



REF. STOCK. EXG/ AS/ 2018-19

11th July, 2018

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

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

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

Dear Sirs,

Sub : Annual Report for F.Y 2017-18

We enclose herewith a pdf copy of the Annual Report of the Company for the Financial Year 2017-18. The said Annual Report has been sent to all the Shareholders of the Company by e-mail/speed post/registered post. We will again submit the Annual Report 2017-18 to the Stock Exchanges once approved and adopted in the 94th Annual General Meeting of the Company to be held on 3rd August, 2018 in compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking You

Yours faithfully,
For BERGER PAINTS INDIA LIMITED


ANIRUDDHA SEN
SR. VICE PRESIDENT &

BERGER PAINTS INDIA LIMITED

Berger House, 129, Park Street, Kolkata - 700 017, Phone : 2229 9724-28, 2229 6005-06, Fax : 91-33-2249 9009/9729, www.bergerpaints.com
CIN - L51434WB1923PLC004793, E-mail : consumerfeedback@bergerindia.com



Annual Report
2017-18

staying
ahead of
the curve

Berger Paints India Limited





From a Local Force to a National Powerhouse

At Berger, we are on a growth curve managing to post double-digit volume growth overcoming the challenges thrown up in our path.

To start a movement, you need a strategy that inspires, empowers and enables in equal measure. This means building a business that is not just okay or even mildly successful. It means building a business that is performance and consumer centric.

At Berger, we are continually looking for ways to provide added value to our consumers. This is driven by our abiding vision to be the most admired Indian paint and coating solutions company that has inspired a journey transforming Berger from an eastern regional brand into a vibrant national engine of growth.

Relevant cutting-edge innovation is key to delivering on our strategy and we are making great progress with our product development, especially in terms of providing customers with more sustainable solutions and greater functionality committed to building enduring value for Berger stakeholders.



Staying ahead with world-class brands

Our strategy has always been to create products that will contribute positively to the Indian setting and ensure maximum advantage to our consumers.

WEATHERCOAT LONG LIFE

is a new line of highly durable exterior coatings that can last up to 10 years in Indian climatic conditions. This will reduce the need for the frequent painting of exteriors, a move that will be welcomed by the Indian home builder.

WEATHERCOAT ANTI DUST

A new dust repellent coating for exteriors. It has been developed for dry, dusty regions of India where rainfall is sparse. Painting the exterior with WeatherCoat Anti Dustt helps in reducing dust accumulation on the walls, keeping the building looking like new and reducing painting frequency.

Dhool aaye,
par ghar pe na tik paaye

WEATHERCOAT
ANTI DUST



Express Painting

This latest innovation from Berger Paints cuts down on the hassles of home painting. It promises to offer a Faster, Cleaner and Better way to paint homes using automated tools to complete painting within 40% lesser time. Furthermore, it beats conventional painting hands down by giving customers a dust-free and hassle-free experience at no extra cost.

Fast and dust-free home painting with automatic machines



SMS **XP** to **56767**



Easy Clean

A high quality paint with unsurpassed stain resistance and exceptional washability. Its rich luxurious finish supported by 'cross linking polymers' ensures that even stubborn stains can be cleaned easily with a simple wipe, keeping your home looking beautiful and fresh day after day.

Easy Clean Fresh

Easy Clean Fresh is a brand new entrant in the segment of interior paints. This innovative new product under the Berger Easy Clean range has been created using odour eliminating technology and a pleasant fragrance to add soothing freshness to your home, while keeping the walls stain-free.

Taking the lead in R&D and technology



Berger's R&D facility prides itself on being truly Indian and adapting technologies tailored to the varied quality and climatic demands of the Indian market. This covers all fields — from chemicals to paints.

The flagship unit at Howrah houses the Research & Development Division that is recognized by the Department of Scientific & Industrial Research, Ministry of Science & Technology, Government of India, as a centre for Basic and Applied Research in Paint and Resin Technology. The Division works hand in hand with the housing and construction industry.



Specific areas in which research and development is carried out:

- Development of new products and upgradation of existing products
- Development of new resins and emulsions
- Reformulation for cost optimisation without compromising on quality
- Development of eco-friendly products
- Collaborative work with academic institutes and business partners



R&D in Construction Chemicals:

A growing demand for 'cool roofs' has led our in-house R&D to develop energy-efficient elastomeric products such as WeatherCoat Kool & Seal and WeatherCoat Roof Guard that produce the cool roof effect by reflecting and refracting high energy infra-red rays to keep rooms cooler and reduce energy consumption by air-conditioners.



Through Berger's iTrain Centres, we are providing training to the unskilled and semi-skilled painters to help them become more employable. These Centres function as avenues of employment generation, besides offering opportunities to others to enhance their skills.

Staying ahead in job creation

Mobile iTrain

The Company has started its first mobile iTrain facility in West Bengal to provide vocational training and skill development in painting and allied fields. It comprises a van with essential training equipment and facilities to reach out to people living in far-flung areas to improve the scope and efficacy of our training initiatives. This will gradually cover many parts of the country.

Wood Coatings

Berger's Wood Coatings comprise a wide range of water-based and solvent-based coatings solutions under the brand name Imperia. The water-based coatings provide clear finish and low odour, while the solvent-based coatings come in sealer, matt, semi-gloss and gloss variants. The coatings are highly durable and can be used for both exterior and interior furniture, doors and window frames.

Glass Coatings

Glass coatings are one of the latest innovations at Berger Paints, offering an attractive range of opaque, transparent and translucent coatings in multiple colour options with Zen-like appeal that can be used for both interior and exterior decor.



Forerunner of a clean environment

As a Company, we have always been socially responsible with a deep commitment to a greener tomorrow. Which is why we promote the use of environment friendly products and practices, a part of our sustainability programme, which directly or indirectly influences our clients, vendors and customers. Our efforts to achieve these are mainly based on three principles :

- (i) Making more durable products thus reducing the consumption cycle
- (ii) Constantly innovating to reduce the carbon footprint of our products
- (iii) Making the production process less energy intensive



CII Green Pro Award



The outcome of Berger's sustainability efforts is reflected in the development of some of the brands mentioned below :

Manufacturing Eco-safe and low VOC products:

Our product range under the decorative line of business, especially Easy Clean, WeatherCoat, Walmasta, Bison, Silk, Rangoli Total Care, etc. have no added lead, mercury and chromium in their formulation. Further, all of these products are low VOC as defined under LEED (Leadership in Energy and Environmental Design — the certifying agency).



We ensure that all our decorative products are environmentally friendly and compliant to global environmental standards as well. It is for this reason and on the basis of criteria such as manufacturing process, use of raw materials and recycling / disposal that we have been conferred with the Green Pro Certification by CII-IGBC. The certificate promotes a safe living and healthy working environment. This award is an encouragement for all of us to continue on our journey towards a greener future.



Expanding Internationally



Bolix

Apart from operations in Russia, with a production facility at the Berger manufacturing unit at Krasnodar, Berger has also expanded its footprint in Nepal by setting up a second unit. Today, Berger's sister company in Bangladesh is the dominant leader, with over 65% market share. Berger has also tied up with Becker of Sweden to manufacture coil coatings for steel surfaces. The Company has also acquired the Poland based Bolix brand of insulation paints. As Berger continues to grow internationally, we have also set up new production facilities in India.



Bolix



Nepal



Naltali



Jejuri

New technologies developed by R&D

Low temperature baking systems for Auto-GI industries

New technologies are being developed by our R&D team for Automotive and GI low temperature curing coatings. The energy required for curing such products is significantly lower than the existing products, leading to energy savings for the customers.



Berger Protecton range of high-performance protective coatings specialises in extending life and operational performance of household appliances and various metal fittings used in automobiles and OEMs, in addition to keeping industrial areas free from the risk of corrosion, fire and harmful environmental pollution. Berger continues to be ahead in this segment.

Affordable cool roof coating

The main source of heat or warmth in a room is the effect of solar rays on the roof of a building. The thermal waves pass through the roof and increase the room air temperature. The new product being offered in the market cuts down on the heat transmitted to the interior of the room.



Anti-freeze admixture for application in low temperature places

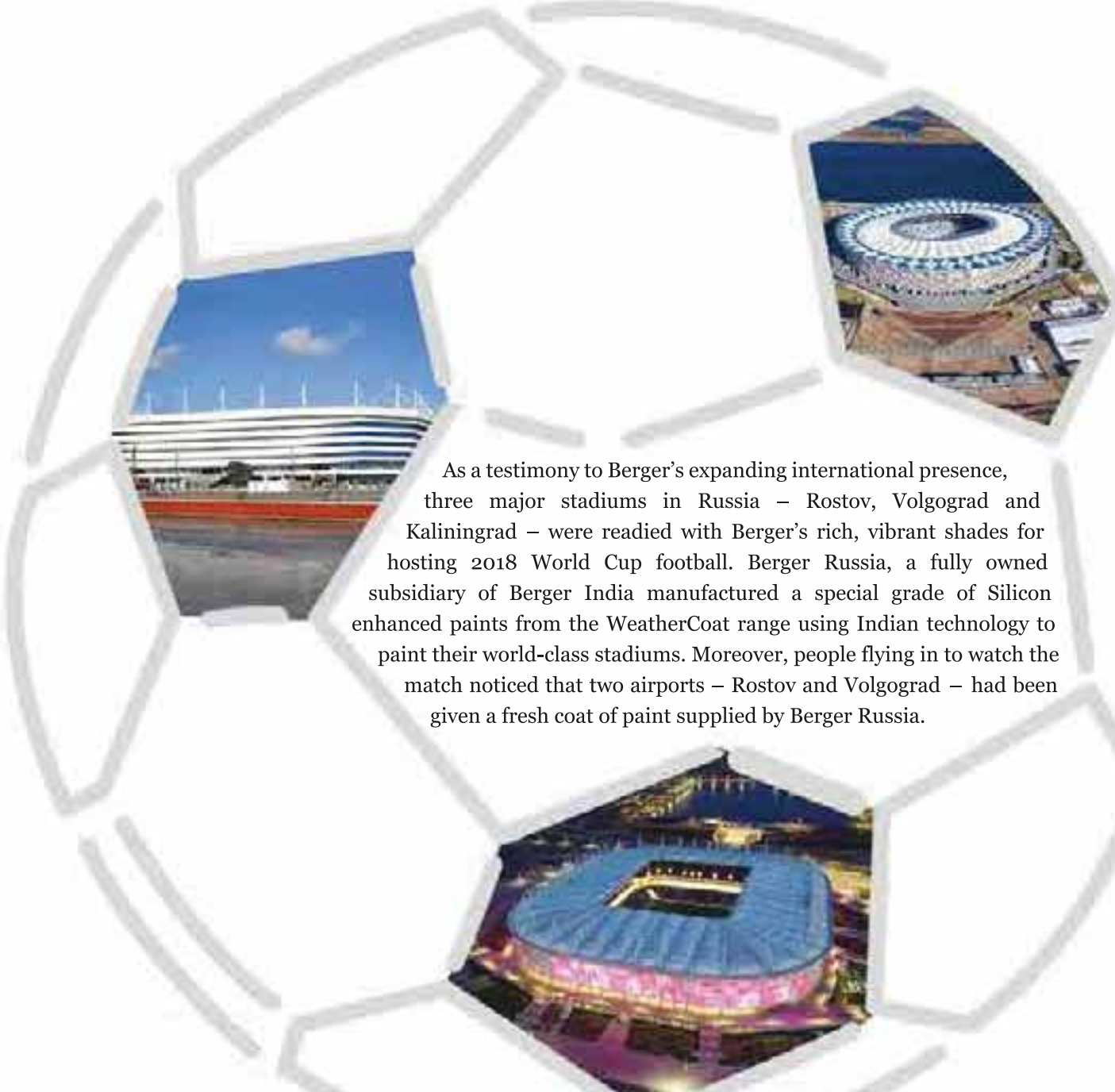
Cement admixtures are difficult to work with in very low temperatures. With research, we have been successful in offering anti-freeze admixtures for cement in low temperature areas to improve workability.





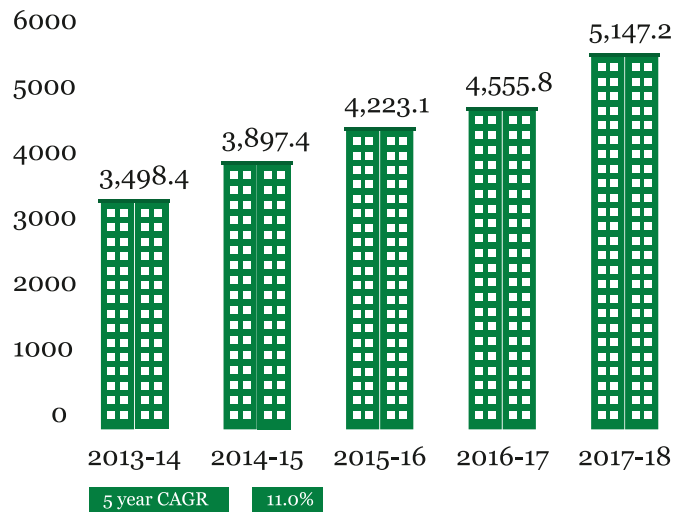
THE BEAUTY OF WORLD CUP FOOTBALL IN RUSSIA ENHANCED BY BERGER WEATHERCOAT

**Three stadiums chose Berger Paints to brighten
the matches as the nation hosted the World Cup 2018**

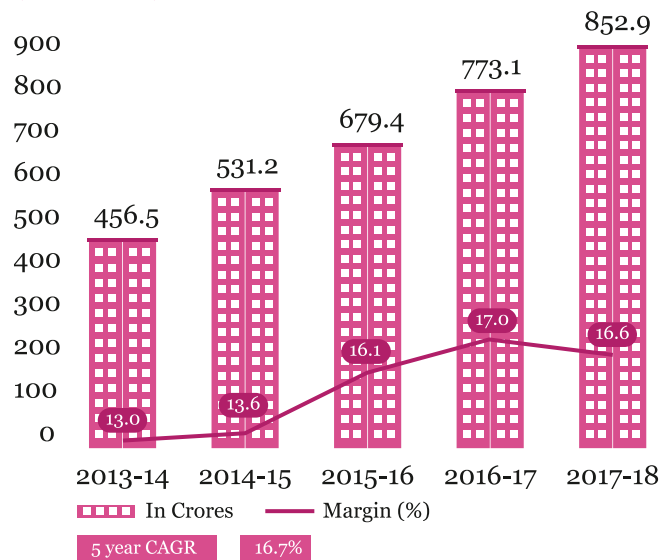


As a testimony to Berger's expanding international presence, three major stadiums in Russia – Rostov, Volgograd and Kaliningrad – were readied with Berger's rich, vibrant shades for hosting 2018 World Cup football. Berger Russia, a fully owned subsidiary of Berger India manufactured a special grade of Silicon enhanced paints from the WeatherCoat range using Indian technology to paint their world-class stadiums. Moreover, people flying in to watch the match noticed that two airports – Rostov and Volgograd – had been given a fresh coat of paint supplied by Berger Russia.

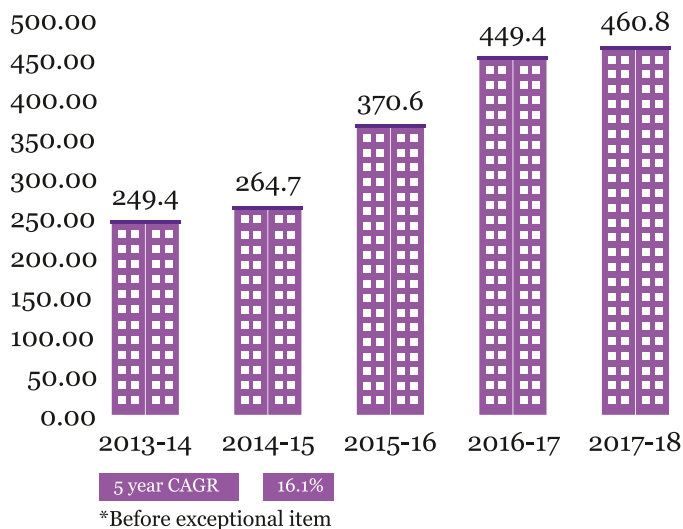
Revenue from Operations - Consolidated (Rs in crore)



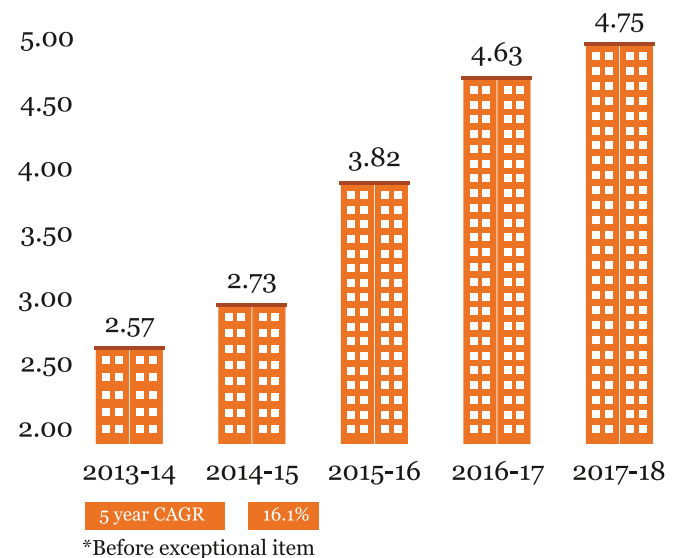
Operating Profit - EBITDA - Consolidated (Rs in crore)



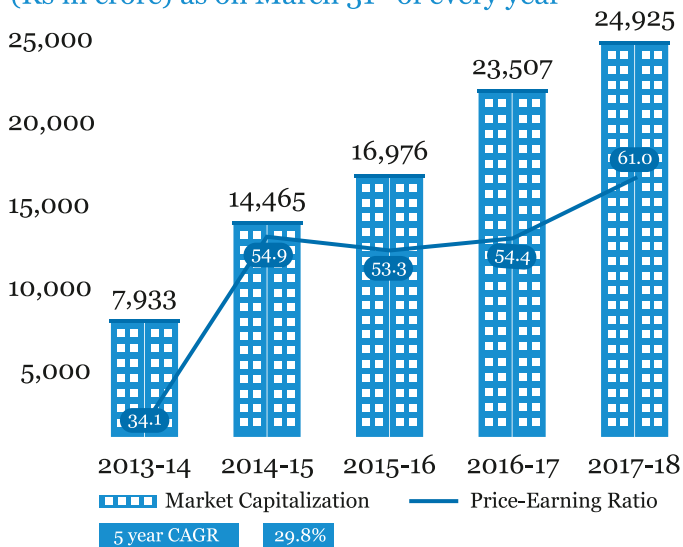
Profit after Tax - Consolidated (Rs in crore)*



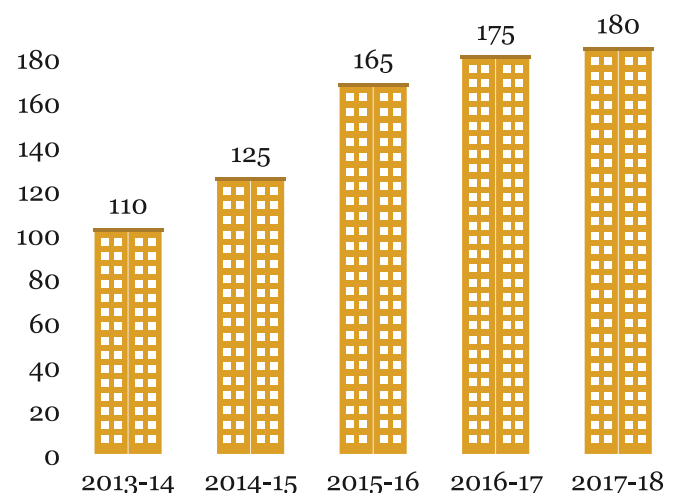
Earning Per Share (Rs)*



Market Capitalisation (Rs in crore) as on March 31st of every year



Dividend per share (%)



Awards & Accolades



- Srishti Good Green Governance Award 2018 on Zero Environmental Pollution won by Team Berger on Earth Day
- Beepee Coatings Pvt Ltd was the recipient of National Energy Conservation Award 2017, from the Ministry of Power, Government of India
- May 2018: Beepee Coatings Pvt Ltd won the Energy Circle Award for being the Best Energy Efficient Organization
- Berger Paints India Limited was ranked 99th in BT 500 - India's Most Valuable Companies, 2017
- Berger Paints India Limited ranks 14th among the global Manufacturers of Paints & Coatings as reported by Coatings World, 2018.
- Berger Paints India Limited has been consistently on the list of Top Indian Brands in Millward Brown BRANDZ Top 50 from 2014, 2015, 2016 and 2017
- Berger Paints India Limited features on the list of Forbes India's Super 50 Companies in 2015, 2016 and 2017



Team Beepee Coatings receiving the National Energy Conservation Award 2017 Trophy, from the Ministry of Power, Government of India



Team Berger receiving the GREENTECH Environment Award 2018 Trophy at Guwahati



- April 2018: Beepee Coatings Pvt Ltd wins 1st Prize in the Eighth Regional 3R Forum in Asia & the Pacific
- May 2018: Beepee Coatings Pvt Ltd won the Safety Award for Occupational Safety & Health from National Safety Council of India
- April 2018: Beepee Coatings Pvt Ltd won the Certificate of Appreciation for Industrial Safety & Health from Gujarat Safety Council



MISSION ZERO WASTE
8th Regional 3R Forum in Asia & Pacific Meet

Board of Directors



Mr Kuldip Singh Dhingra
Chairman, Non Executive



Mr Gurbachan Singh Dhingra
Vice Chairman, Non Executive



Mr Abhijit Roy
Managing Director & CEO



Mr Dhirendra Swarup
*Independent Director,
Non Executive*



Mr Naresh Gujral
*Independent Director,
Non Executive*



Mrs. Rishma Kaur
Executive Director



Mr Gopal Krishna Pillai
*Independent Director,
Non Executive*



Mr Kanwardip Singh Dhingra
Executive Director



Mr Pulak Chandan Prasad
*Independent Director,
Non Executive*



Mr Kamal Ranjan Das
*Independent Director,
Non Executive*

Board Committees

Audit Committee

Mr Dhirendra Swarup
Mr Gurbachan Singh Dhingra
Mr Kamal Ranjan Das
Mr Pulak Chandan Prasad
Mr Gopal Krishna Pillai

Compensation & Nomination & Remuneration Committee

Mr Kamal Ranjan Das
Mr Kuldeep Singh Dhingra
Mr Pulak Chandan Prasad

Business Process & Risk Management Committee

Mr Gurbachan Singh Dhingra
Mr Kamal Ranjan Das
Mr Abhijit Roy
Mr Srijit Dasgupta
Mrs. Rishma Kaur
Mr Kanwardip Singh Dhingra
Mr Subir Bose
Mr Anil Bhalla

Shareholders' Committees

A) Share Transfer Committee

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

B) Stakeholders' Relationship & Investor Grievance Committee

Mr Kamal Ranjan Das
Mr Gurbachan Singh Dhingra
Mr Abhijit Roy

CSR Committee

Mr Kuldeep Singh Dhingra
Mr Kamal Ranjan Das
Mr Kanwardip Singh Dhingra
Mrs. Rishma Kaur
Mr Abhijit Roy
Mr Srijit Dasgupta
Mr Anil Bhalla
Mr Aniruddha Sen

Key Managerial Personnel

*Director- Finance &
Chief Financial Officer*

Mr Srijit Dasgupta

*Sr Vice President &
Company Secretary*

Mr Aniruddha Sen

Investor Service Centre

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

2. Berger Paints India Limited
129 Park Street, Kolkata 700 017
Telephone: 033 2229 9724-28
Fax : 033 2227 7288

Statutory Auditors

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

Consortium Banks

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

Registered Office

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

Corporate Website

www.bergerpaints.com

Email

consumerfeedback@bergerindia.com

CIN

L51434WB1923PLC004793

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BERGER PAINTS INDIA LIMITED

(CIN : L51434WB1923PLC004793)

Registered Office : Berger House, 129, Park Street, Kolkata - 700017

Phone Nos. : 033 2229 9724-28; Fax No.: 033 2227 7288

Website : www.bergerpaints.com

Email - consumerfeedback@bergerindia.com

NOTICE

Notice is hereby given that the Ninety-fourth Annual General Meeting of Berger Paints India Limited will be held at Kalamandir, 48, Shakespeare Sarani, Kolkata – 700 017 on 3rd August, 2018, Friday at 11 a.m. to transact the following business:-

ORDINARY BUSINESS:

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

1. “RESOLVED THAT the audited financial statements (including the audited consolidated financial statements) for the year ended 31st March, 2018, the Reports of the Board of Directors and the Auditors be and are hereby received, considered and adopted.”
2. “RESOLVED THAT a dividend of ₹1.80 (180%) per share on the paid up equity shares of ₹1/- each of the Company for the year ended 31st March, 2018, be and is hereby declared to be paid to the Members of the Company, holding shares in the physical form and whose names appear in the Register of Members on 3rd August, 2018 and, holding shares in the electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 27th July, 2018.”
3. “RESOLVED THAT Mr. Kuldip Singh Dhingra (DIN: 00048406), Director of the Company, who retires by rotation at this meeting and, being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”
4. “RESOLVED THAT Mr. Gurbachan Singh Dhingra (DIN: 00048465), Director of the Company, who retires by rotation at this meeting and, being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Regulations”) Mr. Kamal Ranjan Das (DIN: 00048491), Independent Director of the Company, whose period of office would expire on 31st March, 2019, on completion of the first five consecutive years of appointment within the meaning of Section 149(10) of the Act, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for re-appointment for a second term under the provisions of the Act, Rules made thereunder and the Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from 1st April, 2019 to 31st March, 2020.

