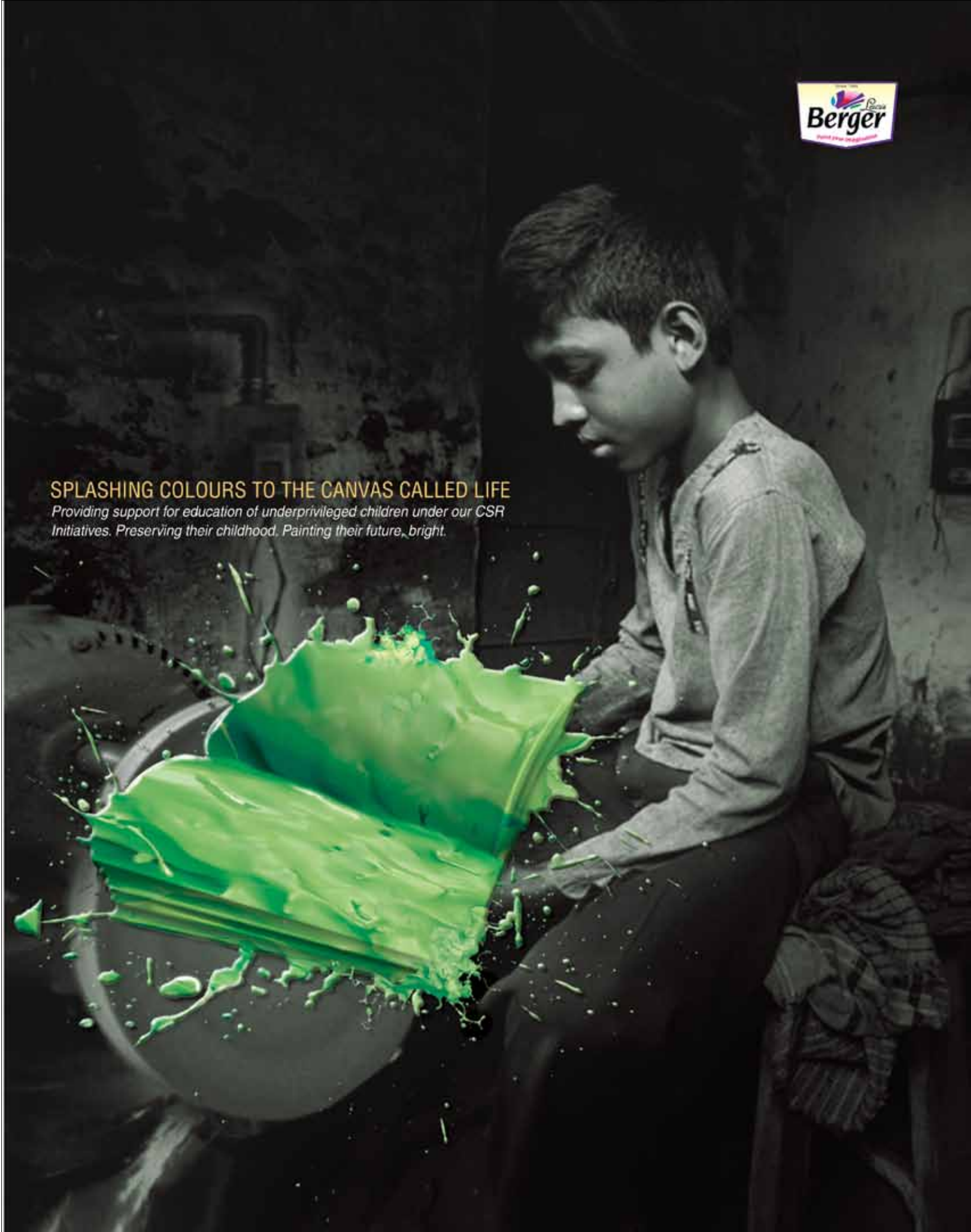
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ASSOCIATED WITH
BEING HUMAN —
THE SALMAN KHAN
FOUNDATION