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

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors)

Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Regulations”), Mr. Pulak Chandan Prasad (DIN: 00003557), Independent Director of the Company, whose period of office would expire on 31st March, 2019, on completion of the first five consecutive years of appointment within the meaning of Section 149(10) of the Act, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for re-appointment for a second term under the provisions of the Act, Rules made thereunder and the Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from 1st April, 2019 to 31st March, 2024.

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

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

“RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, M/s. N. Radhakrishnan & Co., Cost Auditors, be paid a remuneration of ₹40,000/- (Rupees forty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for each cost audit/certification engagement for the year 2018-19 for the Company’s factories at Howrah and Rishra in West Bengal, factories at Goa and Puducherry and ₹30,000/- (Rupees thirty thousand only) each plus applicable tax and reimbursement of travel and other out-of-pocket expenses for cost audit/certification engagements for the year 2018-19 for the Company’s factories at Jejuri, Hindupur and Naltali and ₹20,000/- (Rupees twenty thousand only) plus other out-of-pocket expenses for cost audit/certification engagement for the year 2018-19 for the Company’s factory at Nalbari and ₹25,000/- (Rupees twenty five thousand only) for filing a single report in accordance with relevant guidelines and M/s. Shome and Banerjee, Cost Auditors, be paid ₹45,000/- (Rupees forty five thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for each cost audit/certification engagement for the year 2018-19 for the Company’s factory at Sikandrabad in Uttar Pradesh and two factories at Jammu and ₹30,000/- (Rupees thirty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for the Company’s factory at Surajpur in Uttar Pradesh.

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

Place: Kolkata

Dated: 30th May, 2018

By Order of the Board

Aniruddha Sen

Sr. Vice President & Company Secretary

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) shall be entitled to appoint another person as proxy to attend and vote at the meeting on his behalf. A proxy shall not have the right to speak at the aforesaid meeting and shall not be entitled to vote except on a poll. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not later than 48 hours before the commencement of the aforesaid meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of not more than fifty members and holding in the aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not be entitled to act as proxy for any other person or Member.
2. Corporate Members are requested to send to the Company/Registrar & Share Transfer Agent, a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote at the AGM.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 28th July, 2018 to 3rd August, 2018, both days inclusive.

4. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
5. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID numbers for easy identification at the Meeting.
6. Dividend on Equity Shares as recommended by the Board, if declared at the Meeting, will be paid to the Members of the Company, holding shares in the physical form and whose names appear in the Register of Members as on 3rd August, 2018 and, holding shares in electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 27th July, 2018.
7. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and bank account details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and bank account details to M/s C B Management Services (P) Limited, Registrars and Share Transfer Agent of the Company by sending a duly signed letter along with self-attested copy of PAN card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In alternative, Members are requested to submit a copy of bank passbook/statement attested by the bank along with a cancelled cheque if the name of account holder does not appear on the Cheque. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
8. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
9. The Certificate from the Statutory Auditors of the Company as required under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the implementation of the Company's new ESOP Scheme in accordance with the resolution passed at the Annual General Meeting held on 3rd August, 2016 shall be placed at the ensuing Annual General Meeting for inspection by the Members.
10. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent of the Company.
11. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting.
12. Members are requested to notify any change in their address immediately to M/s. C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, the Registrar & Share Transfer Agent of the Company for shares held in physical form. Members who hold their shares in dematerialized form may lodge their requests for change of address, if any, with their respective Depository Participants.
13. Members holding shares of the Company in physical form through multiple folios are requested to consolidate their shareholding into single folio, by sending their original share certificates along with a request letter to consolidate their shareholding into one single folio, to the Registrar & Share Transfer Agent of the Company.
14. In all correspondence with the Company/Registrar & Share Transfer Agent, Members are requested to quote their Folio Number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID numbers.
15. Members are reminded to send their dividend warrants, which have not been encashed, to the Company, for revalidation. As per the provisions of Section 124(6) of the Companies Act, 2013, unclaimed dividend is liable to be transferred to the Investor Education and Protection Fund of the Central Government after expiry of seven years from the date they become due for payment.
16. The Ministry of Corporate Affairs (MCA) vide notification No. S.O.2866 (E) dated 5th September, 2017 enforced sections 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund [IEPF] (Accounting, Audit, Transfer and Refund) Rules, 2016, which requires companies to transfer the underlying shares to the IEPF, in respect of

which the dividends have remained unclaimed for a consecutive period of seven years. Accordingly, during the year under review, the Company had transferred 56,27,559 equity shares (0.58% of paid up capital) covering 1,362 folios to IEPF through Corporate Action on 27th November, 2017. On 27th April, 2018, the Company had further transferred 2,95,496 equity shares (0.03% of paid up capital) to IEPF.

17. As per current SEBI Regulations, dividend is required to be credited to Members' respective bank accounts through Electronic Clearing Service (ECS), wherever the facility is available and the requisite details/mandates have been provided by the Members. Members desirous of availing this facility may send the details of their bank accounts with addresses and MICR Codes of their banks to their Depository Participants (in case of shares held in dematerialized form) or to M/s C B Management Services (P) Limited (in case of shares held in physical form) at the earliest.
18. Members interested in nomination in respect of shares held by them may write to M/s. C B Management Services (P) Limited at the address as mentioned in paragraph (12), for the prescribed form. Alternatively, the said form can be downloaded from the Company's website **www.bergerpaints.com** under 'Investor Services' section.
19. Members may note that the Notice of the 94th AGM and the Annual Report for 2017-18 will be available on the Company's website **www.bergerpaints.com**. Members who require communication in physical form in addition to e-communication, may write to the Company at **consumerfeedback@bergerindia.com**.
20. Members are to inform of their current email ID to the Company in compliance of Green Initiative as per Ministry of Corporate Affairs circular on this subject.
21. For shares held in physical form, Members may initiate action to get their 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.
22. As on 31st March, 2018, 12,41,435 equity shares of ₹1/- each fully paid up have remained unclaimed by 358 number of shareholders. During the year, the Company has received 29 requests from the Members for transfer of their unclaimed shares from the Company's unclaimed demat suspense account i.e. 'M/s Berger Paints India Limited – Unclaimed Demat Suspense Account' and accordingly the Company has transferred those unclaimed shares from its unclaimed demat suspense account and 39,52,780 equity shares of ₹1/- each transferred from unclaimed suspense account to IEPF Account through Corporate Action on 27th November, 2017. The details are given in Annexure C of Corporate Governance Report.
23. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the provisions of the Companies (Management & Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the Members with the facility to cast their vote electronically from a location other than the venue of the Annual General Meeting ("Remote e-voting"). The Company has engaged National Securities Depository Limited ("NSDL") to provide to the Members the e-voting platform and services for casting their vote through remote e-voting on all resolutions set forth in this Notice.

The procedure for remote e-voting are as under :

Instructions

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

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

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

4. Your User ID details are given below :

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

5. Your password details are given below:

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

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at e-voting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

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

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

3. Select “EVEN” of company which is 108580.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **aklabhcs@gmail.com/aklabh@aklabh.com** with a copy marked to **e-voting@nsdl.co.in**.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on **www.evoting.nsdl.com** to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800-222-990 or send a request at **e-voting@nsdl.co.in**
4. For Members holding shares in dematerialized form whose email Ids are not registered with the Company/Depository Participants and Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following steps may be noted:
 - A) To refer to the attached instruction sheet for the e-voting particulars viz. initial password along with EVEN (E Voting Event Number) and USER ID.
 - B) Please follow all steps as enumerated above, to cast vote.
24. The remote e-voting period commences on 31st July, 2018 (at 9:00 a.m.) and ends on 2nd August, 2018 (at 5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
25. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital (in case of electronic shareholding) of the Company as on the cut-off date of 27th July, 2018.
26. Only such person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 27th July, 2018, shall be entitled to avail the facility of remote e-voting/tablet based voting at AGM.
27. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date, i.e. 27th July, 2018 may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or **rta@cbmsl.com** or **consumerfeedback@bergerindia.com** mentioning his or her folio number/DP ID and Client ID. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details/Password” option available on **www.evoting.nsdl.com**.
28. The facility for voting through electronic voting system shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through tablets.

29. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
30. The Company has engaged the services of National Securities Depository Limited (“NSDL”) as the Agency to provide e-voting facility both for remote e-voting and voting at the AGM venue.
31. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.
32. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Mr. A. K. Labh (FCS-4848/CP-3238) of M/s. A. K. Labh & Co., Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting through tablets as aforesaid at the AGM in a fair and transparent manner.
33. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, through tablet based voting for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
34. The Scrutinizer, after scrutinising the votes cast at the meeting through tablets and remote e-voting, will, not later than forty eight hours of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman/authorized person. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company www.bergerpaints.com and on the website of NSDL www.evoting.nsdl.com.
35. The results shall simultaneously be communicated to the Stock Exchanges.

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

EXPLANATORY STATEMENT

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

ITEMS NO. 5 and 6

Mr. Kamal Rajan Das ('Mr. Das') and Mr. Pulak Chandan Prasad ('Mr. Prasad') are Independent Directors of the Company, appointed for a period of five years from 1st April, 2014 to 31st March, 2019 pursuant to approval of the Members under the provisions of the Companies Act, 2013 ("the Act") in terms of resolutions passed at the Annual General Meeting held on 3rd August, 2015. Their terms of appointment would accordingly expire on 31st March, 2019 on completion of the first five consecutive years of appointment within the meaning of Section 149 (10) of the Act.

If reappointed, Mr. Das has expressed his desire to continue as an Independent Director up to 31st March, 2020. Accordingly, in terms of Section 149 of the Act, read with Schedule IV of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") and pursuant to the recommendation of the Compensation and Nomination and Remuneration Committee, the Board of Directors of the Company has approved the appointment of Mr. Das from 1st April, 2019 up to 31st March, 2020 and the appointment of Mr. Prasad from 1st April, 2019 to 31st March, 2024, for a second term, based on their skills, experience, knowledge, performance evaluation and contributions made by them. The Board considers their continuance on the Board will benefit the Company. The re-appointments need approval of the shareholders at this Annual General Meeting by way of Special Resolutions.

Mr. Das and Mr. Prasad have furnished declarations that they meet the criteria of independence under Section 149(6) of the Act, and are eligible for re-appointment for second term under the provisions of the Act, Rules made thereunder and the Regulations.

Mr. Das and Mr. Prasad are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

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

As per Section 150 of the Companies Act, 2013, appointment of Directors as Independent Directors requires approval of the Members. Accordingly, approval of the Members is sought for re-appointment of Mr. Das as an Independent Director of the Company for a year with effect from 1st April, 2019 up to 31st March, 2020 and of Mr. Prasad as an Independent Director for a second consecutive term of five years. In pursuance of Section 149(13) of the Act, Mr. Das and Mr. Prasad will not be liable to retire by rotation.

Mr. Das is a Science Graduate with honours. He began his career in the year 1951. Mr. Das was appointed as a Whole time Director on the Board with effect from 1st April, 1989. Mr. Das retired in 1994 as Executive Director. Since then, Mr. Das has been a non-executive Director of the Company. Mr. Das is now a Management Consultant and the Company greatly benefits from his counsel and guidance in view of his experience in the industry. Mr. Das is a member of the Audit Committee, Compensation and Nomination and Remuneration Committee, Business Process and Risk Management Committee, Share Transfer Committee and Stakeholders' Relationship and Investor Grievance Committee of the Company. He is also the Chairman of Compensation and Nomination and Remuneration Committee and Investor Grievance Committee of the Company.

Mr. Prasad is a B. Tech from IIT and an IIM Ahmedabad alumni. He was the Managing Director and co-head of the India office of Warbug Pincus and a Management Consultant with McKinsey & Company, USA and South Africa prior to that. He was first appointed as an Additional Director on 13th November, 2009. Mr. Prasad is a Member of the Audit Committee and Compensation and Nomination and Remuneration Committee of the Company. The Company greatly benefits from the advice and counsel of Mr. Prasad in view of his knowledge and experience.

In terms of Section 160 of the Companies Act, 2013, the Company has received notices in writing from members proposing the candidature of Mr. Das and Mr. Prasad as per the provisions of the Act.

Copies of the draft letters of appointment of Mr. Das and Mr. Prasad, setting out the terms and conditions of the appointment are available for inspection by the Members at the registered office of the Company.

Except Mr. Das and Mr. Prasad, being appointees, or their relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at item Nos. 5 and 6.

The Board of Directors recommends the Special Resolutions set out at Item Nos. 5 and 6 of the Notice for approval of Members.

ITEM NO. 7

The Board, at the recommendation of the Audit Committee, has appointed M/s N. Radhakrishnan & Co., Cost Auditors as Cost Auditors of the Company at a remuneration of ₹40,000/- (Rupees forty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for each cost audit/certification engagements for the year 2018-19 for the Company's factories at Howrah and Rishra in West Bengal, factories at Goa and Puducherry and ₹30,000/- (Rupees thirty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses each for cost audit/certification engagement for the year 2018-19 for the Company's factories at Jejuri, Hindupur and Naltali and ₹20,000/- (Rupees twenty thousand only) plus other out-of-pocket expenses for cost audit /certification engagement for the year 2018-19 for the Company's factory at Nalbari and ₹25,000/- (Rupees twenty five thousand only) for filing a single report in accordance with relevant guidelines. Similarly, the Board, at the recommendation of the Audit Committee, has appointed M/s. Shome and Banerjee, Cost Auditors, as Cost Auditors of the Company at a remuneration of ₹45,000/- (Rupees forty five thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for each cost audit/certification engagement for the year 2018-19 for the Company's factory at Sikandrabad in Uttar Pradesh and two factories at Jammu and ₹30,000/- (Rupees thirty thousand only) plus applicable tax and reimbursement of travel and other out-of-pocket expenses for the Company's factory at Surajpur. Pursuant to Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the said remuneration payable to the Cost Auditors requires ratification by the Members.

The Board recommends the Resolution set out under Item No.7 for ratification by the Members.

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

Place: Kolkata

Dated: 30th May, 2018

By Order of the Board

Aniruddha Sen

Sr.Vice President & Company Secretary

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

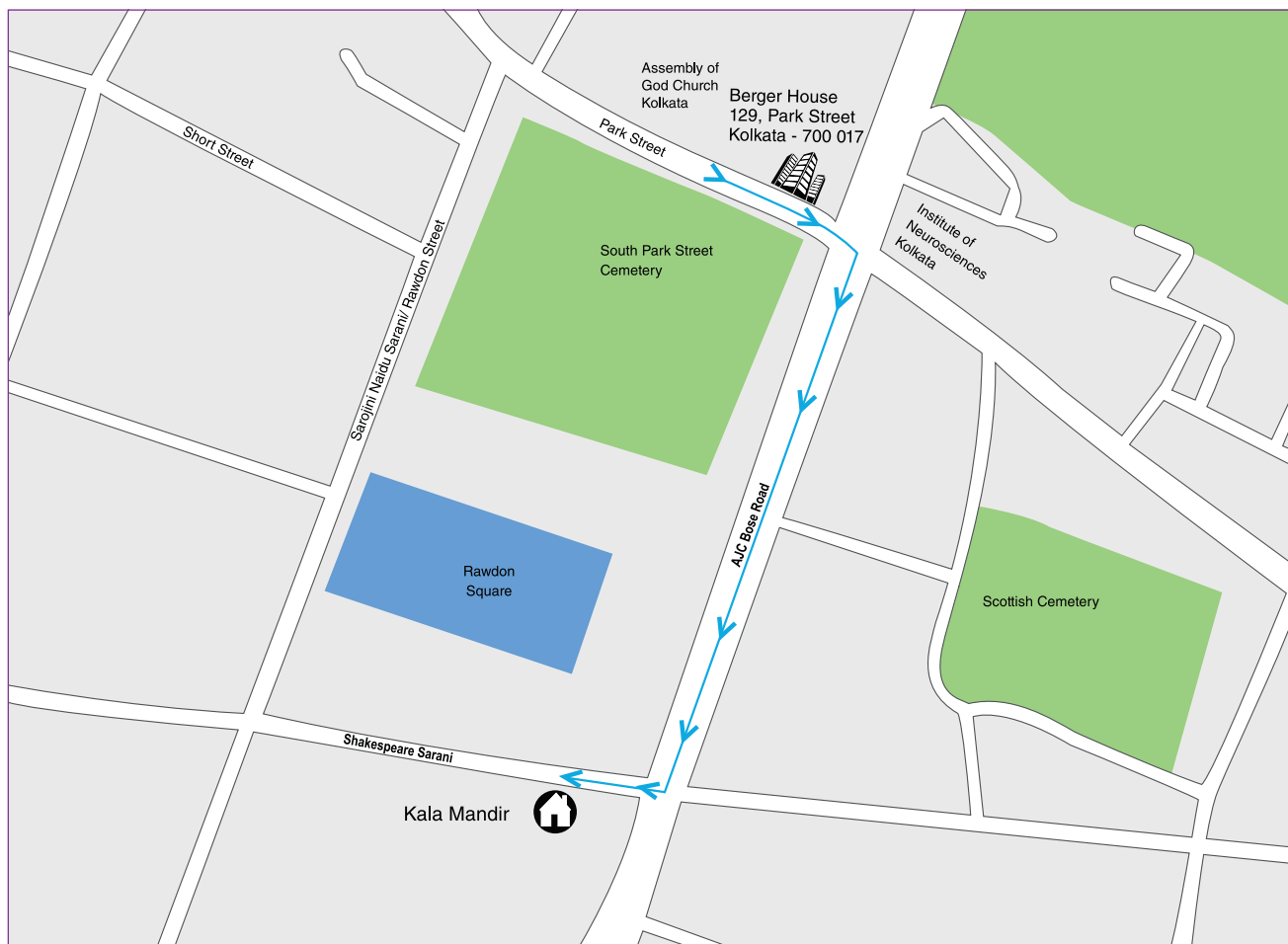
	Item No. 3	Item No. 4	Item No. 5	Item No. 6
Name of Director	Mr. Kuldip Singh Dhingra	Mr. Gurbachan Singh Dhingra	Mr. Kamal Ranjan Das	Mr. Pulak Chandan Prasad
Date of Birth	2nd September, 1947	9th April, 1950	23rd February, 1932	27th May, 1968
Date of Appointment	17th July, 1991	14th May, 1993	1st April, 1989	13th November, 2009
Qualification	Science Graduate, Hindu College, Delhi University	Graduate	Science Graduate with honours	B.Tech, IIT, Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad
Expertise in specific functional areas	Mr. Kuldip Singh Dhingra is an industrialist and has a vast business experience. Has a long and varied experience in all facets of the paint industry.	Mr. Gurbachan Singh Dhingra is an industrialist and has long term experience in paint industry, especially in its technical aspects.	Mr. Kamal Ranjan Das has been associated with the paint industry from the very beginning and has experience of all areas of the industry including Commercial, Sales and Marketing.	Previously, Mr. Pulak Chandan Prasad was the Managing Director and co-head of the India office of Warburg Pincus. Prior to that, he was the Management Consultant with McKinsey & Company, USA and South Africa.
List of public companies in which outside Directorship is held as on 31st March, 2018*	• Citland Commercial Credits Limited • Seaward Packaging Limited	• Citland Commercial Credits Limited • Seaward Packaging Limited	• Berger Paints Bangladesh Limited	• Vaibhav Global Limited • Just Dial Limited
Chairman / Member of Committees of the Board of the Companies on which he is a Director as on 31st March, 2018*	Citland Commercial Credits Limited – Chairman of Corporate Social Responsibility Committee.	Citland Commercial Credits Limited – Member of Corporate Social Responsibility Committee.	Berger Paints Bangladesh Limited – Member of Audit Committee	Nil
Shareholding in the Company#	54,88,071 shares of ₹1/- each.	24,21,888 shares of ₹1/- each	84,272 shares of ₹1/- each.	Nil
Inter se relationship between Directors	Brother of Mr. G.S. Dhingra, Vice Chairman, father of Mrs. Rishma Kaur, Director – National Business Development Manager, Retail and brother of the father of Mr. Kanwardip Singh Dhingra, Director – National Business Development Manager, Industrial	Brother of Mr. K.S. Dhingra, Chairman, father of Mr. Kanwardip Singh Dhingra, Director – National Business Development Manager, Industrial and brother of the father of Mrs. Rishma Kaur, Director – National Business Development Manager, Retail	Not Applicable	Not Applicable

*Directorship includes Directorship of other Indian Public Companies and Committee membership of public limited company (whether listed or not) and does not include bodies corporate incorporated outside India.

#Does not include shares held by Mr. Kuldip Singh Dhingra and Mr. Gurbachan Singh Dhingra as Settlor Trustees of KSD Family Trust and GBS Dhingra Family Trust respectively.

ROUTE MAP OF THE VENUE OF NINETY THIRD ANNUAL GENERAL MEETING

Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017 on 3rd August, 2018, Friday at 11 a.m.



Map not to scale

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in presenting the Annual Report of the Company, together with the audited accounts for the financial year ended on 31st March, 2018.

FINANCIAL RESULTS

(₹ in crore)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Profit before Exceptional Items, Depreciation, Finance Cost and Tax	789.93	710.43	852.86	773.10
Add: Exceptional Items	-	58.67	-	44.20
Add: Share of Profit from Joint Ventures	-	-	0.64	10.05
Less:				
Depreciation	111.92	98.00	124.21	108.05
Finance Cost	16.20	7.76	24.55	16.22
Profit Before Tax	661.81	663.34	704.74	703.08
Less:				
Provision for Taxation	229.97	219.25	243.91	229.42
Profit After Taxation	431.84	444.09	460.83	473.66
Add:				
Other comprehensive income (loss for the year net of tax)	1.16	(1.44)	34.44	(18.94)
Total comprehensive income	433.00	442.65	495.27	454.72

FINANCIAL PERFORMANCE

Highlights of the Standalone Results:

- Revenue from Operations (excluding GST and excise duty on sales, as applicable) for the year ended 31st March, 2018 was ₹4,705.09 crore (previous year: ₹4,228.86 crore), representing an increase of 11.3%.
- PBDIT (Profit Before Exceptional Items, Depreciation, Interest and Tax) for the year ended 31st March, 2018 was ₹789.93 crore against ₹710.43 crore in the year 2016-17, representing an increase of 11.2%.
- Profit before tax and net profit for the year ended 31st March, 2018 are not comparable with those for the year 2016-17 since the same included exceptional items viz., profit on transfer of the Company's paint division relating to 4 wheeler passenger cars and SUV's, 3 wheelers and related ancillaries and impairment provision on the carrying value of investment in a wholly owned subsidiary.

Highlights of the Consolidated Results:

- Revenue from operations (excluding GST and excise duty on sales, as applicable) for the year ended 31st March, 2018 was ₹5,147.16 crore (previous year: ₹4,555.79 crore) – an increase of 13.0%.
- PBDIT (Profit Before Exceptional Items, Depreciation, Interest and Tax) for the year ended 31st March, 2018 was ₹852.86 crore against ₹773.10 crore in the year 2016-17, representing an increase of 10.3%.
- Profit before tax and net profit for the year ended 31st March, 2018 are not comparable with those for the year 2016-17 since the same included the exceptional items of profit on transfer of the Company's paint division relating to 4 wheeler passenger cars and SUV's, 3 wheelers and related ancillaries.

- d. It is to be noted that the Company acquired 100% of the paid up equity share capital of Saboo Coatings Private Limited (“SCPL”) after close of business hours on 5th June, 2017. Accordingly, the consolidated financial results incorporate the financial results of SCPL for the relevant period and are not, as such, comparable with those for the same period, previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

PAINT INDUSTRY STRUCTURE AND DEVELOPMENT

Paint industry is classified into two broad categories viz., decorative or architectural and industrial paints. Decorative paints include higher end acrylic exterior and interior emulsions, medium range exterior and interior paints, low end distempers, wall putty, wood coatings, cement paints, primers, thinners and putties – accounting for almost 80% of the paint market in India. These are either water based or solvent based. Water based paints (or emulsions) are increasingly getting popular owing to superior aesthetics, durability, washability and for environmental reasons. Water based paints constitute the fastest growing segment in the Indian paint industry.

Industrial paints essentially comprise general industrial, automotive, protective and powder coatings. The Company is present in all these areas. In addition, there are smaller segments such as automotive refinish coatings, coil coatings, can coatings and marine coatings. The Company has been able to mark its presence in some of these niche and high technology areas – as detailed elsewhere in this Report.

The paint industry continued to grow at a much higher clip than the overall real GDP growth rate. In the previous year, the demonetisation had affected the growth rates resulting in some contraction in demand, mainly in the retail market. The market had revived but once again, there was a sharp decline in overall growth rates consequent upon the rolling out of GST, which was expected. The change-over was essential and justified and this time too, the Company believed that the effect would be short lived, given the country’s innate resilience to a transforming environment. Predictably, the GDP once again took an upturn from the second half of 2017-18 and it is estimated that it has been more than 6.5% in the financial year. The prognosis for FY 2018-19 is around 7.5%. The per capita consumption of paints in India, slightly higher than 3 kgs, is much lower in comparison to the developed economies around the world and this accounts for higher share of the total paint consumption by the decorative sector compared to the industrial paint business, unlike in those countries. In the decorative business too, there are the segments of fresh painting and repainting and the latter accounts for a much higher share of the total demand. New build painting would depend on real estate growth, which has seen a dip in the recent times.

Industrial paints, as a block, serves automobiles, utility vehicles such as tractors, general industrial goods, machinery and household equipment such as fans and refrigerators, structures and pipelines, steel, glass and every other item of daily use. These depend on the growth of the manufacturing and infrastructure sectors. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from the existing 16 per cent. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. These factors are expected to significantly boost industrial paint consumption.

COMPANY’S OPERATION

Over the last five years (FY 13-14 to FY 17-18), the CAGR of EBIDTA was 17.2% . Consistent with the overall distribution pattern in the industry, Decorative paints continue to be the largest business segment for the Company. The second half of the year witnessed better results than the first half, boosted by the overall revival in the economy. All other Businesses viz., General Industrial and Automotive, Protective Coatings and Powder also posted consistent growth in terms of volume, value and EBIDTA. Driving these efforts were deployment of right marketing strategies suited to specific needs of the individual Businesses, network expansion, innovation based on market needs and expansion of product range, implementation of correct systems, improvement of productivity, and empowering teams comprising the right people - equipping them with appropriate business tools. Implementation of the GST in the ERP system and outside, in a seamless manner, without majorly impacting business, was carried out in seamless fashion.

The Company’s premium Decorative products can be classified into interior wall coatings, exterior wall coatings, metal finishes, wood finishes and undercoats. The offerings include Silk Glamor Luxury Interior Emulsion formulated with crystal reflective technology to give an ultra-smooth finish to the walls, which retains its freshness for a long time, WeatherCoat Long Life, a luxury category exterior emulsion using polyurethane and silicone technology, designed for heavy rainfall areas, WeatherCoat Anti Dustt – protecting against settlement of dust on the walls – for dry and dusty regions, Luxol XTRA Super Gloss Enamel with superior mirror like gloss which

can be used both for exterior and interior surfaces, mainly on mild steel, wooden and suitably prepared masonry surfaces and a wide array of other water based and solvent based products such as Silk Luxury Emulsion, Easy Clean, WeatherCoat All Guard, Luxol Satin Enamel and Luxol High Gloss Enamel. All these, together with products like Bison and Butterfly Distemper, texture finishes including WeatherCoat Hi-Build and WeatherCoat Tartaruga performed well. Wood finishes such as Imperia Luxury Polyurethane, Woodkeeper Easyclean 2K PU and Woodkeeper Melamine Finish found widespread acceptance with the customers.

In the area of construction chemicals, Waterproof Putty – targeted to counter mild dampness and Dampstop for extremely moist areas, grew well. So did others such as Cementmix Plus, Crack Fill Paste, Latex Plus, etc. The Construction Chemicals Business continued on a high growth curve. Waterproof Putty won the Innovative Product of the Year Award from Construction Times and Inex Realty +.

The Company's Prolinks Business targeted towards large housing projects clocked satisfactory growth. Express Painting™ – a hassle free solution for painting houses and flats for individual consumers, which is 40 per cent faster than traditional painting and can be carried out at the same cost, also continued to perform well, with more than 90% of the customers satisfied with the services and the paints. The services encompass dedicated customer executive, engagement of automatic machines, ascertainment of painting requirements, faster cleaning and actual painting and damage protection measures, site supervision, on site delivery of paints and call centre access. The Company continuously provides training to the people who are involved in the whole process for the purpose of providing the best services.

Despite somewhat sluggish progress among the customer industries, the Company's General Industrial and Automotive Business could increase its sales, both in terms of volume and value, through higher share of business in existing customers and enrichment of customer base. The Business comprise paints for general industrial purposes, two wheelers, commercial vehicles and ACE (agricultural and commercial equipment), etc. The Powder Coatings Business continued to perform well. It started exporting its products to other countries.

The Company's leadership position in protective coatings continued, despite increasing competition from both domestic and international companies. The Business serves various sectors which include OEM's, contractors, dealers and fabricators and commands a premium because of its quality and experience in the field. In this area also, the prospects among its customers were somewhat dampened because of slow industrial and infrastructure growth. The Company's paints were approved by major customers and it developed an array of interesting products such as floor coatings and fluoro-polymer based paints for coaches. As had been reported in the previous year, the Company had entered into Memorandum of Understanding with Promat International Limited NV of Belgium ("Promat") for cooperation in the field of passive fire protection and high performance insulation coatings in India and certain neighbouring territory. The MOU envisages production, distribution and supply of specialised fire resistant coatings which may range from lightweight and thin films to cement based wet mix products suitable for steel and concrete, offering various degrees of efficiency in fire resistance. The Company had also entered into another Memorandum of Understanding with Chugoku Marine Paints, Ltd. of Japan for cooperation and collaboration in the field of marine and related industrial paints in India. The MOU envisages joint efforts in marketing, supplying and purchasing marine related industrial paints. The Company has started supplying these paints to prestigious customers.

It was reported in the previous year that the Company had entered into a Memorandum of Understanding with ROCK PAINT CO., LTD ("ROCK PAINT") of Japan for marketing of automotive refinish paints in India. ROCK PAINT is a leading manufacturer of automotive refinish paints in Japan and is well known in the industry for the quality and utility of its products. These paints have been tested in the market and accepted by the consumers. Based on the marketing results, both the companies may move towards a strategic alliance in the future.

The factories of the Company provided all out support to the Sales in a market which fluctuated during the year, at times in an unpredictable manner. The internal customer satisfaction index of manufacturing function stands on the pillars of timely delivery, accurate quality and desired quantity. Equal stress is applied on cost effective, energy efficient manufacturing process, environment management, safety and housekeeping. All the factories scored well on these parameters. The Company is continuously attempting to enhance the manufacturing flexibility of the factories and has been successful in this respect. Among the newer plants, both the larger Naltoli plant near Tezpur and the Nalbari plant of the British Paints Division near Guwahati, in Assam, have fully stabilised. In Jejuri, located near Pune in Maharashtra, the general industrial and automotive coating manufacturing facilities have been standardised. The Vallabhvidya Nagar ("VVN") plant belonging to Beepee Coatings Private Limited, a wholly owned subsidiary of the Company, was awarded the second prize for energy conservation by the Ministry of Power, Government of India. It also won the first prize in the 8th Asia Regional 3R Forum organised by the Ministry of Housing and Urban Development, Government of India. Team VVN won the TQM award from Quality Circle of India. Beepee Coatings has also won the CII National Energy Efficiency

Circle Award 2018, as the Best Energy Efficient Organisation Operators. Employees from Puducherry and Rishra factories participated in State level conventions and competitions on quality.

Crude oil and crude oil linked derivatives, such as monomers and solvents, are key raw materials of the Company. The average price of crude rose by about 17% in the last year with a cascading effect on monomer prices. Titanium dioxide, another key raw material for the paint industry, also saw a sharp rise in prices. While some of these were absorbed, the Company was constrained to seek price rises to offset a part of the impact. The price increase in raw materials was coupled with global supply constraints in some major items. The Company continues its efforts to source raw materials from new suppliers, expand its vendor base, introduce alternate raw materials and pro-actively engage with the suppliers for ensuring smooth supplies and exploring means of reducing costs of raw materials.

The Company, with its dedicated team of scientists and technologists, continues to invest in research and development (R&D), in terms of manpower, equipment and facilities, to first churn out ideas and then turn these ideas into commercially viable technologies. The majority of the Company's research focuses on the near term, to help the existing businesses to offer new solutions, lower capital and operating costs, provide alternate raw materials and to enhance customer products and services. For the longer term, the Company aims to build up strength on futuristic applications which may spark fresh insights in the field of coatings and construction chemicals and may become useful at a later stage. In the process the Company also collaborates with public or private entities, including universities, Government organisations, vendors, technology start-ups and incubators. A number of new products were introduced during the year including high gloss exterior paints, water based exterior sealer and top coat in wood coatings, silicone enriched PU coatings for exteriors, various primers and topcoats including monocoat, fluoro polymer based topcoat, etc. Wherever necessary, these are certified by the testing agencies. A number of exciting products are lined up by the Company for roll out in the near future.

During the year, the Company acquired 100% of the paid up equity shares of Saboo Coatings Private Limited, details of which are provided in a separate section.

The Company had also entered into an agreement for acquisition of 1,03,03,580 equity shares of Saboo Hesse Wood Coatings Private Limited ("SHWCPL"), representing 51% of the paid up share capital of SHWCPL. The balance 49% is held by Hesse Shares GmbH of Germany. SHWCPL manufactures, imports and sells a wide variety of wood coatings. Due diligence for the transaction is in process. The intimation made by the Company pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 can be viewed at the following weblink: <https://www.bergerpaints.com/media/media>.

Pursuant to the approval accorded by the shareholders by postal ballot on 17th July, 2017 in terms of the provisions of Sections 13 and 110 of the Companies Act, 2013 and the relevant Rules, the Memorandum of Association of the Company stands amended to include certain businesses such as manufacture and sale of items relating to home improvement, etc.

FOCUS AND OUTLOOK FOR 2018-19

As mentioned in the earlier part of the Report, while the first quarter of the year 2017-18 saw the impact of demonetisation settling down, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. However, from the third quarter onwards, signs of growth returning were evident and the lack of enthusiasm seen at the beginning of 2017 bottomed out as 2018 set in. Currently, the bellwether indicators of industrial production, stock market index and exports are showing some uptick. The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to 6.7% during 2017. The Economic Survey for 2017-18 pegs the figure at 7-7.5% for the financial year ahead. In the World Economic Outlook Update, it also estimated that the Indian economy would grow by 7.8 per cent in 2019, which will make the country the world's fastest-growing economy in 2018 and 2019, the top ranking it briefly lost in 2017 to China.

The challenges for 2018 and ahead will be to maintain the economic trajectory in the face of increasing inflationary pressures, coupled with a higher fiscal deficit as well as an increasing debt burden. The key to this question possibly lies in the revival of consumer demand, investments in infrastructure and private investment. The sustainability of the recovery will also depend on effective implementation of key reforms such as GST, e-Waybills, the Real Estate (Regulation and Development) Act, 2016 or RERA, etc., rolled out in the last few years. The Government is keen upon rural development and implementing a number of projects such as Mission Antodaya, MGNREGA, etc.

The above, when they happen, are bound to increase consumption of paints. Moreover, the huge and increasing young population is inclined towards experimenting with new and value added products. The Company will continuously strive to assure supplies and fulfil demands – which are diverge and disparate across seasons, geographical locations, demography and cultures – through targeted production, logistics and distribution strategies.

PROJECTS

After completion of major projects at Assam and Maharashtra in the previous year, the Company completed installation of the facility for production of colorants, an essential ingredient for manufacturing paints, at Rishra, West Bengal, in October, 2017. The installation of the finished goods warehouse at Jammu with an Automatic Storage and Retrieval System (ASRS) was concluded during the year. The Company's superfine texture coating manufacturing capability was enhanced by 4,200 MT/annum at the factory of the British Paints Division at Gollapuram in Hindupur.

The first phase of the emulsion plant with a final capacity of 44,160 Metric Tonnes per annum in Rishra, West Bengal, was completed in May 2018.

The fourth line of the powder coating plant at Jejuri in Maharashtra, with an estimated capacity of 325 MT/month is expected to be installed during the year.

The phase II expansion of the automotive and general industrial and protective coatings plant at Jejuri at Maharashtra has commenced. The plant will have an estimated capacity of 27,000 KL of paints per annum and 12,000 MT of resin per annum. This is likely to be completed in the year 2019-20.

The Company has just started preliminary work for installation of water and solvent based decorative, industrial and protective coatings, resin, putty, emulsion and construction chemical manufacturing facility at an estimated investment of ₹200 crore at Sandila Industrial Area in Uttar Pradesh. Subject to the Company obtaining all required consents and approvals in time, the Project is likely to be completed in the year 2021.

Installation of an acrylic CED Project, mainly for two wheelers, with a capacity of 3,000 KL per annum is in progress at Howrah and is likely to be completed in the year. The finished goods warehouse at the VVN factory is being revamped with ASRS for enhancing storage capacity.

OPPORTUNITIES AND THREATS

India is one of the world's largest economies and the phenomenal growth rate has considerably reduced poverty in the last decade, within a democratic framework. The country's 130 crore people come from a wide range of economic and cultural background. A very large percentage of the population is young, educated and ambitious. Annually, more than 1 crore people leave the rural areas to live in the cities for a higher quality of life. The Indian middle class is almost 25 crore people and is rapidly expanding. It will continue to accelerate India's consumer spending and economic growth. India's attempt to improve its investment climate appears to be paying off. The country's ranking in the World Economic Forum's Global Competitiveness Report climbed to 39 in the 2016-17 fiscal year, a 16-place improvement over the previous year. India saw the largest increase among the 138 countries on the list. These should translate to great opportunities for all businesses, including paint business.

The Government is actively making efforts to contain food inflation, strategically create more jobs through campaigns such as "Make in India", simplify taxes, increase investment in agriculture and support the rural population, set up industrial regions, particularly along the Dedicated Freight Corridors and Industrial Corridors, create single-window system of clearances at both the centre and the states and promote urbanisation through 100 smart cities, ease labour market regulations and land acquisition procedures. The Make in India initiative is a multi-pillar development push which is already spurring building projects. Investment, innovation and entrepreneurship are more likely to happen if the right physical and technological contexts exist and India is moving in that direction. In this environment, upgrading skills and capabilities and supporting microenterprise and self-employment are important and the Company attempts to contribute in this respect through its iTrain Centres spread across the country. These Centres are accessible, driven by demand, linked to employment opportunities (many of the trainees start independent business and get absorbed by painting contractors who provide the Xpress Painting services) and enable individuals to quickly up-skill and re-skill.

Such opportunities have and will attract competition from international paint majors. The Company is well prepared to face this challenge with its diverse range of products and technologies, deeply entrenched distribution and logistics network, modern factories, trained and skilled human resource, innovative solutions and focus on cost.

RISKS AND CONCERNS

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

Based on the Policy, the Business Process and Risk Management Committee regularly monitors the various risks facing the Company. In addition to considering these in the form a matrix, the Committee discusses the risks involved in business processes in detail and steps taken to mitigate the same, covering each of the business processes in turn. Actions taken on progress on the recommendations of the Committee are reported at every meeting.

As mentioned earlier, there is a pressure on costs on account of rise in prices of some key raw materials. The availability of some of the raw materials has also tightened across the globe. The Company continuously attempts to counter such risks through continuous vendor development efforts, replacement of existing raw materials by alternatives, improvement of formulations and tie up with major suppliers.

Under the GST regime, paints attract a rate of 28%. Belying expectations, this rate has not been revised so far. It is to be noted that paint is not a luxury product. It is for mass consumption, which is essential for the construction and other industries. Paints are consumed by over 110 crore common people in rural and semi-rural population in India. Painting of houses and infrastructures is done to protect them from deterioration under effects of environment, especially in the hot and humid climate of India. If left unpainted, houses and infrastructures become dilapidated easily and maintenance costs increase. Similarly, industrial and automotive paints provide protection to machinery and automobiles, which would otherwise get oxidised and lead to destruction of such goods at a much faster rate. Wood coatings are used for protection of wood from rotting as well as termite attacks and aids conservation of wood. Hence, a higher rate of GST on paints would adversely impact infrastructure (including housing and automobiles like bikes and cars of common people), lead to increase in input costs for other industries like automobiles and construction and lead to deterioration of overall infrastructure. In India, an authentic study conducted by scientific institutes show that the global cost of corrosion for 2011 to 2012 was US\$65.9 Billion (direct cost - US\$26.1 billion and indirect cost - US\$39.8 billion). The avoidable cost of corrosion was US\$9.8 billion or 35% of the direct cost of corrosion, much of which can be done through application of protective paint coatings. The sheer utility of paints, its position in a growing economy and its employment generating ability justifies a reduction and it is hoped that this will receive the attention of the Government. Representations have been made to the Government through Indian Paint Association, of which the Company is a part.

One other cause of concern has been the volatile Indian Rupee rate and any adverse movement would affect the Company's cost of imported raw materials.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company is committed to ensure that its operations are carried out within a well defined internal control framework. Good governance, well defined systems and processes, a vigilant control function and an independent internal audit function are the foundation of the internal control systems. The Company has a well-established internal control system, commensurate with its size and spread, with defined guidelines on compliance, which enable it to run its factories, offices and depots with a reasonable degree of comfort. The control environment ensures commitment towards integrity and ethical values and independence of the Board of Directors from the management. The control activities incorporate, among others, continuous monitoring, routine reporting, checks and balances, purchase policies, authorization and delegation procedures, audits including compliance audits, which are periodically reviewed by the Audit Committee and the Business Process and Risk Management Committee. The Internal Audit Department maintains a regular surveillance over the entire operations. The data generated is shared with the Board and various committees, evaluated and corrected and recommendations are implemented.

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

ACQUISITION OF SABOO COATINGS PRIVATE LIMITED

The Company acquired 100% of the paid-up equity shares of Saboo Coatings Private Limited ("SCPL") at a total cash consideration of ₹82.85 crore, on 5th June, 2017. SCPL is thus a wholly owned subsidiary of the Company. SCPL is engaged in the business of manufacturing specialty liquid coatings in the segments of agricultural and construction equipment, fans, electronics, general industrial, elevators, handicrafts and home furnishing, hardware, automotive parts and specially the clear coatings used by industrial dealers for substrates such as metal, glass and fibre-reinforced plastic (FRP), etc. It has a factory at Dera Bassi near Chandigarh and a manufacturing set up in Chennai. It is known for its quality and delivery standards. The business and the expertise of SCPL will gainfully supplement the Company's industrial coatings business where the two entities can support each other in various areas such as manufacturing, selling, distribution, procurement, technology, etc., thus resulting in mutual benefit to both the companies. The Company's intimation in this regard pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 can be viewed at the following weblink: <https://www.bergerpaints.com/media/media>.

AMALGAMATION WITH BJN PAINTS INDIA LIMITED

In terms of its Order dated 27th February 2018, the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), sanctioned the Scheme of Amalgamation of BJN Paints India Limited ("the Transferor Company"), a wholly owned subsidiary of Beepee Coatings Private Limited (which itself is a wholly owned subsidiary of the Company) with the Company with effect from 1st April, 2017, being the Appointed Date for the purpose. The Company and BJN Paints India Limited have submitted the necessary forms INC 28 with certified copies of the said Order to the Registrar of Companies, West Bengal. The amalgamation will enable appropriate consolidation of the activities of BJN Paints India Limited and the Company with pooling and more efficient utilisation of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters. The same will result, inter alia, from better inventory management, reduction of working capital requirements, and lower cost of production and better integration of operations which will be facilitated by and will follow the amalgamation, which has taken place. The business of the BJN Paints India Limited stands fully integrated with the business of the Company consequent to the amalgamation. This will enable the potential of the said businesses to be realized more fully.

INCREASE OF AUTHORISED SHARE CAPITAL

Consequent to and as part of the said amalgamation, as approved by the Hon'ble NCLT, the Authorised Share Capital of BJN Paints India Limited stands merged into and combined with the Authorised Share Capital of the Company, without any further act or deed, and without payment of any registration or filing fee on such combined Authorised Share Capital, the respective companies having already paid such fees. Accordingly, the Authorised Share Capital of the Company is now ₹120,00,00,000/- divided into 110,00,00,000 Equity Shares of ₹1/- each and 1,00,00,000 Equity Shares of ₹10/- each. Further, such resulting Authorised Share Capital of ₹120,00,00,000/- stands reorganized into 120,00,00,000 Equity Shares of ₹1/- each and Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company stand altered accordingly as under:

Clause No. V of the Memorandum of Association of the Company stands substituted as under:

"The Authorised Share Capital of the Company is ₹120,00,00,000 (Rupees One Hundred and Twenty Crore only) divided into 120,00,00,000 Equity Shares of ₹1/- (Rupee One) each."

Article 3 of the Articles of Association of the Transferee Company stands substituted as under:

"The Authorised Share Capital of the Company is ₹120,00,00,000 (Rupees One Hundred and Twenty Crore only) divided into 120,00,00,000 Equity Shares of ₹1/- (Rupee One) each."

ADEQUACY OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

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

EMPLOYEE STOCK OPTION SCHEME

Your Company re-introduced the ESOP Scheme, aligned with the Securities and Exchange Board of India (Share Based Employee

Benefits) Regulations, 2014 in the year 2016 in accordance with the approval of the members granted at the Annual General Meeting held on 3rd August, 2016, to reward eligible employees. Pursuant to the said scheme, the Remuneration Committee had approved a fresh grant of 1,61,184 options convertible into equity shares to 157 employees. One-third of the options granted to the employees will vest on 8th November 2018, 2019 and 2020 each year, which they are entitled to exercise on or after the said dates as per the ESOP Scheme. This includes the following options granted to the Key Managerial Personnel:

NAME OF KMP	DESIGNATION	NO. OF OPTIONS GRANTED
MR. ABHIJIT ROY	MANAGING DIRECTOR & CEO	3,744 options
MR. SRIJIT DASGUPTA	DIRECTOR-FINANCE & CFO	2,880 options
MR. ANIRUDDHA SEN	SR. VICE PRESIDENT & COMPANY SECRETARY	1,920 options

In accordance of the aforesaid scheme of 2016, the Remuneration Committee approved allotment of 44,781 equity shares of face value of ₹1/- each to 130 employees upon exercise of their options earlier granted to them. The allotment of the said shares was made on 7th December, 2017.

Further, in accordance with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014, the Company also allotted shares to Key Managerial Personnel (KMPs) on 7th December, 2017, on their exercising the options earlier granted to them and the details of the allotments made are as follows:

NAME OF KMP	DESIGNATION	NO. OF EQUITY SHARES ALLOTTED
MR. ABHIJIT ROY	MANAGING DIRECTOR & CEO	1,200 shares
MR. SRIJIT DASGUPTA	DIRECTOR-FINANCE & CFO	923 shares
MR. ANIRUDDHA SEN	SR. VICE PRESIDENT & COMPANY SECRETARY	616 shares

The information required to be disclosed in terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 is enclosed as per **Annexure A** to this report. Please also visit the weblink: <https://www.bergerpaints.com/investors/esop-disclosure.html> for disclosures under Regulation 14 of the aforesaid Regulations.

HUMAN RESOURCES

Human resources are considered to be the Company's most valuable assets and it recognises that its growth would not have been possible without the dedication, loyalty and hard work of its people at all levels. In order to sustain these, the Company offers an environment which promotes creativity, fellowship, teamwork, strategic vision, meritocracy, learning and ambition. An objective appraisal process takes into account all the factors for determination of a reward considering the performances of the economy, the industry, the Company and the individual concerned. This has enabled the Company to develop an inclusive organisation which is multi-cultural and generates a sense of contentment and belonging, which does not relate to monetary compensation only.

Identifying and recruitment of an appropriate candidate and retention of an employee continue to be the greatest challenges faced by the Indian industry. Apart from the usual methods such as campus interview and taking services of placement consultants, the Company adopts innovative processes which include referral schemes and social media campaigns. The Company collaborates with recognised institutes for the purpose of specific project related work and has programmes leading to awards. Training, including on the job training, is given the highest priority and the Company measures the time and efficacy of all kinds of training provided to the employees which includes e-learning modules. As a result of these, the attrition rate and recruitment cost have been continuously climbing down and employee satisfaction surveys are showing positive results.