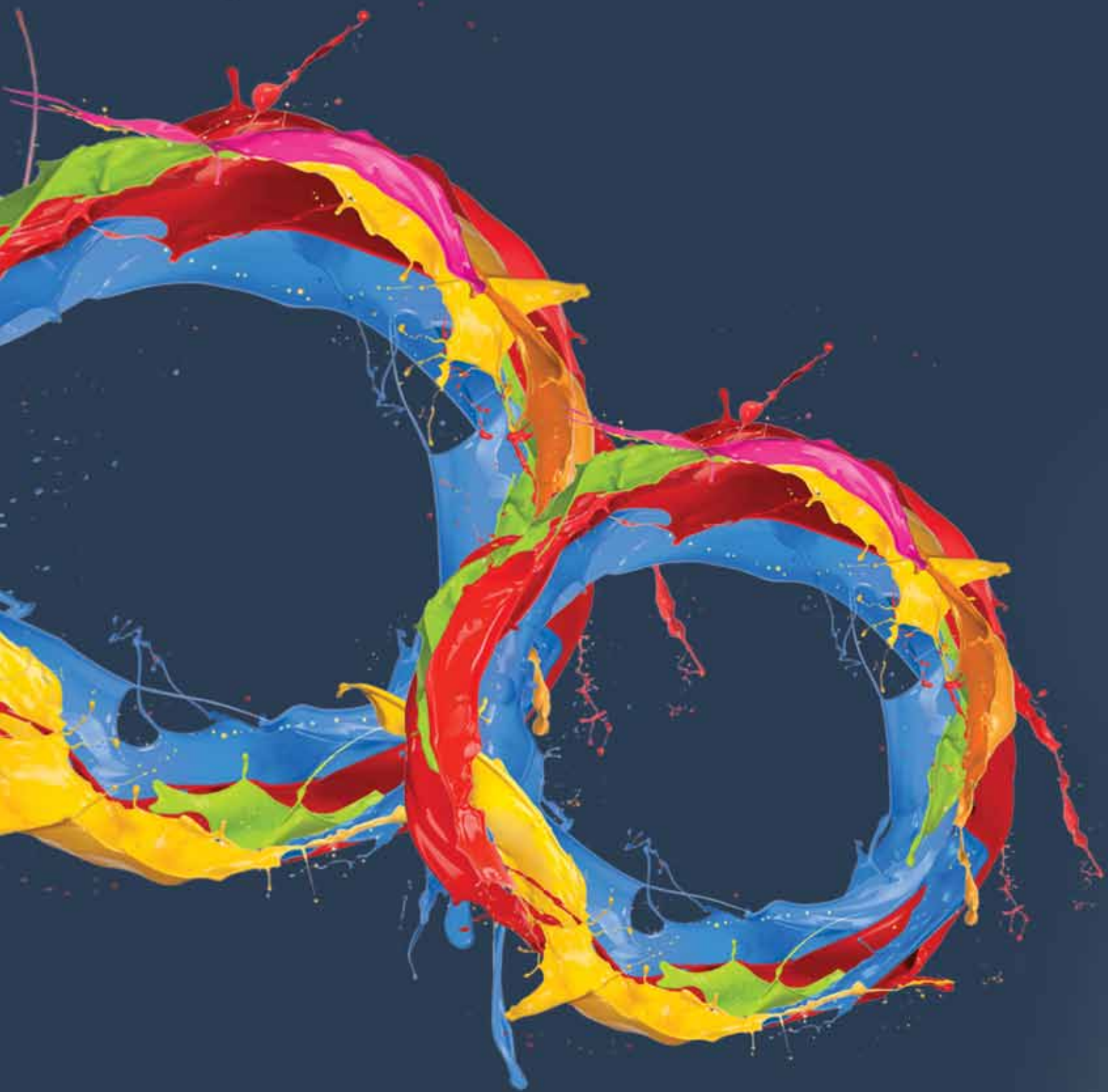
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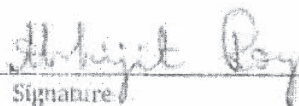
Date : 8th July, 2013

To :-
(1) BSE Limited, Mumbai (2) National Stock Exchange of India Limited, Mumbai (3) The Calcutta Stock Exchange Limited, Kolkata

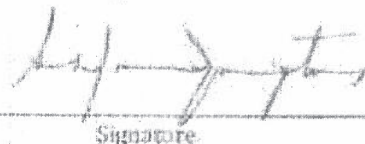
FORM A

| | |
|---|--|
| 1. Name of the company | : Berger Paints India Limited Berger House, 129 Park Street, Kolkata - 700017 |
| 2. Annual financial statements for the year ended | : 31 st March, 2013 |
| 3. Type of Audit observation | : Un-qualified |
| 4. Frequency of observation | : Not Applicable |

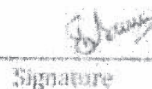
Abhijit Roy
Managing Director


Signature

Srijit Dasgupta
Director & Chief Financial Officer


Signature

Lovelock & Lewes
Statutory Auditors


Signature

Anil Bhatia
Director & Chairman of Audit
Committee


Signature



BERGER PAINTS INDIA LIMITED

Regd. Office: Berger House, 129 Park Street, Kolkata - 700 017, Phone: 1229 9724-28, 2229 6635-06, Fax: 31-33-2240 9009/729, www.bergerpaints.com