The number of people employed as on 31st March, 2018 was 3,130 (31st March, 2017: 2,993). The Industrial Relations were generally satisfactory during the year. The trade union at the Company's Goa factory had called a strike on 10th May, 2017. The factory was operating at a reduced scale and the strike was withdrawn on 25th July, 2017. There was no significant effect on the operations of the Company as a result of the strike.

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

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

The Ministry of Corporate Affairs (MCA) vide - notification no. S.O.2866 (E) dated 5th September, 2017 enforced sections 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 [IEPF], which require companies to transfer the underlying shares to the IEPF, in respect of which the dividends have remained unclaimed for a consecutive period of seven years. Accordingly, during the year under review, the Company had transferred 56,27,559 equity shares (0.58% of paid up capital) covering 1,362 folios to IEPF on 27th November, 2017. On 27th April, 2018, the Company had further transferred 2,95,496 equity shares (0.03% of paid up capital) to IEPF.

SEXUAL HARASSMENT POLICY

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

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

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

SUBSIDIARY AND JOINT VENTURES

Your Company has the following 5 wholly-owned subsidiaries as on the date of this report: – (i) Beepee Coatings Private Limited ("Beepee Coatings") in Gujarat; (ii) Berger Paints (Cyprus) Limited ("Berger Cyprus") in Cyprus; (iii) Lusako Trading Limited ("Lusako Trading") in Cyprus; (iv) Berger Jenson & Nicholson (Nepal) Private Limited ("BJN") in Nepal; (v) Saboo Coatings Private Limited in Chandigarh.

The following companies are wholly-owned subsidiaries of the Company's above named subsidiaries:- (i) Bolix S.A., Poland – wholly-owned subsidiary of Lusako Trading; (ii) Berger Paints Overseas Limited ("BPOL"), Russia – wholly-owned subsidiary of Berger Cyprus. Bolix S.A., Poland has 5 subsidiaries, viz.: Bolix UKRAINA OOO, Ukraine, BUILD-TRADE BIS sp.z.o.o., Poland, Soltherm External Insulations Limited, United Kingdom, Soltherm Insulations Thermique Exterieur SAS, France and Surefire Management Systems Ltd., United Kingdom.

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

During the year under review, BJN-Nepal showed good performance with a revenue from operations of ₹170.82 crore.

Bolix S.A. also posted encouraging results with a revenue from operations of ₹199.90 crore.

The performance of Beepee Coatings was satisfactory, with a revenue from operations of ₹24.44 crore.

On 17th November, 2017, Bolix formed a joint venture company incorporated in the United Kingdom with Agility Eco Ltd. of the United Kingdom for the purpose of executing wall insulation supply and application contracts compliant with the European regulatory approvals for procurement frameworks for specified public works, by the name of Surefire Management Services Ltd ("SMS"). Bolix currently holds 75% of the share capital of SMS comprising 75 fully paid up equity shares of a face value of 1 GBP each aggregating 75 GBP. By virtue of its voting power, Bolix is a holding company of SMS. SMS has just started business.

Saboo Coatings Private Ltd, acquired by the Company during the year, as mentioned above, recorded revenue from operations of ₹87.29 crore during the full year 2017-18. The consolidated results of the Company take into account revenue from operations amounting to ₹71.51 crore for the relevant period after acquisition of SCPL.



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Berger Paints Cyprus Limited is a special purpose vehicle for the purpose of making investments in your Company's interests abroad. So is Lusako Trading Limited.

The revenue from operations of Berger Paints Overseas Limited (BPOL) was ₹7.93 crore.

Berger Becker Coatings Private Limited, the Company's joint venture with Becker Industriefarg, Sweden, showed good performance with revenue from operations of ₹293.66 crore.

Berger Nippon Paint Automotive Coatings Private Limited ("BNPA"), the Company's joint venture with Nippon Paint Automotive Coatings Co., Ltd. of Japan (NPAU) posted revenue from operations of ₹123.10 crore. BNPA now supplies coatings to 4 wheeler passenger cars and SUVs, 3 wheelers and related ancillaries, apart from coatings for plastic automotive substrates. It plans to progressively enhance its capabilities in this area over the next few years.

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

Pursuant to Regulation 16(c) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a material subsidiary in a year shall be a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries, in the immediately preceding accounting year. At present, there is no such material subsidiary of the Company within the meaning of the above regulation.

CONSOLIDATED FINANCIAL STATEMENTS

The duly audited Consolidated Financial Statements as required under the Accounting Standards 21 and 7, provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 136 of the Companies Act, 2013 have been prepared after considering the audited financial statements of your Company's subsidiaries and appear in the Annual Report of the Company for the year 2017-18.

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 Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Annexure-B & C**).

During the year under review, your Company has carried out the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report is attached as **Annexure 4** to this Report.

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

TECHNOLOGY AGREEMENTS

Your Company has a Technical License Agreement with Axalta Coating Systems India Private Limited, LLC in the area of Automotive Coatings.

FIXED DEPOSIT

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

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Companies Act, 2013, extract of Annual Return is attached as **Annexure 1** to the Directors' Report.

MEETINGS OF THE BOARD OF DIRECTORS AND ATTENDANCE THEREAT

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

A. AUDIT COMMITTEE

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

VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 the Company along with its subsidiaries have complied with the laws and the codes of conduct applicable to them and have ensured that the business is conducted with integrity and that the Company's financial information flow is accurate. In case of any violation or complaint, a report may be made under the Vigil Mechanism system established by the Company. The said policy is uploaded on the Company's website and can be accessed at: <https://www.bergerpaints.com/about-us/whistleblower-policy.html>.

B. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

C. COMPENSATION & NOMINATION & REMUNERATION COMMITTEE

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

D. SHAREHOLDERS' COMMITTEES

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

BUSINESS RESPONSIBILITY REPORT

SEBI has made it mandatory to publish a Business Responsibility Report (BRR) by the top 500 companies based on market capitalization in their Annual Report in terms of Regulation 34(2)(f) of the Listing Regulations with the stock exchanges. The Company accordingly complied with the requirement and had framed a Business Responsibility Policy in line with the suggested framework as provided by SEBI based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Businesses published by the Ministry of Corporate Affairs. The said Policy was adopted at the Board Meeting held on 30th May, 2017 and can be viewed at <https://www.bergerpaints.com/about-us/business-responsibility-policy.html>. Mr. Abhijit Roy, Managing Director and CEO has been nominated as the director responsible for implementing the Business Responsibility Policy and Mr. Aniruddha Sen, Senior Vice President and Company Secretary has been nominated as the Business Responsibility Head. As required, the BRR for 2017-18 is attached to this report as **Annexure 6**.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors wish to inform that the Audited Accounts containing Financial Statements for the financial year ended 31st March, 2018 are in full conformity with the requirements of the Act. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present your Company's financial condition and results of operations.

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

- i) The applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given,
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period,

- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- iv) The Accounts have been prepared on a going concern basis,
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively,
- vi) The Directors have devised proper systems to ensure proper compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

The following are the Independent Directors of your Company:-

- 1) Mr. Dharendra Swarup;
- 2) Mr. Gopal Krishna Pillai;
- 3) Mr. Pulak Chandan Prasad;
- 4) Mr. Kamal Ranjan Das;
- 5) Mr. Naresh Gujral.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria for independence in the required format under the Companies Act, 2013.

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

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

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

QUALIFICATION OR RESERVATIONS IN STATUTORY AUDIT REPORTS

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

LOANS, COMMITMENTS AND CONTINGENCIES, INVESTMENTS

Particulars of loans given, investments made, guarantees given and securities provided, if any, along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the standalone financial statement (please refer Notes 5a, 5b, 9a, 34 & 35b of the standalone financial statement).

RELATED PARTY TRANSACTIONS

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

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

MATERIALITY POLICY

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

POLICY FOR PRESERVATION OF DOCUMENTS

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

SIGNIFICANT CHANGES

During the Financial Year 2017-18, no significant change has taken place which could have an impact over the financial position of the Company. However, the year under review observed an amalgamation of BJN Paints India Limited with the Company and acquisition of Saboo Coatings Private Limited, which have been discussed earlier in this report.

DIVIDEND

The total comprehensive income of the Company is ₹433.00 crore for the year 2017-18.

Your Directors recommend a dividend of ₹1.80 per share i.e. @180% for the year under review. This, if approved, will absorb an amount of ₹210.71 crore (compared to ₹204.52 crore in the previous year), including Dividend Distribution Tax, based on the current paid-up capital of the Company and will be paid to those members holding shares in the physical mode whose names appear in the Register of Members as on 3rd August, 2018 and for shares held in electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 27th July, 2018.

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

In terms of the provisions of Section 124 of the Companies Act, 2013, your Company has transferred an amount of ₹35,86,899 to the Investor Education and Protection Fund, in respect of dividend amounts lying unclaimed/unpaid for more than seven years from the date they became due i.e., for the year ended 31st March, 2018.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information Regarding Unpaid and Unclaimed Amounts Lying with Companies) Rules, 2012, the Company has filed the necessary form and uploaded the details of unclaimed amounts lying with the Company, as on 7th November, 2017 with the Ministry of Corporate Affairs.

Conservation of Energy & Technology Absorption

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

Particulars of Employees

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

STATEMENT OF EVALUATION OF BOARD OF DIRECTORS AND COMMITTEES THEREOF

The Company follows the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in relation to Directors' appointments, qualifications and independence. Pursuant to Section 178(3) of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations, the Compensation and Nomination and Remuneration Committee is entrusted with responsibility of formulating criteria for determining qualifications, positive attributes and independence of a Director. The same is available at the following link: <https://bergerpaints.com/about-us/criteria-policy.html>.

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

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

Pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, it is stated that no material order has been passed by any regulator, court or tribunal impacting the Company's operations and its going concern status during the Financial Year 2017-18.

DIRECTORS

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

Mr. Kuldeep Singh Dhingra is an industrialist and promoter of the Company. He has over 50 years of experience in paint and related industries. Mr. Kuldeep Singh Dhingra is a science graduate from Hindu College, University of Delhi and Chairman of the Board of Directors of the Company.

Mr. Gurbachan Singh Dhingra is a graduate from Punjab University and an industrialist. He is a promoter of the Company, holds the position of Vice-Chairman of the Board of Directors and has 48 years of experience in the paint industry. He has practical experience in building and commissioning of many paint factories and also has experience in the technical aspects of paint industry.

Mr. Kamal Ranjan Das (DIN: 00048491) ('Mr. Das') and Mr. Pulak Chandan Prasad ('Mr. Prasad') (DIN: 00003557) are Independent Directors of the Company, appointed pursuant to approval of Members under provisions of the Companies Act, 2013 through resolutions passed at the Annual General Meeting held on 3rd August, 2015. Their first term upto five consecutive years on the Board of Directors of the Company would expire on 31st March, 2019. As per Section 149 of the Companies Act, 2013 read with Schedule I of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Compensation and Nomination and Remuneration Committee, the Board of Directors of the Company have proposed the re-appointments of Mr. Das and Mr. Prasad for a second term from 1st April, 2019 to 31st March, 2020 and 1st April, 2019 to 31st March, 2024 respectively, subject to the approval of the Members of the forthcoming Annual General Meeting. Accordingly, approval has been sought from the members at the forthcoming Annual General Meeting for re-appointment of Mr. Das and Mr. Prasad as Independent Directors for the aforesaid period. Mr. Das and Mr. Prasad will not be liable to retire by rotation.

Mr. Das is a science graduate with honours. He began his career in the year 1951. Mr. Das was appointed as a Wholtime Director on the Board with effect from 1st April, 1989. Mr. Das retired in 1994 as Executive Director. Since then, Mr. Das has been a non-executive Director of the Company. Mr. Das is now a Management Consultant and the Company greatly benefits from his counsel and guidance in view of his experience in the industry. Mr. Das is a member of the Audit Committee, Compensation and Nomination and Remuneration Committee, Business Process and Risk Management Committee, Share Transfer Committee and Stakeholders' Relationship and Investor Grievance Committee of the Company. He is also the Chairman of Compensation and Nomination and Remuneration Committee and Stakeholders' Relationship and Investor Grievance Committee of the Company. Mr. Das holds 84,272 equity shares of ₹1/- each of the Company.

Mr. Prasad is a B.Tech from IIT and IIM Ahmedabad alumni. He was the Managing Director and co-head of the India office of Warbug Pincus and a Management Consultant with McKinsey & Company, USA and South Africa prior to that. He was first appointed as an Additional Director on 13th November, 2009. Mr. Prasad is a Member of the Audit Committee and Compensation and

Nomination and Remuneration Committee of the Company. The Company greatly benefits from the advice and counsel of Mr. Prasad in view of his experience. Mr. Prasad does not hold any share in the Company.

Structure of the Board of Directors

Name of Director	Non-executive	Executive	Independent	Lady
Mr. Kuldip Singh Dhingra	Y	N	N	N
Mr. Gurbachan Singh Dhingra	Y	N	N	N
Mr. Abhijit Roy	N	Y	N	N
Mrs. Rishma Kaur	N	Y	N	Y
Mr. Kanwardip Singh Dhingra	N	Y	N	N
Mr. Kamal Ranjan Das	Y	N	Y	N
Mr. Naresh Gujral	Y	N	Y	N
Mr. Gopal Krishna Pillai	Y	N	Y	N
Mr. Pulak Chandan Prasad	Y	N	Y	N
Mr. Dharendra Swarup	Y	N	Y	N

FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

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

INFORMATION AS TO REMUNERATION OF DIRECTORS AND EMPLOYEES

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

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

Name of Director / KMP	Remuneration Received (₹)	Ratio as to that of the Median Employee	Percentage increase in Remuneration
Mr. Kuldip Singh Dhingra	10,00,000	1.91:1	0.00
Mr. Gurbachan Singh Dhingra	10,00,000	1.91:1	0.00
Mr. Abhijit Roy	2,54,62,345*	48.52:1	20.97
Mr. Kanwardip Singh Dhingra	23,31,427	4.44:1	(11.95)
Mrs. Rishma Kaur	23,44,057	4.47:1	(11.81)
Mr. Kamal Ranjan Das	3,00,000	0.57:1	9.10
Mr. Pulak Chandan Prasad	-	-	-
Mr. Naresh Gujral	7,20,000	1.37:1	9.10
Mr. Dharendra Swarup	7,20,000	1.37:1	9.10
Mr. Gopal Krishna Pillai	7,20,000	1.37:1	9.10
Mr. Srijit Dasgupta (KMP)	1,37,77,021*	26.25:1	13.62
Mr. Aniruddha Sen (KMP)	92,20,513*	17.57:1	11.16

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

Note – The median employee remuneration for 2017-18 is – ₹ 5,24,746 p.a.

- 2) Percentage (%) increase in remuneration during the financial year 2017-18: Please see (1) above.
- 3) Percentage (%) increase in the median remuneration of employees during the financial year 2017-18: 6.1
- 4) Number of permanent employees on the rolls of the Company as on 31st March, 2018: 3,130
- 5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration – The average percentile increase of employee was 11.69 % as compared to an average percentile increase of 14.35% of managerial remuneration. The increase of managerial remuneration is based on growth criteria.
- 6) Pursuant to the requirement of Section 197(14), the following disclosure is made in respect to remuneration received by Directors:

Name	Nature of Transaction	Amount (₹)
Mrs. Rishma Kaur, Director and National Business Development Manager- Retail and also a Director in U.K. Paints India Private Limited (Holding Company)	Consultancy fees received from U.K. Paints India Private Limited for consultancy rendered to U.K. Paints India Private Limited	33 Lakhs
Mr. Kanwardip Singh Dhingra, Director and National Business Development Manager-Industrial and also a Director in U.K. Paints India Private Limited (Holding Company)	Consultancy fees received from U.K. Paints India Private Limited for consultancy rendered to U.K. Paints India Private Limited	27 Lakhs

Affirmation

It is hereby affirmed by the Chairperson of the Company that the remuneration paid to all the employees, Directors and Key Managerial Personnel of the Company during the Financial Year 2017-18 are as per the Remuneration Policy framed by the Compensation and Nomination and Remuneration Committee of the Company.

LISTING WITH STOCK EXCHANGES

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

COST AUDITORS

The Board of Directors have re-appointed/appointed M/s N. Radhakrishnan & Co., 11A, Dover Lane, Flat B1/34, Kolkata - 700029, for conducting cost audit at the Company's factories at Howrah, Rishra, Goa, Puducherry, Jejuri, at the newly set up plant at Naltali and Hindupur and Nalbari factories of the Company's British Paints Division and M/s Shome & Banerjee & Co., 2nd Floor, 5A Narulla Doctor Lane, West Range, Kolkata - 700017, for conducting cost audit at its Jammu factory and for the factories of British Paints Division at Jammu, Surajpur and Sikandrabad under Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 for the year 2018-19. The remuneration payable to the respective Cost Auditors for conducting cost audit/certification engagement is required to be approved by the Members at the ensuing AGM and accordingly forms a part of the business to be transacted thereat. The due date for filing Cost Auditors' Report for the year 2016-17 was 30th September, 2017. The said reports for the year 2016-17 were filed on 26th September, 2017.

STATUTORY AUDITORS

The Statutory Auditors, Messrs. S.R. Batliboi & Co. LLP, Chartered Accountants, were appointed pursuant to the provisions of Sections 139, 142 of the Companies Act, 2013 and the Rules made thereunder from the conclusion of the 91st Annual



General Meeting up to the conclusion of the Sixth Annual General Meeting to be held after the 91st Annual General Meeting. Pursuant to the Companies Amendment Act, 2017 made effective from 7th May, 2018, ratification at every Annual General Meeting by Members is no longer necessary till the conclusion of the aforesaid Sixth Annual General Meeting. The Statutory Auditors have furnished their eligibility to continue as Auditors from the conclusion of the ensuing Annual General Meeting till the subsequent Annual General Meeting.

APPRECIATION

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

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

Place: Kolkata
Dated: 30th May, 2018

On behalf of the Board of Directors

Kuldip Singh Dhingra
Chairman

Annexure A

DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME PURSUANT TO REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2018:

There were no material change in the ESOP Schemes. The ESOP Schemes are in compliance with the regulations.

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

Members may refer to Note no. 32 contained in the Notes to Financial Statements forming part of Annual Financial Statements for the Financial Year ended on 31st March, 2018.

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

Diluted EPS before and after extraordinary items for the year ended 31st March, 2018 is ₹4.45.

C) Details related to Employee Stock Option Scheme (ESOS) of the Company:

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

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

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

- iii) Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised

if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.

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

iv) Option movement during the year (For each ESOS):

Particulars	Employee Stock Option Scheme, 2010			Employee Stock Option Scheme, 2016	
	Grant III	Grant IV	Additional Grant (in lieu of bonus issues from ESOP 2010)	Grant I	Grant II
No. of options outstanding at the beginning of the period	1,390	1,172	1,025	1,38,270	-
No. of options granted during the year	-	-	-	-	1,61,184
No. of options forfeited/lapsed during the year	-	-	-	5,467	4,800
No. of options vested during the year	-	-	-	45,397	-
No. of options exercised during the year	-	-	-	44,781	-
No. of shares arising as a result of exercise of options	-	-	-	44,781	-
Money realised by exercise of options (INR), if scheme is implemented directly by the Company				44,781	-
Loan repaid by the Trust during the year from exercise price received	N.A	N.A	N.A	N.A	N.A
No. of options outstanding at the end of the year	1,390	1,172	1,025	88,022	1,56,384
No. of options exercisable at the end of the year	1,390	1,172	1,025	616	-

v) a. Weighted average exercise prices	₹1	₹1	₹1	₹1	₹1
b. Weighted average fair values	₹255.15	₹253.50	₹254.40	₹251.38	₹ 250.74

vi) Employee wise details of options granted to:-

a) Senior managerial personnel;

Serial no.	Senior Management Personnel	Designation	No. of options granted in 2017-18	Exercise price per option
i.	Mr. Abhijit Roy	Managing Director & CEO	3,744	₹1
ii.	Mr. Srijit Dasgupta	Director - Finance & CFO	2,880	₹1
iii.	Mr. Aniruddha Sen	Sr. Vice President & Company Secretary	1,920	₹1

- b) 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
- c) Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant None

vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

- a) Weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, risk-free interest rate and any other inputs to the model;

Serial no.	Particulars	2017-2018
i.	Weighted average risk-free interest rate	7.40%
ii.	Weighted average expected life of options	2.28 years
iii.	Weighted average expected volatility	20.00%
iv.	Weighted average expected dividends over the life of the option	4.11 per options
v.	Weighted average share price	₹256.70
vi.	Weighted average exercise price	₹1 per share

- b) Method used & assumptions made to incorporate effects of expected early exercise: Black-Scholes Options Pricing Model
- c) How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility; and

Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.

- d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition : None

ANNEXURE 1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L51434WB1923PLC004793
ii)	Registration Date	17th December, 1923
iii)	Name of the Company	BERGER PAINTS INDIA LIMITED
iv)	Category of the Company	Public Limited Company registered in India
v)	Address of the Registered Office	“BERGER HOUSE”, 129 Park Street, Kolkata -700017
vi)	Contact Details -	a) Phone Nos. – 033-2229 9724/28 b) Fax Nos. – 033-2227 7288, 033-2249 9009 c) E-mail – consumerfeedback@bergerindia.com d) Website – www.bergerpaints.com
vii)	Whether listed Company	Yes
viii)	Details of the Stock Exchanges where shares are listed	National Stock Exchange of India (NSE); BSE Limited (BSE) and Calcutta Stock Exchange Limited (CSE)
ix)	Name, Address and contact details of Registrar & Transfer Agents (RTA)	M/s.CB Management Services (P) Limited P-22, Bondel Road Kolkata - 700 019 Contact No. – 033-40116700, 40116725 Fax – 033-40116739 Email – rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turn over of the company are as under:-

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	U.K. Paints (India) Private Limited 19 DDA Commercial Complex Kailash Colony Extension New Delhi – 110 048	U24222DL1979 PTC009659	Holding*	50.11*	2(46)

ctd:-

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
2.	Berger Becker Coatings Private Limited 19 DDA Commercial Complex Kailash Colony Extension New Delhi – 110 048	U74899DL1996 PTC082343	Associate	48.98	2(6)
3	Berger Nippon Paint Automotive Coatings Private Limited A-99/3, Okhla Industrial Estate, Phase-II New Delhi – 110 020	U24100DL2007 FTC165043	Associate	49.00	2(6)
4	Beepee Coatings Private Limited Plot No. 443, GIDC Estate Vithal Udyognagar, Kheda Gujarat – 388 121	U24110GJ1982PTC 005049	Subsidiary	100	2(87)(ii)
5.	Saboo Coatings Private Limited SCF 321, Cabin No.5, First Floor Motor Market and Commercial Complex, Mani Majra, Chandigarh - 160101	U24231CH1994PTC 015100	Subsidiary	100	2(87)(ii)
6.	Berger Jenson & Nicholson (Nepal) Private Limited “Berger House”, 492 Tikune, Koteswor, Kathmandu –35, Nepal	N.A.	Subsidiary	100	2(87)(ii)
7.	Berger Paints (Cyprus) Limited Thasou 3, Dadalaw House, P.C. 1520, Nicosia, Cyprus	N.A.	Subsidiary	100	2(87)(ii)
8	Lusako Trading Limited Thasou 3, Dadalaw House, P.C. 1520, Nicosia, Cyprus	N.A.	Subsidiary	100	2(87)(ii)

*U.K. Paints (India) Private Ltd. exercises or controls 70.85% (i.e. more than one half) of the total share capital of Berger Paints India Limited along with its subsidiary companies namely :-

	<u>% holding</u>
a) U.K. Paints (India) Private Ltd.	50.11
b) Jenson & Nicholson (Asia) Ltd, U.K. (wholly owned subsidiary of, and nominee shareholder of, BJN Holdings (I) Limited (“BJN”). BJN is a wholly owned subsidiary of U. K. Paints Overseas Limited, which, in turn, is a wholly owned subsidiary of U. K. Paints (India) Pvt. Ltd.)	14.49
c) Wang Investment Finance Pvt. Ltd.	3.07
d) Citland Commercial Credits Ltd.	3.18
	<u>70.85</u>

Notes:

- The Hon’ble National Company Law Tribunal vide – its Order dated 27th February, 2018 has sanctioned the Scheme of Amalgamation of BJN Paints India Limited (‘the Transferor Company’), a step down wholly owned subsidiary of the Company with the Company with effect from 1st April, 2017, being the Appointed Date.

2. Bolix S.A., Poland is a wholly owned subsidiary of Lusako Trading Limited. Bolix UKRAINA OOO, Ukraine, BUILD –TRADE BIS sp.z.o.o, Poland, Soltherm External Insulations Limited, United Kingdom, Soltherm Insulations Thermique Exterieur SAS, France and Surefire Management Systems Limited, United Kingdom, are five subsidiaries of Bolix S.A., Poland.
3. Berger Paints Overseas Limited, Russia is a wholly owned subsidiary of Berger Paints (Cyprus) Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise Share Holding

Category of Share holders	No. of Shares (face value of ₹1/-) held at the beginning of the year (01.04.2017)				No. of Shares (face value of ₹1/-) held at the end of the year (31.03.2018)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	32263861	0	32263861	3.32	32263861	0	32263861	3.32	(-)0.01
(b) Central Govt(s)									
(c) State Govt (s)									
(d) Bodies Corporate	555224058	0	555224058	57.18	555224058	0	555224058	57.18	0.00
(e) Banks/Financial Institutions									
(f) Others									
Sub-total (A)(1)	587487919	0	587487919	60.50	587487919	0	587487919	60.50	(-)0.01
(2) Foreign									
(a) NRIs - Individuals									
(b) Other – Individuals									
(c) Bodies Corporate	140656782	0	140656782	14.49	140656782	0	140656782	14.49	0.00
(d) Banks/FI									
(e) Any others									
Sub-total (A)(2)	140656782	0	140656782	14.49	140656782	0	140656782	14.49	0.00
Total Shareholding of Promoter & Promoter Group									
(A) = (A)(1) + (A)(2)	728144701	0	728144701	74.99	728144701	0	728144701	74.99	(-) 0.01

ctd:-

Category of Share holders	No. of Shares (face value of ₹1/-) held at the beginning of the year (01.04.2017)				No. of Shares (face value of ₹1/-) held at the end of the year (31.03.2018)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	11409093	4410	11413503	1.18	14076099	4410	14080509	1.45	(+) 0.27
(b) Banks/Financial Institutions	262551	15388	277939	0.03	984578	15388	999966	0.10	(+)0.07
(c) Central Govt(s)	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	19559564	0	19559564	2.01	18896778	0	18896778	1.95	(-) 0.06
(g) Foreign Institutional Investors (FII)	59720556	0	59720556	6.15	47833771	0	47833771	4.92	(-)1.23
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Foreign Portfolio Investors	46038506	0	46038506	4.74	55667651	0	55667651	5.73	(+)0.99
(j) Alternative Investment Fund	0	0	0	0	874944	0	874944	0.09	(+) 0.09
Sub-total (B) (1)	136990270	19798	137010068	14.11	138333821	19798	138353619	14.24	(+) 0.13
B 2. Non- Institutions	-	-	-	-	-	-	-	-	-
(a) Bodies Corporate	-	-	-	-	-	-	-	-	-
(i) Indian	18139241	119642	18258883	1.88	18803497	111882	18915379	1.95	(+) 0.07
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual share holders holding nominal share capital upto ₹1 lakh	61630271	14008236	75638507	7.79	59283172	11214827	70497999	7.26	(-) 0.53
(ii) Individual shareholders holding nominal share capital in excess of ₹.1 lakh	3293321	0	3293321	0.34	3911418	0	3911418	0.40	(+) 0.06
(c) Others (specify)	-	-	-	-	-	-	-	-	-
1. NRI	1740270	381906	2122176	0.22	2063356	322939	2386295	0.25	(+) 0.03
2. Clearing Member	546154	0	546154	0.06	409841	0	409841	0.04	(-) 0.02

ctd:-

Category of Share holders	No. of Shares (face value of ₹1/-) held at the beginning of the year (01.04.2017)				No. of Shares (face value of ₹1/-) held at the end of the year (31.03.2018)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
3. OCB	-	-	-	-	-	-	-	-	-
4. Trust	504315	11760	516075	0.05	1531646	11760	1543406	0.16	(+) 0.11
5. Foreign National	-	-	-	-	-	-	-	-	-
6. IEPF A/C	0	0	0	0	5627335	0	5627335	0.58	(+) 0.58
7. Unclaimed Suspense A/C	5456762	0	5456762	0.56	1241435	0	1241435	0.13	(-) 0.43
Sub-total (B)(2)	91310334	14521544	105831878	10.90	92871700	11661408	104533108	10.77	(-) 0.12
B. Total Public Shareholding (B) = (B)(1) + (B)(2)	228300604	14541342	242841946	25.01	231205521	11681206	242886727	25.01	(+) 0.01
TOTAL (A) + (B)	956445305	14541342	970986647	100.00	959350222	11681206	971031428	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A) + (B) + (C)	956445305	14541342	970986647	100.00	959350222	11681206	971031428	100.00	0.00

(ii) Share holding of Promoters

Sl. No.	Shareholding at the beginning of the year				Shareholding at the end of the year			
	Shareholder's Name	No. of Shares (F.V. ₹ 1/-)	% of total Shares of the Company	% of Shares Pledged encumbered to total Shares	Share holder's Name	No. of Shares (F.V. ₹1/-)	% of total Shares of the Company	% of Shares Pledged encumbered to total Shares
1.	U.K. Paints (India) Private Limited	486545399	50.11	0	U.K.Paints (India) Private Limited	486545399	50.11	0
2.	Jenson & Nicholson (Asia) Limited, U.K.*	140656782	14.49	0	Jenson Nicholson (Asia) Limited, U.K.*	140656782	14.49	0
3.	Citland Commercial Credits Limited	30915659	3.18	0	Citland Commercial Credits Limited	30915659	3.18	0
4.	Wang Investment Finance Private Limited	29810580	3.07	0	Wang Investment Finance Private Limited	29810580	3.07	0
5.	Bigg Investment & Finance Private Limited	7952420	0.82	0	Bigg Investment & Finance Private Limited	7952420	0.82	0

ctd:-

Sl. No.	Shareholding at the beginning of the year				Shareholding at the end of the year			
	Shareholder's Name	No. of Shares (F.V. ₹ 1/-)	% of total Shares of the Company	% of Shares Pledged encumbered to total Shares	Share holder's Name	No. of Shares (F.V. ₹1/-)	% of total Shares of the Company	% of Shares Pledged encumbered to total Shares
6.	Meeta Dhingra	999999	0.10	0	Meeta Dhingra	999999	0.10	0
7.	Vinu Dhingra	7529568	0.77	0	Vinu Dhingra	5998368	0.62	0
8.	Gurbachan Singh Dhingra	2421888	0.25	0	Gurbachan Singh Dhingra	2421888	0.25	0
9.	Kuldip Singh Dhingra	6290247	0.65	0	Kuldip Singh Dhingra	5488071	0.57	0
10.	Yuvrani Rishma Kaur	251328	0.03	0	Yuvrani Rishma Kaur	600000	0.06	0
11.	Jessima Kumar	146496	0.02	0	Jessima Kumar	600000	0.06	0
12.	Dipti Dhingra	131712	0.01	0	Dipti Dhingra	131712	0.01	0
13.	Sunaina Kohli	107520	0.01	0	Sunaina Kohli	600000	0.06	0
14.	Anshna Sawhney	107520	0.01	0	Anshna Sawhney	600000	0.06	0
15.	Kanwardip Singh Dhingra	53760	0.00	0	Kanwardip Singh Dhingra	600000	0.06	0
16.	KSD Family Trust	8312140	0.86	0	KSD Family Trust	8312140	0.86	0
17.	GBS Dhingra Family Trust	5911683	0.61	0	GBS Dhingra Family Trust	5911683	0.61	0
Total		728144701	74.99	0		728144701	74.99	0

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

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares (F.V. ₹1/-)	% of total Shares of the Company	No. of Shares (F.V. ₹1/-)	% of total Shares of the Company
1.	U.K. Paints (India) Private Ltd.	486545399	50.11	486545399	50.11
2.	Jenson & Nicholson (Asia) Ltd., U.K.*	140656782	14.49	140656782	14.49
3.	Citland Commercial Credits Ltd.	30915659	3.18	30915659	3.18
4.	Wang Investment Finance Ltd.	29810580	3.07	29810580	3.07
5.	Bigg Investment & Finance Pvt. Ltd.	7952420	0.82	7952420	0.82
6.	Meeta Dhingra	999999	0.10	999999	0.10
7.	Vinu Dhingra	7529568	0.78	5998368	0.62
8.	Gurbachan Singh Dhingra	2421888	0.25	2421888	0.25
9.	Kuldip Singh Dhingra	6290247	0.65	5488071	0.57

ctd:-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares (F.V. ₹1/-)	% of total Shares of the Company	No. of Shares (F.V. ₹1/-)	% of total Shares of the Company
10.	Yuvrani Rishma Kaur	251328	0.03	600000	0.06
11.	Jessima Kumar	146496	0.02	600000	0.06
12.	Dipti Dhingra	131712	0.01	131712	0.01
13.	Sunaina Kohli	107520	0.01	600000	0.06
14.	Anshna Sawhney	107520	0.01	600000	0.06
15.	Kanwardip Singh Dhingra	5376	0.00	600000	0.06
16.	KSD Family Trust	8312140	0.86	8312140	0.86
17.	GBS Dhingra Family Trust	5911683	0.61	5911683	0.61

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

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

Sl. No.	For each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	NALANDA INDIA FUND LIMITED						
	a) At the beginning of the year			50749406	5.23	50749406	5.23
	b) Changes during the year	Date	Reason				
		05/01/2018	Sale	3855611	0.40	46893795	4.83
		19/01/2018	Sale	174500	0.02	46719295	4.81
	c) At the end of the year	31/03/2018				46719295	4.81
2.	THE NEW INDIA ASSURANCE COMPANY LIMITED						
	a) At the beginning of the year			9293670	0.96	9293670	0.96
	b) Changes during the year	Date	Reason				
		08/12/2017	Sale	114110	0.01	9179560	0.95
		15/12/2017	Sale	180406	0.02	8999154	0.93
		22/12/2017	Sale	205484	0.02	8793670	0.91
	c) At the end of the year	31/03/2018				8793670	0.91
3.	SPAN INDIA PRIVATE LIMITED						
	a) At the beginning of the year			6932889	0.71	6932889	0.71
	b) Changes during the year			Nil	Nil	Nil	Nil
	c) At the end of the year					6932889	0.71

ctd:-

Sl. No.	For each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND						
	a) At the beginning of the year			5718278	0.59	5718278	0.59
	b) Changes during the year	Date	Reason				
		02/06/2017	Sale	192527	0.02	5525751	0.59
		09/06/2017	Sale	285753	0.03	5239998	0.54
		16/06/2017	Sale	260635	0.03	4979363	0.51
		23/06/2017	Sale	206101	0.02	4773262	0.49
	c) At the end of the year	31/03/2018				4773262	0.49
5.	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L.P.						
	a) At the beginning of the year			4245994	0.44	4245994	0.44
	b) Changes during the year	Date	Reason				
		26/05/2017	Sale	240000	0.02	4005994	0.41
		09/06/2017	Sale	240000	0.02	3765994	0.39
		25/08/2017	Sale	120000	0.01	3645994	0.38
		15/09/2017	Sale	137008	0.01	3508986	0.36
		29/09/2017	Sale	200000	0.02	3308986	0.34
		24/11/2017	Sale	114910	0.01	3194076	0.33
	c) At the end of the year	31/03/2018				3194076	0.33
6.	GENERAL INSURANCE CORPORATION OF INDIA						
	a) At the beginning of the year			3640000	0.37	3640000	0.37
	b) Changes during the year	Date	Reason				
		07/04/2017	Buy	100000	0.01	3740000	0.39
		12/05/2017	Buy	10000	0.00	3750000	0.39
		19/05/2017	Buy	50000	0.01	3800000	0.39
		02/06/2017	Buy	40000	0.00	3840000	0.40
		09/06/2017	Buy	60000	0.01	3900000	0.40
		11/08/2017	Buy	50000	0.01	3950000	0.41
		09/02/2018	Sale	50000	0.01	3900000	0.40
	c) At the end of the year	31/03/2018				3900000	0.40

ctd:-

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	SPAN HOLDINGS PRIVATE LIMITED				
	a) At the beginning of the year	3535162	0.36	3535162	0.36
	b) Changes during the year	Nil	Nil	Nil	Nil
	c) At the end of the year	3535162	0.36	3535162	0.36
8.	FRANKLIN INDIA SMALLER COMPANIES FUND				
	a) At the beginning of the year	3378963	0.35	3378963	0.35
	b) Changes during the year	Date	Reason		
		26/05/2017	Buy	100000	0.01
		02/06/2017	Buy	83787	0.01
		30/06/2017	Buy	16213	0.00
	c) At the end of the year	31/03/2018		3578963	0.37
9.	AXIS MUTUAL FUND TRUSTEE LTD. A/C AXIS MUTUAL FUND A/C AXIS MIDCAP FUND				
	a) At the beginning of the year	3202315	0.33	3202315	0.33
	b) Changes during the year	Date	Reason		
		07/04/2017	Sale	183154	0.02
		21/04/2017	Buy	89249	0.01
		28/04/2017	Buy	78603	0.01
		09/06/2017	Sale	87618	0.01
		16/06/2017	Sale	92382	0.01
		07/07/2017	Buy	250000	0.03
		11/08/2017	Buy	199900	0.02
		18/08/2017	Sale	381799	0.04
		25/08/2017	Sale	88427	0.01
		08/09/2017	Sale	240000	0.02
		01/12/2017	Buy	100000	0.01
		15/12/2017	Sale	609674	0.06
		09/02/2018	Sale	787668	0.08
		16/02/2018	Sale	341914	0.04
		02/03/2018	Sale	81564	0.01
		16/03/2018	Sale	45171	0.00
	c) At the end of the year	31/03/2018		980696	0.10

ctd:-

Sl. No.	For each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10.	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND						
	a) At the beginning of the year			2760555	0.28	2760555	0.28
	b) Changes during the year	Date	Reason				
		07/04/2017	Buy	22740	0.00	2783295	0.29
		14/04/2017	Buy	89199	0.01	2872494	0.30
		24/11/2017	Buy	74637	0.01	2947131	0.30
		26/01/2018	Buy	136313	0.01	3083444	0.32
		09/03/2018	Buy	61988	0.01	3145432	0.32
	c) At the end of the year	31/03/2018				3145432	0.32

(v) Share holding of Directors and Key Managerial Personnel as on 31st March, 2018) :

Sl. No.	For each of the Directors and KMP			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1.	Mr. Kuldeep Singh Dhingra*						
	a) At the beginning of the year			6290247	0.65	6290247	0.65
	b) Changes during the year	Date	Reason				
		14/07/2017	Transfer by way of gift	802176	0.08	5488071	0.57
	c) At the end of the year	31/03/2018				5488071	0.57
2.	Mr. Gurbachan Singh Dhingra*						
	a) At the beginning of the year			2421888	0.25	2421888	0.25
	b) Changes during the year			Nil	Nil	Nil	Nil
	c) At the end of the year					2421888	0.25
3.	Mr. Abhijit Roy						
	a) At the beginning of the year			67108	0.01	67108	0.01
	b) Changes during the year	Date	Reason				
		07/12/2017	ESOP	1200	0.00	68308	0.01
	c) At the end of the year	31/03/2018				68308	0.01

ctd:-

Sl. No.	For each of the Directors and KMP			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	Mr. Srijit Dasgupta						
	a) At the beginning of the year			85327	0.01	85327	0.01
	b) Changes during the year	Date	Reason				
		07/12/2017	ESOP	923	0.00	86250	0.01
	c) At the end of the year	31/03/2018				86250	0.01
5.	Mr. Kamal Ranjan Das						
	a) At the beginning of the year			84272	0.01	84272	0.01
	b) Changes during the year			Nil	Nil	Nil	Nil
	c) At the end of the year					84272	0.01
6.	Mr. Pulak Chandan Prasad						
	a) At the beginning of the year			Nil	Nil	Nil	Nil
	b) Changes during the year			Nil	Nil	Nil	Nil
	c) At the end of the year			Nil	Nil	Nil	Nil
7.	Mr. Naresh Gujral						
	a) At the beginning of the year			7000	0.00	7000	0.00
	b) Changes during the year			Nil	Nil	Nil	Nil
	c) At the end of the year					7000	0.00
8.	Mr. Dharendra Swarup						
	a) At the beginning of the year			Nil	Nil	Nil	Nil
	b) Changes during the year			Nil	Nil	Nil	Nil
	c) At the end of the year			Nil	Nil	Nil	Nil
9.	Mr. Gopal Krishna Pillai						
	a) At the beginning of the year			Nil	Nil	Nil	Nil
	b) Changes during the year			Nil	Nil	Nil	Nil
	c) At the end of the year			Nil	Nil	Nil	Nil
10.	Mrs. Rishma Kaur						
	a) At the beginning of the year			251328	0.03	251328	0.03
	b) Changes during the year	Date	Reason				
		14/07/2017	Transfer by way of gift	348672	0.03	600000	0.06
	c) At the end of the year	31/03/2018				600000	0.06

ctd:-

Sl. No.	For each of the Directors and KMP			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
11.	Mr. Kanwardip Singh Dhingra						
	a) At the beginning of the year			53760	0.00	53760	0.00
	b) Changes during the year	Date	Reason				
		14/07/2017	Transfer by way of gift	546240	0.06	600000	0.06
	c) At the end of the year	31/03/2018				600000	0.06
12.	Mr. Aniruddha Sen						
	a) At the beginning of the year			36907	0.00	36907	0.00
	b) Changes during the year	Date	Reason				
		07/12/2017	ESOP	616	0.00	37523	0.00
	c) At the end of the year	31/03/2018				37523	0.00

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

(v) INDEBTEDNESS

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

(₹in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year i.e. on 01.04.2017				
i) Principal Amount	119.68	—	—	119.68
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	0.11	—	—	0.11
Total (i+ii+iii)	119.79	—	—	119.79
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change	23.48	—	—	23.48
Indebtedness at the end of the Financial Year i.e. on 31.03.2018				
i) Principal Amount	143.27	—	—	143.27
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	143.27	—	—	143.27

(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Abhijit Roy (MD, CEO & KMP)	Mrs. Rishma Kaur (Director & National Business Development Manager, Retail)*	Mr. Kanwardip Singh Dhingra (Director & National Business Development Manager, Industrial)*	
1.	Gross salary	(₹)	(₹)	(₹)	(₹)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	74,04,571	11,23,340	11,23,340	96,51,251
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	34,42,043	54,155	90,755	35,86,953
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	1,05,58,340	9,88,500	9,88,500	1,25,35,340
2.	Stock Option.	2,99,610	—	—	2,99,610
3.	Sweat Equity	—	—	—	—
4.	Commission - as % of profit - others, specify	36,97,920	—	—	36,97,920
5.	Others, please specify	—	—	—	—
	Total (A)	2,54,02,484	21,65,995	22,02,595	2,97,71,074
	Ceiling as per the Act				66,72,00,000

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

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

B. REMUNERATION TO OTHER DIRECTORS:

(in ₹)

Particulars of Remuneration	Name of Directors							Total Amount
			Mr. Kamal Ranjan Das	Mr. Pulak Chandan Prasad	Mr. Dhirendra Swarup	Mr. Gopal Krishna Pillai	Mr. Naresh Gujral	
1. Independent Directors								
• Fee for attending Board / Committee Meetings			22,000	–	20,000	16,000	4,000	62,000
• Commission			3,00,000	–	7,20,000	7,20,000	7,20,000	24,60,000
• Others, please specify								
Total (1)			3,22,000	–	7,40,000	7,36,000	7,24,000	25,22,000
2. Other Non-Executive Directors	Mr. Kuldip Singh Dhingra	Mr. Gurbachan Singh Dhingra						
• Fee for attending Board / Committee Meetings	14,000	24,000						38,000
• Commission	10,00,000	10,00,000						20,00,000
• Others, please specify	–	–						–
Total (2)	10,14,000	10,24,000						20,38,000
Total (B) = (1+2)	10,14,000	10,24,000	3,22,000	–	7,40,000	7,36,000	7,24,000	45,60,000
Total Managerial Remuneration	10,14,000	10,24,000	3,22,000	–	7,40,000	7,36,000	7,24,000	45,60,000
Overall Ceiling as per the Act								6,67,00,000

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

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
1.		Mr. Srijit Dasgupta (Director-Finance, CFO & KMP)	Mr. Aniruddha Sen (Senior Vice President & Company Secretary & KMP)	Total
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-taxAct, 1961	70,85,813	26,87,590	97,73,403
	b) Value of perquisites u/s 17(2) Income-taxAct, 1961	9,94,163	1,83,740	11,77,903
	(c) Profits in lieu of salary under section 17(3) Income-taxAct, 1961	39,23,543	56,08,356	95,31,899
2.	Stock Option	2,33,842	1,55,987	3,89,829
3.	Sweat Equity	—	—	—
4.	Commission - as % of profit - others, specify	—	—	—
5.	Others, please specify	—	—	—
	Total	1,22,37,361	86,35,673	2,08,73,034

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

REPORT ON CSR ACTIVITIES/INITIATIVE

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

Your Company continues to pursue its CSR project during the year under review by imparting training to the unskilled and semi-skilled painters under the aegis of its "iTrain" centres for imparting training. The enthusiastic participation of the trainees in the programmes, which open up new areas of employment for some and enhance the skills of others, encourages the Company to continue in this direction in 2018-19 also.

The CSR Committee ("the Committee") comprises the following members:-

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

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

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

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

So far, approximately 20,000 people have been trained since the commencement of the first iTrain on August, 2014, and the feedback has been encouraging.

Your Company has got its 24 operational iTrain Centres affiliated with Paints and Coatings Skill Council registered with National Skill Development Corporation (NSDC) through the Indian Paint Association. The categories of the segment affiliated included the following :

- Wood Polisher (PCS/Q5004)
- Decorative Painter (PCS/Q5002)

The Company's iTrain Painter Training Academy has won the BT-CSR Excellence Award, 2017 for the category: Skill India – Enhancing Vocational Skills.

The Company also started its first mobile iTrain, which comprise a van with essential training equipment and facilities which has become operational in West Bengal and the response has been good.

The following is the status of other mobile iTrain vans as on 31.03.2018 :

Sl. No.	Mobile iTrain Centre	Status
1	Ghaziabad	Under preparation
2	Pune	Order placed for van
3	Rajkot	Under preparation
4	Durgapur	Under preparation
5	Bhubaneshwar	Under preparation
6	Visakhapatnam	Order placed for van
7	Kannur	Under preparation

Average net profit of the Company for the last three years: ₹517.90 crore

Prescribed CSR Expenditure (two percent of the average net profit for the last three years): ₹10.36 crore

Details of amount spent on CSR activities during the year 2017-18:

- Total amount to be spent for the financial year : ₹10.36 crore
- Amount Spent : ₹10.43 crore
- Amount unspent, if any : NIL

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

1	2	3	4	5	6	7
CSR project or activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area or other 2. State and district where projects or programmes were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programmes sub-heads: 1. Direct Expenditure on projects or programmes 2. Overheads	Cumulative Expenditure upto the reporting period	Amount spent: direct or through implementing agency
			(₹)	(₹)	(₹)	
iTrain	Paint Industry	1) Delhi 2) Kolkata 3) Jaipur 4) Kochi 5) Ludhiana 6) Surat 7) Pune 8) Lucknow 9) Vijaywada 10) Ghaziabad 11) Bhubaneshwar 12) Calicut 13) Tirunelveli 14) Patna 15) Guwahati 16) Trivandrum 17) Gurgaon 18) Bangalore 19) Ahmedabad 20) Hyderabad 21) Dehradun 22) Indore 23) Kottayam 24) Thrissur 25) Kolkata-2 26) Mumbai 27) Faridabad	10.91 crore	1) Rent – 1.34 crore 2) Setup and Launch cost – 1.66 crore 3) Manpower – 4.33 crore 4) Upkeep and Maintenance – 2.60 crore 5) Consumables – 0.20 crore 6) Communication and Mobilization – 0.00 crore 7) Miscellaneous – 0.30 crore	24.53 crore	N.A.
TOTAL			10.91 crore	10.43 crore	24.53 crore	

Place : Kolkata

Dated : 30th May, 2018

Sd -

Chairman, CSR Committee

Sd -

Managing Director & CEO

ANNEXURE 3

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

Name	Designation/ Nature of Duties	Remuneration (₹)	Nature of employment (whether contractual or otherwise)	Qualification	Experience (years)	Date of commencement of employment in the Company	Age	Previous employment/ Position held
A. Employed throughout the year and in receipt of remuneration aggregating ₹1,02,00,000/- or more in the year								
Mr. Abhijit Roy	Managing Director & CEO	2,57,61,955	–	B.E. (JU), MBA (IIM, Bangalore)	27	17.04.1996	52	L'OREAL India Limited
Mr. Srijit Dasgupta	Director- Finance & CFO	1,40,10,863	–	B.Sc. (Hons.) ACMA, CS (Passed Final Exam)	33	01.09.1988	56	Machinery Manufacturers Corporation Limited
B. Employed for a part of the year and in receipt of remuneration aggregating ₹8,50,000/- or more per month - NIL								
C. Employed throughout the year or part thereof and in receipt of remuneration in the year which in aggregate is in excess of that drawn by Managing Director or Wholetime Director or Manager –NIL								

Notes :

- Gross remuneration includes salary, commission, value of perquisites, medical benefits and Company's contribution to Provident, Superannuation and Gratuity Funds and market value of ESOPs granted. Without ESOP, the remuneration of Mr. Roy and Mr. Dasgupta are ₹2,54,62,345 and ₹1,37,77,021 respectively.
- The employee does not hold by himself or along with his spouse and dependent children, 2% or more of the equity shares in the Company. None of them is a relative of any Director or Manager of the Company.
- A statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. The report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company and has been uploaded on the website of the Company www.bergerpaints.com. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary or send an email to: consumerfeedback@bergerindia.com.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Berger Paints India Limited (hereinafter called 'the Company') during the financial year ended 31st March, 2018. Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. On the basis of aforesaid verification of the secretarial compliance and on the basis of secretarial audit of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, as shown to us during the said audit and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of the aforesaid secretarial audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also the Company has adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.
4. (I) We have examined the secretarial compliance on test check basis of the books, papers, minute books, forms and returns filed and other records maintained by M/s. Berger Paints India Limited for the financial year ended on 31st March, 2018 according to the provisions of the following laws and as shown to us during our audit, as also referred in above paragraphs of this report:
 - (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; {to the extent applicable to the Company during the year under review};
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent as applicable.
 - e) The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014.
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



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- (II) We have also examined the secretarial compliance on test check basis of the records maintained by M/s. Berger Paints India Limited for the financial year ended on 31st March, 2018, with the provisions of the following laws specifically applicable to the Company and as shown to us during our audit;
- Factories Act, 1948,
 - Environment Protection Act, 1986,
 - Hazardous Wastes (Management & Handling) Rules, 1989, as amended,
 - The Patent Act, 1970,
 - The Trade Marks Act, 1999,
 - The Copyright Act, 1957.
5. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013.
6. That on the basis of the audit as referred above, to the best of our knowledge, understanding and belief, we are of the view that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above in Paragraph 4(I), Paragraph 4(II) and Paragraph 5 of this report.
7. We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with the following Stock Exchanges in India and also with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable during the period under review and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the secretarial functions and board processes to comply with the applicable provisions thereof, during the aforesaid period under review:-
- BSE Limited (BSE)
 - National Stock Exchange of India Limited (NSE)
 - Calcutta Stock Exchange Limited (CSE).
8. We further report that,
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors of the Company during the period under review.
 - Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
 - Majority decision is carried through and recorded as part of the minutes.
9. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with laws, rules, regulations and guidelines, generally applicable to the Company.
10. This Report is to be read with our letter of even date which is annexed herewith forming an integral part of this Report.

Place : Kolkata
Date : 30th May, 2018

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries
ANJAN KUMAR ROY
Proprietor
FCS No. 5684
CP. No. 4557



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“Annexure”

(To the Secretarial Audit Report of M/s. Berger Paints India Limited
for the financial year ended 31/03/2018)

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

Our Secretarial Audit Report for the financial year ended 31/03/2018 of even date is to be read along with this letter.

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

Place : Kolkata
Date : 30th May, 2018

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries
ANJAN KUMAR ROY
Proprietor
FCS No. 5684
CP. No. 4557

ANNEXURE 5

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

A) CONSERVATION OF ENERGY

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

- i. Usage of parallel shaft gearboxes & fluid couplings in ball mills to reduce energy consumption
- ii. Usage of timers in ball mills to reduce energy consumption
- iii. Replacement of ball mills with more energy efficient horizontal mills
- iv. Usage of translucent roof sheets at the plants for the utilisation of natural light
- v. Installation of ring main system in the compressed air pipelines to reduce energy consumption

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

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

3) Capital investment of energy conservation equipment:

₹3.5 crore (approx.)

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

- i. Reduction in specific power consumption along with specific fuel consumption leading to reduction in manufacturing cost.
- ii. Increase in productivity & operational efficiency.
- iii. Restriction of emissions.

B) TECHNOLOGY ABSORPTION

I. Research and Development (R&D)

1) Specific areas in which R&D carried out by the company:

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

2) Benefits derived out of the above work:

Development of new products for different applications:

Decorative Products

- New range of Texture finishes for Interior and Exterior application
- High durable exterior emulsion – WeatherCoat Long Life
- Damp-stop for water proofing solution
- Exterior painting system for affordable housing
- Extension of shade range in Luxol
- Low cost Enamel
- Hybrid emulsion for exteriors
- Roof coatings
- In-house colorants

Wood Coatings

- Water based wood coating products
- Water Based wood putty
- Solvent based wood strainers

Auto & GI

- Shiny matt finish for two wheeler
- New epoxy primers for commercial vehicle
- New polyester system for commercial vehicle
- High solid resin based coatings

Protecton

- Dissipative floor coating systems
- Intumescent coating for cellulosic fire protection
- Coating system for concrete
- External & internal painting system for transformers

3) Future Plan of Action:

New products for retail, protective coatings and automotive and general industrial segments including premium emulsion, low VOC paints and water based systems in Industrial.

4) Expenditure on R&D:

	(₹ in Lakhs)
Capital Expenditure	139.64
Recurring Expenditure	1,454.74
Total Expenditure	1,594.38
Total R&D Expenditure as a percentage of Total Turnover	0.32%

II. Technology Absorption, Adaptation and Innovation:

a) Efforts in brief, made towards technology absorption, adaptation & innovation:

- Creation of technology platform and initiating futuristic projects
- New developments and import substitutions under emulsion and resin technologies
- Successful collaboration with leading educational and science institutes as well as internationally reputed vendors

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 area of Automotive, Powder Coating, Protective Coating & Architectural Coating, development of vendors and alternate raw materials and reduction of cost.

c) Technology Imported during the last 5 years:

- None

On behalf of the Board of Directors

Kuldip Singh Dhingra
Chairman

Place: Kolkata
Dated : 30th May, 2018

ANNEXURE 6

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2017-18

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

INTRODUCTION

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

The following is the Second BRR of your Company:

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L51434WB1923PLC004793
2. Name of the Company: BERGER PAINTS INDIA LIMITED
3. Registered address: Berger House, 129, Park Street, Kolkata - 700017
4. Website: www.bergerpaints.com
5. E-mail id: rajibde@bergerindia.com (Nodal Officer)
6. Financial Year reported: 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

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

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

8. The three key products/services that the Company manufactures/provides (as in balance sheet) :
 - Manufacture of decorative (architectural) paints
 - Manufacture of automotive paints and industrial paints
 - Manufacture of protective coatings
9. Total number of locations where business activity is undertaken by the Company :
 - i. Number of International locations – Nil
 - ii. Number of National Locations –
 - Manufacturing Plants – 14*
 - Sales Depots/Offices – 167*
 - Registered office & Head office - Berger House, 129, Park Street, Kolkata - 700017
10. Markets served by the Company: Local (India).

* includes British Paints division units

Section B: Financial Details of the Company

1. Paid up Capital (INR) – ₹97.10 crore (as on 31.03.2018)
2. Total Turnover (INR) – ₹4723.79 crore (2017-18)
3. Total Profit after taxes (INR) – ₹431.84 crore (2017-18)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (PAT) – 2.42 % of PAT
5. List of activities in which expenditure in 4 above has been incurred – Details as per Principle 8

Section C: Other Details

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

Section D: Business Responsibility Information

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

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

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR policy/policies :
 - Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability [P1]
 - Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle [P2]
 - Principle 3: Businesses should promote the well-being of all employees [P3]
 - Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized [P4]
 - Principle 5: Businesses should respect and promote human rights [P5]
 - Principle 6: Businesses should respect, protect, and make efforts to restore the environment [P6]
 - Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner [P7]

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

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

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

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

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

Not applicable.

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company – within 3 months, 3-6 months, annually or more than 1 year: Annually
- Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

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

Section E: Principle-Wise Performance

Principle 1

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

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

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

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

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

Principle 2

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

To create a greener future keeping customer satisfaction as its goal, the Company ensures that every step taken towards this endeavour is guided by its responsibility and accountability to the environment. This is applicable during development, manufacturing as well as supply chain management. To name a few of our products which have incorporated environmental risks and concerns, these will be:

- **Water based coatings**

WeatherCoat Anti-Dustt – Very good dirt pick-up resistance which keeps the paint look fresh over a longer period of time. This reduces repainting cycle and hence lowers carbon footprint.

- **Lead, mercury and chromium free products (heavy metal free)**

All decorative products including emulsions, enamels and primers are free of added heavy metals and are below the prescribed limits.

- **Low VOC paints**

All decorative emulsion based products such as Silk Glamor, WeatherCoat Anti-Dustt, Weather Exterior Primer etc. are low VOC products.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):
 - i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain: Please see item 2 (ii) below.
 - ii. Reduction during usage by consumers (energy, water) which has been achieved since the previous year:
 - a) Paint technology has advanced rapidly over the years to answer the problems of environmental issues related to oil based paint and accordingly the Company has the most impressive array of water based paints. Water is used as a solvent in water based paints which considerably reduce the dependence on petroleum resources. Water based paints eliminate emission of Volatile Organic Compounds (VOC).
 - b) Use of lead in decorative paints is harmful for both the environment and human health. To mitigate such risks, the Company produces lead free/heavy metal free decorative paints.

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

Decorative solvent based enamels such as Luxol High Gloss, etc. are now produced in high efficiency mills such as sand mill, bead mill etc. replacing the old route of ball mills. The usual processing time in ball mill is around 18 to 24 hours which has been cut down significantly by use of sand mills etc. These mills take much less processing time and reduce overall energy requirement for the process.

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

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

The Company's mission is to conserve the natural resources and to ensure the protection of the environment and in taking up the challenge, the Company has developed and sourced green raw materials to reduce the harmful effects on environment and natural resources. Some of the eco-friendly RMs are: MEG, derivatives from renewable agro feed stock with low carbon footprints, environment friendly emulsions, environment friendly coalescing agents, organic pigments replacing chrome pigments, greener defoamers replacing conventional defoamers, low VOC RMs, which have been developed.

The Company has specifically paid attention to reduce pollution while sourcing, by way of efficient packaging, some of which are: improved specification of extender bags, implemented by all vendors, which reduces/eliminates spillage from bags and minimizes air pollution, introduction of IMLs (In-mould Labelling) containers and switching over to HTL (heat transfer labels), thus eliminating usage of paints and solvents for screen printing. The packaging and the label consist of the same material and can therefore be fully recycled. Cartons with new specifications and with higher compression strength eliminate leakage in transit and storage.

The Company has a manual in place which acts as the guideline for purchase. Every purchase by the department is from the vendors who are already approved for supplying the particular material. The purchase department works under an ERP Environment and the process of purchase is tracked in an IT enabled environment. The purchase department is centrally controlled by the Head Office materials team in Kolkata. Moreover, every plant is an extended arm of the HO materials. The selection of incoming transport suppliers also follows the same process as that of raw materials.

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

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

Vendor performance evaluation is done regularly. Small scale undertakings are encouraged to participate in vendor selection process.

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

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

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

Principle 3

1. Please indicate the total number of employees: 3,130
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 2,686
3. Please indicate the number of permanent women employees: 63
4. Please indicate the number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management?: Yes
6. What percentage of your permanent employees are members of recognized employee association?: 17%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year and pending, as on the end of the financial year: Nil
8. What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?
 - Permanent Employees – 52%
 - Permanent Women Employees – 59%
 - Casual/Temporary/Contractual Employees – 56%
 - Employees with Disabilities – Not Applicable

Principle 4

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

The Company in a systematic and structured way has identified its internal and external stakeholders and the Company through various initiatives engages with these stakeholders as it believes that it is imperative and essential for a responsible company to do so, to understand their views on various environmental, social, corporate governance and economic issues and eventually take into consideration these views in the Company's strategic decision making. The Company endeavours to maintain healthy stakeholder engagement, allow stakeholders' participation wherever possible and promotes collective decision-making process.

The Company appreciates that all its stakeholders are not equally influential or gets influenced and therefore it encourages them to pro-actively engage with and respond to safeguard the interest of those that are disadvantaged, vulnerable and marginalized and who are at an underdeveloped area. The Company has ensured that while formulating any policy, the interests of the stakeholders are not compromised. The Corporate Social Responsibility initiatives undertaken by the Company specifically addresses the problems of the disadvantaged, vulnerable and marginalized stakeholders. Initiatives undertaken by the Company are mentioned in principle 8.

Principle 5

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
It covers the Company's subsidiaries.
2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

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

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

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

Principle 6

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

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

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

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

3. Does the Company identify and assess potential environmental risks? Y/N: Yes
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

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

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

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

All of the initiatives above are always in Continuous Development Mode.

It is also pertinent to mention here that the Company has received "GreenPro" certificate from CII-Green Products and Services Council in respect of various water based and solvent based products including Silk, WeatherCoat Allguard and EasyClean. "GreenPro" assesses 'how green a product' is, based on a holistic framework and highlights the way forward to achieve excellence in environmental performance. The certification system guides the manufacturers to position their products as green and eco-friendly. The GreenPro certification system adopts cradle to cradle approach for evaluation, at par with international standards.

The Jammu Plant of the Company has been awarded "Gold Award" in the 18th Annual Greentech Environment Awards-2018.

Beepee Coatings Private Limited (a wholly owned subsidiary of the Company) has been awarded the following awards during the year 2017-18:

- Silver Prize in the National Energy Conservation Award- 2017 in "Paint and Allied Sector" for its Gujarat plant.

- Trophy for Best Energy Efficient Organisation by CII at the 2nd Energy Efficiency Circle Competition held at New Delhi.
 - 8th Regional Asia & the Pacific Environment Management “3R Awards” (Reduce, Recycle and Reuse under mission zero waste), 2018.
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page, etc.
- i. The steps taken on conservation of energy are detailed above at item 2 of Principle 2. Further steps include:
 - a) Installation of capacitor banks and automatic power factor controlling panel;
 - b) Use of energy efficient sand mills.
 - ii. Energy conservation measures for alternative energy usage:
 - a) Installation of bio-briquette fired thermic fluid heater in place of HSD fired thermic fluid heater;
 - b) Installation of energy efficient LED retrofit tube lights in place of high power consuming conventional tube lights;
 - c) Installation of photo sensors for detecting ambient light level and determining illumination required;
 - d) Installation of energy efficient agitators in mixing tanks;
 - e) Use of natural lights by providing translucent sheets on roofs in manufacturing units;
 - f) Natural ventilation by use of air operated turbo vents at manufacturing units;
 - g) Installation of VFD's for higher capacity motors;
 - h) Installation of latest Starters for higher up motors in order to reduce the energy consumption;
 - i) Maintenance of power factor 0.99-1.00 through APFC Panels;
 - j) Installation of closed loop ring main for the Air Compressor's receivers in order to reduce the energy consumption.
6. Is the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
- Emission/waste generated by the Company is within the permissible limits given by CPCB/SPCB.
7. Number of show cause/legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year: Nil.

Principle 7

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

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

Principle 8

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

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

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

They are undertaken through in-house team.

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

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

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

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

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

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

Principle 9

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

20 consumer cases were pending as at 31.03.2018.

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

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

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

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

To sustain its position, it is essential to find out where the Company stands in the competitive context. To this extent, the Company, with its dedicated resources, carries out consumer surveys/customer satisfaction trends regularly to gauge the levels of customer satisfaction with products and services provided by the Company. In addition, regular market research studies are conducted by external agencies engaged by the Company.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31st MARCH, 2018.

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

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

COMPANY'S PHILOSOPHY

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

BOARD OF DIRECTORS

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

The Board comprises 10 Directors of which, 3 are Executive Directors (2 of whom are part of the promoter group), 2 are Non-Executive Promoter Directors and 5 are Non-Executive Independent Directors.

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

Pursuant to the Companies Act, 2013 ("the Act"), the terms of Independent Directors would extend to a period of 5 years from the date of appointment. The 1st term upto five consecutive years on the Board of the Company will expire on 31st March, 2019 for Mr. Kamal Ranjan Das and Mr. Pulak Chandan Prasad. It is proposed to reappoint Mr. Kamal Ranjan Das and Mr. Pulak Chandan Prasad at the forthcoming Annual General Meeting for terms as described in the Notice of the Annual General Meeting by passing Special Resolutions as per the provisions of the Act.

The name, designation, directorships and committee memberships held by them as on 31st March, 2018 in other companies are as follows:

NAME OF DIRECTOR	STATUS/DESIGNATION	DIRECTORSHIP IN OTHER COMPANIES INCORPORATED IN INDIA*	MEMBERSHIP/CHAIRMANSHIP ACROSS ALL OTHER COMPANIES IN WHICH ACTING AS A DIRECTOR		
			COMMITTEE	CHAIRMANSHIP	MEMBERSHIP
MR. KULDIP SINGH DHINGRA DIN – 00048406	NON-EXECUTIVE CHAIRMAN/ PROMOTER (NON-INDEPENDENT)	15	CSR	3	-
MR. GURBACHAN SINGH DHINGRA DIN – 00048465	NON-EXECUTIVE VICE CHAIRMAN/ PROMOTER (NON-INDEPENDENT)	18	CSR	-	2
MR. ABHIJIT ROY DIN – 03439064	MANAGING DIRECTOR AND CEO (NON-INDEPENDENT)	5	NIL		
MRS. RISHMA KAUR DIN – 00043154	DIRECTOR * (National Business Development Manager, Retail)/ EXECUTIVE/ PROMOTER (NON-INDEPENDENT, LADY DIRECTOR)	15	REMUNERATION	-	1
MR. KANWARDIP SINGH DHINGRA DIN – 02696670	DIRECTOR* (National Business Development Manager, Industrial)/ EXECUTIVE/ PROMOTER (NON-INDEPENDENT)	10	REMUNERATION	-	1
MR. DHIRENDRA SWARUP DIN – 02878434	NON-EXECUTIVE (INDEPENDENT)	3	AUDIT STAKEHOLDER REMUNERATION	2 - 1	1 1 1
MR. GOPAL KRISHNA PILLAI DIN – 02340756	NON-EXECUTIVE (INDEPENDENT)	6	AUDIT REMUNERATION CSR	2 - 1	2 1 -
MR. NARESH GUJRAL DIN – 00028444	NON-EXECUTIVE (INDEPENDENT)	15	CSR	-	1
MR. PULAK CHANDAN PRASAD DIN – 00003557	NON-EXECUTIVE (INDEPENDENT)	3	NIL		
MR. KAMAL RANJAN DAS DIN – 00048491	NON-EXECUTIVE (INDEPENDENT)	2	AUDIT	-	1

*(please refer notes)

NOTES:

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

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

MEETINGS AND ATTENDANCE:

Pursuant to Section 173(1) of the Act, five Board Meetings were held during the year 2017-18 and the intervention between two consecutive meetings did not exceed one hundred and twenty days. The Board Meeting dates for a calendar year are usually finalized in the previous calendar year to provide sufficient advance notice.

Seven Resolutions by Circulation of the Board were passed during the financial year 2017-18 and the dates of the Board Meetings are as follows:

SR. NO.	DATE OF MEETING	NO. OF DIRECTORS PRESENT
1	14th & 15th April, 2017	9
2	30th May, 2017	8
3	4th August, 2017	7
4	2nd November, 2017	10
5	6th February, 2018	10

The number of Board Meetings attended and the attendance of Directors at the last Annual General Meeting during the Financial Year 2017-18 are as mentioned below:

NAME OF DIRECTOR	NO. OF MEETINGS ATTENDED	ATTENDANCE AT THE AGM HELD ON 4TH AUGUST, 2017
MR. KULDIP SINGH DHINGRA	5	✓
MR. GURBACHAN SINGH DHINGRA	5	✓
MR. ABHIJIT ROY	5	✓
MRS. RISHMA KAUR	5	✓
MR. KANWARDIP SINGH DHINGRA	5	✓
MR. DHIRENDRA SWARUP	5	✓
MR. GOPAL KRISHNA PILLAI	4	×
MR. PULAK CHANDAN PRASAD	4	✓
MR. NARESH GUJRAL	2	×
MR. KAMAL RANJAN DAS	4	×

NOTES:

- Other than the Executive Directors, all Directors are entitled to a sitting fee of ₹2000/- for every Board Meeting and meetings of Committee thereof attended by them.
- Required quorum was present in all meetings.
- Compensation paid/payable to Non-Executive Directors is given under “Remuneration Policy” section of this report.
- The minutes of the subsidiary companies are placed before the Board except in the case of Berger Paints Overseas Limited, Russia, where such minutes are not required as per the laws of the land.

MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Act and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 6th February, 2018 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:

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

COMMITTEES OF DIRECTORS:

I. AUDIT COMMITTEE:

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

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

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

The Composition of the Audit Committee as on 31st March, 2018 is as follows:

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

Four Resolutions by Circulation of the Audit Committee were passed and five Audit Committee meetings were conducted during the year 2017-18 as detailed below:

SR. NO.	DATE OF MEETING
1	14th April, 2017
2	30th May, 2017
3	4th August, 2017
4	2nd November, 2017
5	6th February, 2018

Number of meetings of the above Committee attended by the Directors during the financial year 2017-2018 was as follows:

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

NOTES:

- The quorum for Independent Directors as required under Regulation 18(1)(b) of the Listing Regulations was complied with during the year.
- All the Directors attending the Audit Committee meetings are entitled to a sitting fee of ₹2000/- for every meeting attended by them.
- Invitees/ Participants:
 - Mr. Abhijit Roy, M.D. & CEO and Mr. Srijit Dasgupta, Director – Finance & CFO are permanent invitees to all Audit Committee meetings. The Committee also invites Members of the Board to attend meetings of the Committee as per their convenience.
 - Head of the Internal Audit Department attends all the Audit Committee meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report.
 - The representatives of the Statutory Auditors have attended the Audit Committee meetings held during the year.

VIGIL MECHANISM:

Pursuant to Section 177(10) of the Act and Regulation 22 of the Listing Regulations, your Company has established a Vigil Mechanism Policy. The Policy is as under:

Berger Paints India Limited (“Berger”) and its subsidiaries (collectively the “Company”) are committed to complying with the laws that apply to them, the Code of Conduct of the Company and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. If potential violations of Company policies or applicable laws are not recognized and addressed promptly, both the Company and those working for or with the Company could face governmental investigation, prosecution, fines, and other penalties. Consequentially, and to promote ethical standards, the Company will maintain a workplace that facilitates the reporting of potential violations of Company policies and applicable laws. Employees and Directors may raise concerns regarding such potential violations easily and free of any fear of retaliation. That is the purpose of this Policy (the “Policy” or the Whistle Blower Policy).

In case of any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct, an Employee or Director may report the same in the manner mentioned in this Policy. Such violations include, but are not limited to, accounting or financial reporting violations, fraud, misappropriation of money, discrimination or harassment based on gender, race, religion, language, etc., unlawful manipulations, insider trading, bribery, or violations of the anti-retaliation aspects of this Policy. Retaliation includes adverse actions, harassment, or discrimination in employment relating to a report of a suspected violation.

Failure to report any reasonable belief that a violation has occurred or is occurring is itself a violation of this Policy and such failure will be addressed with appropriate disciplinary action.

How to Report:

A report of suspected violation may be made either with name or anonymously to:

companysecretary@bergerindia.com

or by sending a letter with name or an anonymous letter to the Company Secretary at :

Berger Paints India Limited
'Berger House'
129, Park Street
Kolkata – 700 017

with a copy of such an e-mail or letter to: **chairman@bergerindia.com**

If you have reason to believe that the Managing Director, the Director – Finance or the Company Secretary is involved in the suspected violation, your report may be made in sealed envelope to the Audit Committee of Berger Board of Directors (the "Audit Committee") at:

Chairman, Audit Committee
Berger Paints India Limited
'Berger House'
129, Park Street
Kolkata – 700 017

with copy to: **chairman@bergerindia.com**

If you have any complaint against the Chairman of the Audit Committee or the member of the Audit Committee, your report may be made in sealed envelope to Chairman, Berger Paints India Limited, C/o. U K Paints India Limited, 19 DDA Commercial Complex, Kailash Colony Extn., New Delhi – 110 048. Such complaints may also be made by e-mail to: **chairman@bergerindia.com**

A report should include maximum possible information about the suspected violation. Where possible, it should describe the nature of the suspected violation; the identities of persons involved in the suspected violation; a description of documents that relate to the suspected violation; and the time frame during which the suspected violation occurred. The named reporting person may be contacted for further information.

Investigations after report

All reports under this Policy will be promptly and appropriately investigated by a Committee of Managing Director, Director – Finance & Company Secretary or Chairman of the Audit Committee or the Chairman, as the case may be, with assistance of such other person, as they deem fit and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. An investigation will be a neutral fact finding process with evidence. Everyone working for or with the Company has a duty to cooperate in the investigation of reports of violations. Failure to cooperate in an investigation, or deliberately providing false information during an investigation, will be the basis for disciplinary action. If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offence. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy. Result of an investigation will be communicated to the complainant and may be disclosed to employees/public. Summary of all reports and actions taken will be tabled at Audit Committee meetings.

Retaliation is not tolerated

No one may take any adverse action against any employee for complaining about, reporting, or participating or assisting in the investigation of, a reasonably suspected violation with basis under this Policy. Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against anyone responsible.

Confidentiality

Employees and Directors will maintain confidentiality obligations. Reporting in accordance with this Policy does not tantamount to breach of confidentiality obligations.

Malicious and unfounded allegations

Employees and Directors are not to make malicious or unfounded allegations but may make allegations in good faith where there is reasonable ground of suspicion and basis.

No protection from adverse action

This policy does not protect an employee from an adverse or a disciplinary action taken independent of any disclosure made pursuant to this policy.

Action in terms of other laws

This policy does not prevent a person or the Company from taking an action under any applicable law.

Document retention

All documents related to reporting, investigation and enforcement pursuant to this Policy may be retained by the Company.

Modification

The Board of Directors of the Company can modify this Policy unilaterally at any time without notice.

II. COMPENSATION AND NOMINATION AND REMUNERATION COMMITTEE:

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

The Composition of the Remuneration Committee as on 31st March, 2018 is as follows:

1. Mr. Kamal Ranjan Das- Chairman
2. Mr. Kuldip Singh Dhingra
3. Mr. Pulak Chandan Prasad

Two Resolutions by Circulation of the Remuneration Committee were passed and two Remuneration Committee meetings were conducted during the year 2017-18 as detailed below:

SR. NO.	DATE OF MEETING
1	4th August, 2017
2	6th February, 2018

Number of meetings of the above Committee attended by the Directors during the financial year 2017-2018 was as follows:

NAME OF DIRECTOR	STATUS	NO. OF MEETINGS ATTENDED
MR. KAMAL RANJAN DAS	CHAIRMAN	1
MR. KULDIP SINGH DHINGRA	MEMBER	2
MR. PULAK CHANDAN PRASAD	MEMBER	1

Your Company re-introduced the ESOP Scheme, aligned with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in the year 2016 in accordance with the approval of the members granted at the Annual General Meeting held on 3rd August, 2016, to reward eligible employees. Pursuant to the said scheme, the Remuneration Committee had approved a fresh grant of 1,61,184 options convertible into equity shares to 157 employees. One-third of the options granted to the employees will vest on 8th November 2018, 2019 and 2020 each year, which they are entitled to exercise on or after the said dates as per the ESOP Scheme. This includes the following options granted to the Key Managerial Personnel:

NAME OF KMP	DESIGNATION	NO. OF OPTIONS GRANTED
MR. ABHIJIT ROY	MANAGING DIRECTOR & CEO	3,744 options
MR. SRIJIT DASGUPTA	DIRECTOR-FINANCE & CFO	2,880 options
MR. ANIRUDDHA SEN	SR. VICE PRESIDENT & COMPANY SECRETARY	1,920 options

In accordance with the aforesaid scheme of 2016, the Remuneration Committee approved allotment of 44,781 equity shares of face value of ₹1/- each to 130 employees upon exercise of their options earlier granted to them. The allotment of the said shares was made on 7th December, 2017.

The above includes shares allotted to Key Managerial Personnel (KMPs) on 7th December, 2017, on their exercising the options earlier granted to them and the details of the allotments made are as follows:

NAME OF KMP	DESIGNATION	NO. OF EQUITY SHARES ALLOTTED
MR. ABHIJIT ROY	MANAGING DIRECTOR & CEO	1,200 shares
MR. SRIJIT DASGUPTA	DIRECTOR-FINANCE & CFO	923 shares
MR. ANIRUDDHA SEN	SR. VICE PRESIDENT & COMPANY SECRETARY	616 shares

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Company follows the provisions of the Act and Listing Regulations in relation to Director's appointments, qualifications and independence.

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

REMUNERATION OF DIRECTORS:

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

The remuneration of Directors is as under:

A. EXECUTIVE DIRECTORS

The details of the remuneration paid to the Executive Directors for the Financial Year 2017-18 are as follows:

DIRECTORS	MR. ABHIJIT ROY (₹)	MR. KANWARDIP SINGH DHINGRA (₹)	MRS. RISHMA KAUR (₹)
FIXED COMPONENTS:			
CONSOLIDATED SALARY	1,65,95,352	18,18,360	18,18,360
COMPANY'S CONTRIBUTION TO PROVIDENT FUND, GRATUITY AND SUPERANNUATION FUND	27,41,477	1,39,485	1,39,485
ALLOWANCES AND ESTIMATED PERQUISITES IN KIND	18,17,439	80,102	92,732
VARIABLE COMPONENT:			
SEVERANCE FEES	-	-	-
COMMISSION	43,08,077	-	-
PERFORMANCE INCENTIVE	-	2,93,480	2,93,480
ESOP DETAILS	2,99,610	-	-
TOTAL	2,57,61,955	23,31,427	23,44,057

B. NON-EXECUTIVE DIRECTORS:

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

The details of the remuneration paid to the Non-Executive Directors for the Financial Year 2017-18 are as follows:

DIRECTORS	COMMISSION (₹)	SITTING FEES (₹)	TOTAL (₹)
MR. KULDIP SINGH DHINGRA	10,00,000	14,000	10,14,000
MR. GURBACHAN SINGH DHINGRA	10,00,000	24,000	10,24,000
MR. KAMAL RANJAN DAS	3,00,000	22,000	3,22,000
MR. NARESH GUJRAL	7,20,000	4,000	7,24,000
MR. DHIRENDRA SWARUP	7,20,000	16,000	7,36,000
MR. PULAK CHANDAN PRASAD	-	-	-
MR. GOPAL KRISHNA PILLAI	7,20,000	16,000	7,36,000
TOTAL	44,60,000	96,000	45,56,000

Total number of equity shares of (₹) 1/- each held by Key Managerial Personnel (KMP) as on 31st March, 2018 is as follows:

NAME OF KMP	DESIGNATION	NUMBER OF EQUITY SHARES HELD
MR. ABHIJIT ROY	MANAGING DIRECTOR & CEO	68,308
MR. SRIJIT DASGUPTA	DIRECTOR- FINANCE & CFO	86,250
MR. ANIRUDDHA SEN	SR. VICE PRESIDENT & COMPANY SECRETARY	37,523

III. SHAREHOLDERS' COMMITTEE:

A. SHARE TRANSFER COMMITTEE:

The Composition of Shares Transfer Committee as on 31st March, 2018 is as follows:

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

Twenty Resolutions by Circulation of the Share Transfer Committee were passed and twelve Share Transfer Committee meetings were held during the financial year 2017-2018 as detailed below:

SR. NO.	DATE OF MEETING
1.	29th April, 2017
2.	31st May, 2017
3.	30th June, 2017
4.	28th July, 2017
5.	31st August, 2017
6.	30th September, 2017

SR. NO.	DATE OF MEETING
7.	31st October, 2017
8.	30th November, 2017
9.	30th December, 2017
10.	31st January, 2018
11.	28th February, 2018
12.	31st March, 2018

Number of meetings of the above Committee attended by the Directors/Members during the financial year 2017-2018 was as follows:

NAME OF DIRECTORS	STATUS	NO. OF MEETINGS ATTENDED
MR. ABHIJIT ROY	CHAIRMAN	12
MR. KAMAL RANJAN DAS	MEMBER	10
MR. ANIRUDDHA SEN	MEMBER	12
MR. SRIJIT DASGUPTA	MEMBER	12

B. STAKEHOLDERS' RELATIONSHIP AND INVESTOR GRIEVANCE COMMITTEE:

The Stakeholders' Relationship and Investor Grievance Committee of the Board oversees redressal of shareholder and investor grievances and, inter alia, approves transmission of shares, sub-division/consolidation/renewal/issue of duplicate share certificates etc. The composition of Stakeholders' Relationship and Investor Grievance Committee is in compliance with the provision of Section 178 of the Act read with the Rules issued there under and Regulation 20 of the Listing Regulations.

The Composition of Stakeholders' Relationship and Investor Grievance Committee as on 31st March, 2018 is as follows:

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

Four Stakeholders' Relationship Committee meetings were held during the Financial Year 2017-2018 and the dates are as follows:

SR. NO.	DATE OF MEETING
1	14th April, 2017
2	4th August, 2017
3	2nd November, 2017
4	6th February, 2018

Number of meetings of the above Committee attended by the Directors during the financial year 2017-2018 was as follows:

NAME OF DIRECTORS	STATUS	NO. OF MEETINGS ATTENDED
MR. KAMAL RANJAN DAS	CHAIRMAN	3
MR. ABHIJIT ROY	MEMBER	4
MR. GURBACHAN SINGH DHINGRA	MEMBER	4

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

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

SHAREHOLDERS' COMPLAINTS RECEIVED DURING THE YEAR:

- No. of Complaints received during the year : 4
- No. of Complaints resolved during the year : 4
- No. of Complaints not solved to the satisfaction of shareholders : NIL
- Pending Complaints as on 31st March, 2018 : NIL

IV. BUSINESS PROCESS AND RISK MANAGEMENT COMMITTEE:

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

The Composition of Business Process and Risk Management Committee as on 31st March, 2018 is as follows:

1. Mr. Gurbachan Singh Dhingra- Chairman
2. Mr. Kamal Ranjan Das
3. Mrs. Rishma Kaur
4. Mr. Kanwardip Singh Dhingra
5. Mr. Anil Bhalla

6. Mr. Subir Bose
7. Mr. Abhijit Roy
8. Mr. Srijit Dasgupta
9. Mr. Aniruddha Sen – Secretary

Four Business Process and Risk Management Committee meetings were convened during the financial year 2017-2018 and the dates are as follows:

SR. NO.	DATE OF MEETING
1	5th May, 2017
2	24th August, 2017
3	8th December, 2017
4	15th March, 2018

Number of meetings of the above Committee attended by the Directors/Members during the financial year 2017-2018 was as follows:

NAME OF DIRECTORS	STATUS	NO. OF MEETINGS ATTENDED
MR. GURBACHAN SINGH DHINGRA	CHAIRMAN	2
MR. ABHIJIT ROY	MEMBER	4
MR. SUBIR BOSE	MEMBER	-
MR. KAMAL RANJAN DAS	MEMBER	2
MRS. RISHMA KAUR	MEMBER	3
MR. KANWARDIP SINGH DHINGRA	MEMBER	4
MR. SRIJIT DASGUPTA	MEMBER	4
MR. ANIL BHALLA	MEMBER	4

V. CORPORATE SOCIAL RESPONSIBILITY

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

The Composition of CSR Committee as on 31st March, 2018 is as follows:

1. Mr. Kuldeep Singh Dhingra- Chairman
2. Mr. Abhijit Roy
3. Mr. Srijit Dasgupta
4. Mr. Anil Bhalla
5. Mr. Kamal Ranjan Das
6. Mr. Kanwardip Singh Dhingra
7. Mrs. Rishma Kaur
8. Mr. Aniruddha Sen

Two CSR Committee meetings were convened during the financial year 2017-2018 to approve the CSR activities to be undertaken by the Company and the dates are as follows:

SR. NO.	DATE OF MEETING
1	5th July, 2017
2	1st March, 2018

Number of meetings of the above Committee attended by the Directors/Members during the financial year 2017-2018 was as follows:

NAME OF DIRECTORS	STATUS	NO. OF MEETINGS ATTENDED
MR. KULDIP SINGH DHINGRA	CHAIRMAN	2
MR. ABHIJIT ROY	MEMBER	2
MR. SRIJIT DASGUPTA	MEMBER	2
MR. ANIL BHALLA	MEMBER	2
MR. KAMAL RANJAN DAS	MEMBER	1
MR. KANWARDIP SINGH DHINGRA	MEMBER	2
MRS. RISHMA KAUR	MEMBER	2
MR. ANIRUDDHA SEN	MEMBER	2

VI. COMMITTEE OF DIRECTORS FOR REGULAR MATTERS

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

The Composition of Committee of Directors for Regular Matters as on 31st March, 2018 is as follows:

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

Twenty five meetings of the above committee were convened during the financial year 2017-2018 and the dates are as follows:

SR. NO.	DATE OF MEETING
1	14th April, 2017
2	28th April, 2017
3	15th May, 2017
4	30th May, 2017
5	15th June, 2017
6	30th June, 2017
7	14th July, 2017
8	31st July, 2017

SR. NO.	DATE OF MEETING
9	16th August, 2017
10	31st August, 2017
11	15th September, 2017
12	20th September, 2017
13	3rd October, 2017
14	17th October, 2017
15	2nd November, 2017
16	20th November, 2017
17	1st December, 2017

SR. NO.	DATE OF MEETING
18	19th December, 2017
19	30th December, 2017
20	15th January, 2018
21	6th February, 2018
22	19th February, 2018
23	28th February, 2018
24	16th March, 2018
25	31st March, 2018

Number of meetings of the above Committee attended by the Directors/Members during the financial year 2017-2018 was as follows:

NAME OF DIRECTORS	STATUS	NO. OF MEETINGS ATTENDED
MR. KULDIP SINGH DHINGRA	CHAIRMAN	25
MR. ABHIJIT ROY	MEMBER	24
MR. KAMAL RANJAN DAS	MEMBER	20
MR. ANIRUDDHA SEN	SECRETARY	25

GENERAL BODY MEETINGS:

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

FINANCIAL YEAR	VENUE	DATE	TIME	WHETHER SPECIAL RESOLUTION PASSED
2014-15	KALAMANDIR, 48, SHAKESPEARE SARANI, KOLKATA- 700 017	03.08.2015	11:00 am	YES
2015-16	KALAMANDIR, 48, SHAKESPEARE SARANI, KOLKATA- 700 017	03.08.2016	11:00 am	YES
2016-17	KALAMANDIR, 48, SHAKESPEARE SARANI, KOLKATA- 700 017	04.08.2017	11:00 am	YES

POSTAL BALLOT:

During the Financial Year 2017-2018, the Company had conducted the following business – “**Alteration of the object clause of the Memorandum of Association of the Company**” through postal ballot and the notices had been dispatched by 12th June, 2017. The Notice had been sent to those members, whose names appeared in the Register of Members/List of Beneficial Owners/Records of Depositories as on 2nd June, 2017. Procedure of voting through postal ballot/e-voting commenced from 16th June, 2017 and ended on 15th July, 2017. Postal ballots received after 15th July, 2017 had been treated as not been received. The result of the postal ballot was declared on 17th July, 2017 and the same had been communicated to the respective stock exchanges and also uploaded on the website of the Company. Mr. A. K. Labh (FCS- 4848 and CP- 3238), Practising Company Secretary of M/s A. K. Labh & Co., acted as the scrutinizer and conducted the postal ballot exercise. The above business was approved by the Members by a majority of votes casted in favour through a Special Resolution.

PROCEDURE ADOPTED FOR POSTAL BALLOT:

The procedure which was followed for conducting the business through postal ballot mechanism is as below:

1. The Notice had been despatched to the shareholders as mentioned above.
2. The Notice was sent to the Members in electronic form whose e-mail id's were registered with their Depositories. In case of physical holding, Notice was sent by the Company's Registrar and Share Transfer Agents. For Members whose e-mail addresses were not registered, physical copies of the Notice were sent to them in the manner prescribed.
3. An advertisement informing despatch of ballot was published in newspapers containing the following details:
 - (a) A statement containing business to be transacted by postal ballot which included voting through electronic means.
 - (b) Date of completion of despatch of Notice which was 12th June, 2017.

- (c) Date of commencement of e-voting which was 16th June, 2017.
 - (d) Date of expiry of e-voting which was 15th July, 2017.
 - (e) The information that any postal ballot received after 15th July, 2017 will not be valid and shall be treated as having not been received whether by post or through electronic means and was published in an English daily and a vernacular newspaper in Bengali.
 - (f) Members were informed that those who had not received postal ballot forms but wanted to vote could apply to the Registrars and Share Transfer Agents – M/s C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata – 700 019 and obtain a duplicate ballot thereof.
 - (g) Members were informed that all the grievances relating to voting through postal ballot can be resolved with the Registrars and Share Transfer Agents – M/s C B Management Services (P) Ltd, P-22, Bondel Road, Kolkata – 700 019. Telephone – 033 – 400116700, 400116725, Fax – 033 40116739, email – rta@cbmsl.com.
4. The Notice of the postal ballot had been also placed on the Company's website.
 5. The Board of Directors had appointed Mr. A. K. Labh (FCS- 4848 and CP- 3238), Practising Company Secretary of M/s A. K. Labh & Co., as the scrutinizer, who was not in employment with the Company, and who in the opinion of the Board could conduct the process of postal ballot voting in a transparent and fair manner.
 6. Mr. A. K. Labh was willing and had accepted the appointment.
 7. The resolution assented to by the requisite majority of the shareholders by means of postal ballot including voting by electronic means, was deemed to have been duly passed at the general meeting convened on that behalf.
 8. The postal ballots received from the shareholders had been kept in safe custody of the scrutinizer after receipt of the assent or dissent of the shareholders in writing.
 9. The scrutinizer had submitted the report within seven days of the last date of receipt of postal ballot i.e. within seven days after 15th July, 2017 and the same along with the postal ballot result could be accessed from the web link: <https://www.bergerpaints.com/investors/scrutinizer-report.html>. The voting pattern was disclosed therein.
 10. The scrutinizer had maintained all the records relating to the postal exercise.

DISCLOSURES:

- A. The Company has not entered into any materially significant related party transaction which would have potential conflict with the interest of the Company at large.
- B. The Company has complied with all the applicable requirements of the Listing Regulations.
- C. Whistle Blower Policy has been framed by the Company and no personnel have been denied access to the Audit committee.
- D. The Company has complied with all the mandatory requirements of Regulation 27(2) of the Listing Regulations and the following non-mandatory requirement has been adopted by the Entity:
 1. **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director & CEO. He is entitled to maintain an office at the Company's expense and the Company reimburses the expenses incurred by the Chairman in the course of performance of his duties.
 2. **Separate posts of Chairman and CEO:** The Chairman of the board is a Non-Executive Promoter Director and his position is separate from that of the Managing Director & CEO.
- E. The web link where policy for determining 'material' subsidiaries is disclosed and can be viewed at <https://www.bergerpaints.com/about-us/rpt-policy.html>

- F. The web link where policy on dealing with related party transactions can be viewed at <https://www.bergerpaints.com/about-us/rpt-policy.html>
- G. The Company has followed all relevant Ind AS while preparing financial statements.
- H. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF THE LISTING REGULATIONS:

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

- 1. Shareholders' Rights:** The quarterly and half-yearly financial performances along with significant events are published in the newspapers and are also posted on the Company's website.
- 2. Modified opinion in Auditor's Report:** The Company's financial statement for the year ended 31st March, 2018 does not contain any modified audit opinion.

MEANS OF COMMUNICATION:

- The quarterly and half-yearly financial results of the Company are published in leading English and Vernacular dailies namely **Hindu Business Line, Business Standard, Mint, Ei-Somoy, Aajkal, Dainik Statesman**. Such results are also uploaded on the Company's website: <https://www.bergerpaints.com/investors/quarterly-reports.html>
- Any other such important announcement is published by the Company in leading English and Bengali dailies and also uploaded on the website.
- Since all the information are published in leading newspapers as well as displayed in the Company's website, hence no individual information to the shareholders are provided.
- Presentations made to Institutional Investors and Analysts are uploaded on the website: www.bergerpaints.com.

CODE OF CONDUCT:

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

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

PREVENTION OF INSIDER TRADING CODE:

As per Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. This can be viewed at <https://www.bergerpaints.com/about-us/code-of-practices-and-procedures-policy.html>

As per Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Internal Procedures and Conduct for Prohibition of Insider Trading in dealing with the securities of the Company. This can be viewed at <https://www.bergerpaints.com/about-us/code-of-practices-and-procedures-policy.html>

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

The Company does not have any convertible instruments. The number of shares held by Non-Executive Directors as on 31st March, 2018 is given below:

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

Place: Kolkata
Dated: 30th May, 2018

On behalf of the Board of Directors
Kuldip Singh Dhingra
Chairman



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

As provided under Regulation 34(3) read with Part D of Schedule V of the Listing Regulations, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2018. The said Code of Conduct has also been uploaded by the Company in its website: **www.bergerpaints.com**

Place: Kolkata

Dated: 30th May, 2018

Abhijit Roy

Managing Director & CEO

ANNEXURE- C

[Annexure to Corporate Governance Report]

GENERAL SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING : **DATE** - 3rd August, 2018.

TIME - 11:00 AM.

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

FINANCIAL YEAR : The accounting year covers the period from 1st April, 2017 to 31st March, 2018.

Financial Reporting for the quarters ending on:

30th June, 2018 (unaudited)	---	By 14th August, 2018
30th September, 2018 (unaudited)	---	By 14th November, 2018
31st December, 2018 (unaudited)	---	By 14th February, 2019
31st March, 2019 (audited)	---	By 30th May, 2019

[Note: The above dates are indicative in nature]

BOOK CLOSURE DATES : Book closure commences on 28th July, 2018 and ends on 3rd August, 2018, both days inclusive.

DIVIDEND PAYMENT DATE : Dividend, if declared will be paid on 20th August, 2018.

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

NATIONAL STOCK EXCHANGE (NSE)

National Stock Exchange of India Limited,
“Exchange Plaza”, 5th Floor, Plot no. C/1, G Block
Bandra – Kurla Complex, Mumbai – 400 051.

BOMBAY STOCK EXCHANGE (BSE)

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

CALCUTTA STOCK EXCHANGE (CSE)

Calcutta Stock Exchange Limited
7, Lyons Range, Kolkata – 700 001.

STOCK CODES : CSE - 12529 BSE - 509480 NSE - BERGEPAIN T

DEPOSITORIES : a) **NATIONAL SECURITIES DEPOSITORY LIMITED**
4th Floor, Trade World, Kamala Mill Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.

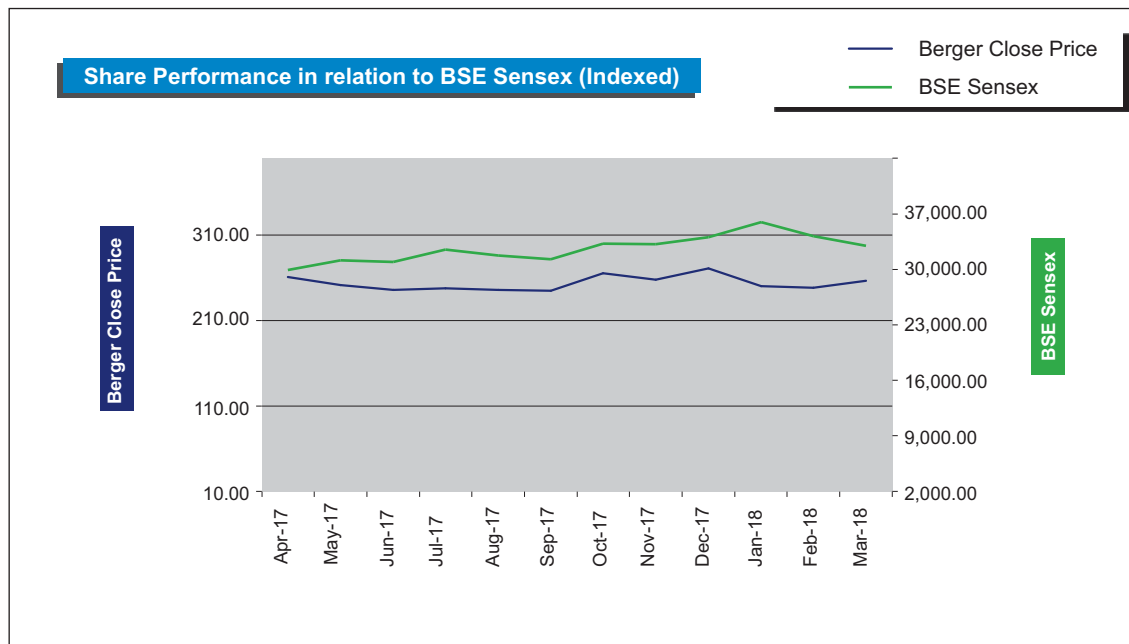
b) **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**
25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound,
N M Joshi Marg, Lower Parel (E),
Mumbai - 400 013

ISIN No. : INE463A01038

MARKET PRICE (HIGH / LOW) AT BSE DURING EACH MONTH FOR THE FINANCIAL YEAR 2017-18:

MONTH	HIGH (₹)	LOW (₹)
APRIL, 2017	265.10	231.00
MAY, 2017	268.00	235.55
JUNE, 2017	258.85	234.40
JULY, 2017	259.40	241.45
AUGUST, 2017	257.90	230.80
SEPTEMBER, 2017	273.70	233.35
OCTOBER, 2017	285.75	245.85
NOVEMBER, 2017	272.70	246.55
DECEMBER, 2017	277.50	244.10
JANUARY, 2018	280.60	245.00
FEBRUARY, 2018	260.90	232.00
MARCH, 2018	259.70	237.50

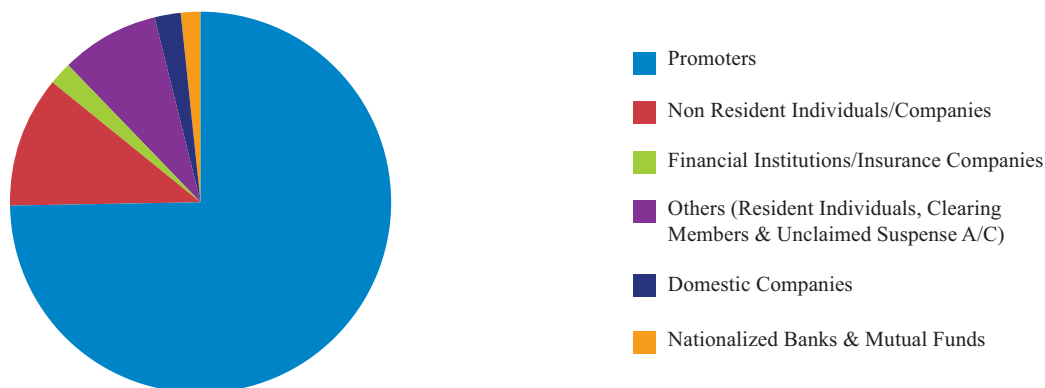
SHARE PERFORMANCE IN RELATION TO BSE SENSEX:



NUMBER OF SHAREHOLDERS AS ON 31st MARCH, 2018: 73,480

SHAREHOLDING PATTERN AS ON 31st MARCH, 2018

HOLDING (%)



STATUS	HOLDING (%)
Promoters	74.99
Non Resident Individuals/Companies	10.99
Financial Institutions/Insurance Companies	1.95
Others (Resident Individuals, Clearing Members & Unclaimed Suspense A/C)	8.41
Domestic Companies	2.11
Nationalized Banks & Mutual Funds	1.55
TOTAL	100

DISTRIBUTION OF SHAREHOLDING AS AT 31st MARCH, 2018

SHAREHOLDING OF NOMINAL VALUE	SHARE AMOUNT		SHAREHOLDER	
(₹)	(₹)	% to TOTAL	NUMBER	% to TOTAL
1 – 5,000	2,36,29,066	2.43	69,337	94.36
5,001 – 10,000	1,44,51,501	1.49	2,084	2.84
10,001 – 20,000	1,77,21,545	1.83	1,284	1.75
20,001 – 30,000	73,54,897	0.76	306	0.42
30,001 – 40,000	48,69,409	0.50	143	0.19
40,001 – 50,000	33,43,036	0.34	76	0.10
50,001 – 1,00,000	72,88,200	0.75	107	0.15
1,00,001 & above	89,23,73,774	91.90	143	0.19
TOTAL	97,10,31,428	100.00	73,480	100.00

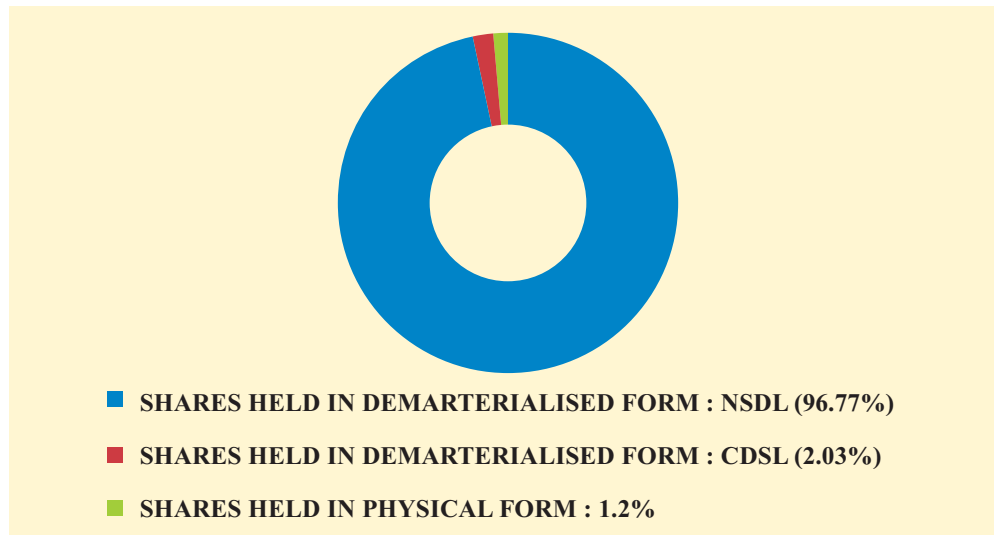
SHARE TRANSFER SYSTEM:

Shares sent for physical transfer are effected within 10 working days of lodgement. Approval for registration of share transfer, transmission etc. is normally obtained from the Share Transfer Committee by means of circular resolutions/at meetings within every 10-11 days (if through circular resolutions) and once in every month (if through a meeting). The total number of shares transferred in physical form during the year 2017-2018 was 1,36,355 as compared to 98,013 shares of face value of ₹1/- each during 2016-17. The shares transferred to the Investor Education and Protection Fund (IEPF) Account pursuant to Circular No. 12/2017 of the Ministry of Corporate Affairs, during the year 2017-18 were 56,27,559 equity shares covering 1,362 folios.

DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31st MARCH, 2018: 98.80% of the Company's shares is held in electronic form.

OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY: There are no outstanding GDRs/ADRs/Warrants or convertible instruments.

SHARES HELD IN PHYSICAL AND DEMATERIALISED MODE AS ON 31st MARCH, 2018:



DIVIDEND HISTORY

FINANCIAL YEAR	DIVIDEND PER SHARE (₹)	TOTAL DIVIDEND (₹ IN CRORE)	DIVIDEND DISTRIBUTION TAX (₹ IN CRORE)	TOTAL DIVIDEND (INCLUDING DIVIDEND DISTRIBUTION TAX)
2016-17	1.75	169.93	34.59	204.52
2015-16 (Final)	1.00	97.09	19.76	116.85
2015-16 (Interim)	0.65	45.08	9.18	54.26
2014-15 (Final)	0.65	45.06	9.17	54.23
2014-15 (Interim)	0.60	41.59	8.51	50.10
2013-14	2.20	76.23	12.95	89.18
2012-13	1.80	62.33	10.60	72.93
2011-12	1.40	48.46	7.86	56.32
2010-11	1.30	44.99	7.30	52.29
2009-10	1.10	38.07	6.32	44.39

PLANT LOCATION

HOWRAH 14 & 15 Swarnamoyee Road Shibpur, Howrah – 711 103 Phone : 033-2668 4706 Fax : 033-2668 2956	SIKANDRABAD* A-38, Industrial Area, Bulandshar Road, Sikandrabad (UP)-203 205 Phone : 05735-224511, 222431	PUDUCHERRY 53-56 Pandasozhanallur Village Nettapakkam Commune Puducherry – 605 106 Phone : 0413-269 9574/171
JAMMU SIDCO Industrial Growth Centre, Sambha, Dist. Jammu Jammu & Kashmir – 184 121 Phone : 09123-243644, 246539 (* includes British Paints Division)	GOA 316-317 Kundaim Industrial Estate Kundaim, North Goa Phone : 0832-239 5610/ 6407 Fax : 0832-239 5663/239 5610	RISHRA 103, G.T. Road Rishra, Hooghly- 712 248 Phone : 033-2672 0640/41/42 Fax: 033-2672 0491
SURAJPUR* D-19/4-5-6 & D-20, Site- B, Surajpur Industrial Area, Greater Noida- 201 306, Dist: Gautam Budhh Nagar (U.P) Phone : 0120-2561320	JEJURI Plot No. G-35, Additional Jejuri Industrial Area Tal- Purandar, Pune- 412 303 Phone : 02115254816/17/18/19	HINDUPUR Plot No. 262, Industrial Growth Centre Thumukunta Village, Hindupur – 515 211 Dist: Anantapur, Andhra Pradesh Phone: 08556-297245
HINDUPUR* Plot No. 32 (part), Gollapuram Industrial Park, Hindupur – 515 211, Ananthapuram District, Andhra Pradesh Phone: 9676070165	ASSAM (NALBARI)* IIDC of AIDC, Nathkuchi- 2, Near North East Mega Food Park, Tihu, Nalbari (Assam)- 781 355 Phone: 7086085604	ASSAM (NALTOLI) IIDC Centre Project Bhomoraguri/Natali District Nagaon, Assam
TALOJA ** Plot J-90, Taloja MIDC, Taloja, Panvel Opp. Hindalco Factory, Dist: Raigad, Maharashtra- 410 208 Phone: 022-27412326	* British Paints Division ** Factory of BJN Paints India Ltd. now amalgamated with the Company w.e.f. 1st April, 2017, being the Appointed Date, vide Hon'ble NCLT order dated 27th February, 2018	

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: 033-4011 6700, 4011 6725
Fax No.: 033-4011 6739
E-mail: rta@cbmsl.com, dasg@cbmsl.com

COMPLIANCE OFFICER: MR. ANIRUDDHA SEN, Senior Vice President and Company Secretary

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

1. **BERGER PAINTS INDIA LIMITED**
Berger House, 129 Park Street, Kolkata – 700 017
Phone: 033-2249 9754/58
Fax No.: 033-2227 7288, 22299724/28
E-mail: consumerfeedback@bergerindia.com

2. **M/S C B MANAGEMENT SERVICES (P) LTD. AT THE ABOVE ADDRESS**

MANDATORY REQUIREMENT OF PAN:

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

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

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

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

SR. NO.	PARTICULARS	NO. OF SHAREHOLDER(S)	OUTSTANDING SHARES (FACE VALUE OF ₹1/-)
1.	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year	1,518	54,56,762
2.	Subsequent transfer from Suspense Account to IEPF A/c on 27th November, 2017	1,131	39,52,780
TOTAL		387	15,03,982
3.	Number of shareholders who approached issuer for transfer of shares from Suspense Account from 1st April, 2017 to 27th November, 2017	26	2,39,669
4.	Number of shareholders to whom shares were transferred from Suspense Account from 1st April, 2017 to 27th November, 2017	26	2,39,669
5.	Number of shareholders who approached issuer for transfer of shares from Suspense Account from 27th November, 2017 to 31st March, 2018	3	22,878
6.	Number of shareholders to whom shares were transferred from Suspense Account from 27th November, 2017 to 31st March, 2018	3	22,878
7.	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year i.e. 31st March, 2018	358	12,41,435

Place: Kolkata
Dated: 30th May, 2018

On behalf of the Board of Directors
Kuldip Singh Dhingra
Chairman

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

The Members of Berger Paints India Limited
Berger House,
129, Park Street,
Kolkata 700017

1. The accompanying Corporate Governance Report prepared by Berger Paints India Limited (herein after the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;

- iv. Obtained and read the minutes of the following committee meetings held between April 1, 2017 to March 31, 2018:
 - (a) Board of Directors meeting;
 - (b) Audit Committee;
 - (c) Compensation and Nomination and Remuneration Committee;
 - (d) Share Transfer Committee;
 - (e) Stakeholders' Relationship and Investor Grievance Committee;
 - (f) Business Process and Risk Management Committee;
 - (g) Corporate Social Responsibility Committee;
 - (h) Regular Matters Committee
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

Opinion

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 30, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BERGER PAINTS INDIA LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Berger Paints India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements;
 - ii. The Company did not have any material foreseeable losses in long term contracts including derivative contracts during the year ended March 31, 2018.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, includes total assets of ₹53.93 crores as at March 31, 2017 and total revenues aggregating of ₹114.99 crores for the year ended on that date, in respect of BJN Paints India Limited (“BJN”, an erstwhile step down subsidiary of the Company) which got merged with the Company pursuant to the approval dated March 29, 2018 received from Registrar of Companies (ROC) as stated in Note 36 to these standalone Ind AS financial statements. The Ind AS financial statements of BJN for the year ended March 31, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on May 26, 2017.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership No.: 055596

Place of Signature: Kolkata

Date: May 30, 2018

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BERGER PAINTS INDIA LIMITED

TO THE MEMBERS OF BERGER PAINTS INDIA LIMITED (‘THE COMPANY’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the company, except for certain immovable properties aggregating ₹2.52 crores as at March 31, 2018 acquired through schemes of amalgamation/arrangements as set out in note 4(a)(i) to the standalone Ind AS financial statements.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan is not prejudicial to the Company's interest.
- (b) The Company has granted loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest had been stipulated for the loan granted and such repayment/receipt had been made during the year in accordance with the said schedule.
- (c) There are no amounts of loan granted to company listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Crores)	Period to which the Amount relates (Financial Year)	Forum where Dispute is pending
The Central Excise Act, 1944, Finance Act, 1994 and Customs Act, 1962	Excise Duty/ Service Tax/ Customs	1.22	1997-98, 1998-99, 2001-02 to 2016-17	Adjudicating Authority
		4.78	1997-98, 1998-99, 2001-02 to 2016-17	Commissioner of Central Excise (Appeals)
		18.79	1997-98, 1998-99, 2001-02 to 2016-17	Customs Excise Service Tax Appellate Tribunal (CESTAT)
The Central Sales Tax Act, 1956	Sales Tax	14.15	1996-1997, 1999-2006, 2012-2014	Appellate and Revisional Board
		12.92	1983-1985, 1988-1990, 1991-1994, 1995-1997, 1998-2016	Appellate Authority
		2.25	1997-2004, 2007-2008, 2009-2010	Taxation Tribunal
		1.02	1994-1997, 2003-2005, 2007-2008	High Court

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans. Consequently, reporting requirements under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, reporting requirements under clause 3(xiv) are not applicable to the company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 30, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BERGER PAINTS INDIA LIMITED

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

We have audited the internal financial controls over financial reporting of Berger Paints India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 30, 2018

BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As at March 31, 2018	₹ in Crores As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	911.04	882.87
Capital work-in-progress	4	87.27	56.23
Intangible assets	4	4.29	6.07
Financial assets			
(a) Investments	5a	303.18	210.35
(b) Loans	5b	19.99	13.71
(c) Other financial assets	5c	2.53	0.51
Income tax assets (net)	6	46.14	14.76
Other non-current assets	7	31.05	32.83
		1,405.49	1,217.33
Current assets			
Inventories	8	939.36	894.30
Financial assets			
(a) Investments	9a	227.59	367.27
(b) Trade receivables	9b	598.01	509.45
(c) Cash and cash equivalents	9c	64.18	30.88
(d) Bank balances other than (c) above	9d	56.39	4.86
(e) Loans	5b	1.96	5.40
(f) Other financial assets	5c	2.89	2.02
Other current assets	7	208.83	55.83
		2,099.21	1,870.01
		3,504.70	3,087.34
Total assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	97.10	97.10
Other Equity	11	2,046.51	1,815.67
Total Equity		2,143.61	1,912.77
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Deposits	12	3.54	2.86
Provisions	13	2.92	2.71
Deferred tax liabilities (net)	14a	58.60	60.09
Other non-current liabilities	15	1.72	0.87
		66.78	66.53
Current liabilities			
Financial liabilities			
(a) Borrowings	16a	143.27	119.68
(b) Trade payables	16b	932.57	750.32
(c) Other financial liabilities	12	113.95	139.72
Other current liabilities	15	85.00	82.02
Provisions	13	15.98	16.30
Current tax liabilities (net)	14c	3.54	-
		1,294.31	1,108.04
		1,361.09	1,174.57
Total liabilities		1,361.09	1,174.57
Total equity and liabilities		3,504.70	3,087.34

Significant accounting policies

The accompanying notes are an integral part of the financial statements.
As per our report on even date

For **S.R. BATLIBOI & CO. LLP**
Firm Registration Number 301003E/E300005
Chartered Accountants
per **Bhaswar Sarkar**
Partner
Membership Number : 055596
Place: Kolkata
Dated: May 30, 2018

For and on behalf of Board of Directors
Kuldip Singh Dhingra - Chairman
Gurbachan Singh Dhingra - Vice-Chairman
Abhijit Roy - Managing Director & CEO
Srijit Dasgupta - Director - Finance & CFO
Aniruddha Sen - Sr. VP & Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Notes	Year Ended March 31, 2018	₹ in Crores Year Ended March 31, 2017
Revenue from operations	19	4,839.37	4,723.52
Other income	20	46.53	48.31
Total income		4,885.90	4,771.83
Expenses			
Cost of materials consumed	21	2,470.43	2,150.56
Purchases of traded goods		405.57	411.79
(Increase)/decrease in inventories of finished goods, work-in-process and traded goods	22	(87.66)	(120.26)
Excise duty on sale of goods (Refer note 19)		115.58	498.20
Employee benefits expense	23	269.84	244.51
Finance costs	24	16.20	7.76
Depreciation and amortisation expense	25	111.92	98.00
Other expenses	26	922.21	876.60
Total expense		4,224.09	4,167.16
Profit before exceptional items and tax		661.81	604.67
Exceptional Items	27	-	58.67
Profit before tax		661.81	663.34
Tax expense			
Current tax		232.08	204.91
Deferred tax	14a	(2.11)	14.34
		229.97	219.25
Profit for the year (I)		431.84	444.09
Other Comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		1.78	(2.08)
Income tax effect thereof		(0.62)	0.64
Other comprehensive income/(loss) for the year, net of tax (II)		1.16	(1.44)
Total comprehensive income for the year, net of tax (I + II)		433.00	442.65
Earnings per Equity Share of ₹ 1 each	28		
Basic		4.45	4.57
Diluted (rounded off upto two decimal places)		4.45	4.57

Significant accounting policies

The accompanying notes are an integral part of the financial statements.
As per our report on even date

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

Firm Registration Number 301003E/E300005

Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number : 055596

Place: Kolkata

Dated: May 30, 2018

For and on behalf of Board of Directors

Kuldip Singh Dhingra-Chairman

Gurbachan Singh Dhingra-Vice-Chairman

Abhijit Roy-Managing Director & CEO

Srijit Dasgupta-Director -Finance & CFO

Aniruddha Sen-Sr. VP & Company Secretary

Statement of Changes in Equity for the year ended March 31, 2018

a. Equity Share Capital:

Equity shares of ₹ 1 each issued, subscribed and fully paid	No. of shares	₹ in Crores
At March 31, 2017	97,09,86,647	97.10
Add Issue of Shares on exercise of Stock Options (Note 32)*	44,781	0.00
At March 31, 2018	97,10,31,428	97.10

*Refer Note 42

b. Other equity

For the year ended March 31, 2018

₹ in Crores

Particulars	Reserves & Surplus						Total Equity
	Securities Premium Account	Share based Payment Reserve	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	
As at April 1, 2017	111.31	0.87	1,412.82	0.02	290.61	0.04	1,815.67
Profit for the year	-	-	431.84	-	-	-	431.84
Other comprehensive income for the year (net of tax)	-	-	1.16	-	-	-	1.16
Total Comprehensive Income for the year	-	-	433.00	-	-	-	433.00
Cost of share based payments (Note 32)	-	2.44	-	-	-	-	2.44
Issue of share capital on Bonus Issue (Note 10)	-	-	-	-	-	-	-
Exercise of share options (Note 32)	1.03	(1.03)	-	-	-	-	-
Share Options forfeited/ lapsed (Note 32)	-	(0.08)	-	-	-	-	(0.08)
Dividends (Note 18)	-	-	(169.93)	-	-	-	(169.93)
Dividend distribution tax on cash dividend (Note 18)	-	-	(34.59)	-	-	-	(34.59)
As at March 31, 2018	112.34	2.20	1,641.30	0.02	290.61	0.04	2,046.51

Statement of Changes in Equity for the year ended March 31, 2018

For the year ended March 31, 2017

₹ in Crores

Particulars	Reserves & Surplus						Total Equity
	Securities Premium Account	Share based Payment Reserve	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	
As at April 1, 2016*	137.50	0.83	1,087.02	0.02	290.61	0.04	1,516.02
Profit for the year	-	-	444.09	-	-	-	444.09
Other comprehensive income for the year (net of tax)	-	-	(1.44)	-	-	-	(1.44)
Total Comprehensive Income for the year	-	-	442.65	-	-	-	442.65
Cost of share based payments (Note 32)	-	0.93	-	-	-	-	0.93
Issue of share capital on Bonus Issue (Note 10)	(27.74)	-	-	-	-	-	(27.74)
Exercise of share options (Note 32)	1.55	(0.82)	-	-	-	-	0.73
Share Options forfeited/ lapsed (Note 32)	-	(0.07)	-	-	-	-	(0.07)
Dividends (Note 18)	-	-	(97.09)	-	-	-	(97.09)
Dividend distribution tax on Dividend (Note 18)	-	-	(19.76)	-	-	-	(19.76)
As at March 31, 2017	111.31	0.87	1,412.82	0.02	290.61	0.04	1,815.67

*Also Refer Note 36

For **S.R. BATLIBOI & CO. LLP**
Firm Registration Number 301003E/E300005
Chartered Accountants

per **Bhaswar Sarkar**
Partner
Membership Number : 055596
Place: Kolkata
Dated: May 30, 2018

For and on behalf of Board of Directors

Kuldip Singh Dhingra-Chairman
Gurbachan Singh Dhingra-Vice-Chairman
Abhijit Roy-Managing Director & CEO
Srijit Dasgupta-Director -Finance & CFO
Aniruddha Sen-Sr. VP & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	2017-18	2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	661.81	663.34
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	111.92	98.00
(Profit)/ Loss on sale/discard of Property, plant and equipment and intangible assets	(0.05)	0.34
Employee stock option cost	2.36	1.60
Profit on transfer of Company's paint division relating to 4 wheeler passenger cars and SUVs, 3 wheelers and related ancillaries (refer Note 27)	-	(86.67)
Impairment in subsidiary (refer Note 27)	-	28.00
Guarantee income	(0.92)	(2.13)
Unrealized foreign exchange loss	2.10	0.04
Net gain realised on sale of mutual fund investments	(18.11)	(26.99)
Fair value gain on mutual fund investments held at year end	(4.41)	(2.97)
Dividend income	(6.47)	-
Finance costs	16.20	7.76
Interest income	(0.87)	(2.40)
Operating profit before working capital changes	763.56	677.91
Adjustments for :		
Increase in trade payables	180.82	96.61
Increase / (decrease) in other financial liabilities	(8.10)	3.79
Increase in other liabilities	3.83	10.06
Increase in provisions	1.67	0.74
Increase / (decrease) in loans, deposits and other financial assets	(2.93)	1.66
Decrease in other assets	(145.88)	(19.41)
Decrease in trade receivables	(88.56)	(17.60)
Decrease in inventories	(45.06)	(198.80)
Cash generated from operations	659.35	554.98
Direct taxes paid (net of refunds)	(259.92)	(212.18)
Net cash flow from operating activities (A)	399.43	342.80
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets including capital work in progress	(193.33)	(248.83)
Proceeds from sale of property, plant and equipment and intangible assets	1.33	0.86
Purchase of current investments	(1,988.27)	(4,093.86)
Proceeds from sale of current investments	2,150.47	4,056.46
Investment in joint venture and subsidiaries	(94.87)	(106.57)
Proceeds from transfer of Company's paint division relating to 4 wheeler passenger cars and SUVs, 3 wheelers and related ancillaries (refer note 27)	-	90.00
Proceeds from Maturity of Fixed Deposits with Banks	0.02	32.88
Investment in Fixed Deposits with Banks	(50.85)	-
Dividend received	6.47	-
Interest received	0.11	3.79
Net cash flow used in investing activities (B)	(168.92)	(265.27)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	0.00	0.01
Net movement in cash credit and buyer's credit	25.09	(106.40)
Short term borrowings taken	2,577.81	995.00
Repayment of short term borrowings	(2,577.81)	(995.00)
Interest paid	(16.31)	(8.50)
Dividend Paid (including dividend distribution tax)	(203.82)	(116.24)
Net cash flow used in financing activities (C)	(195.04)	(231.12)
Net increase in cash and cash equivalents (A + B + C)	35.47	4.44
Cash & cash equivalents as at the beginning of the year (also refer note 36)	25.69	21.25
Cash & cash equivalents as at the end of the year	61.16	25.69

Refer Note 9c for Components of Cash and cash equivalents

Summary of significant accounting policies

3

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

As per our report of even date.

For S.R. BATLIBOI & CO. LLP

Firm Registration Number 301003E/E300005

Chartered Accountants

per Bhaswar Sarkar

Partner

Membership Number : 055596

Place: Kolkata

Dated: May 30, 2018

For and on behalf of Board of Directors

Kuldip Singh Dhingra-Chairman

Gurbachan Singh Dhingra-Vice-Chairman

Abhijit Roy-Managing Director & CEO

Srijit Dasgupta-Director -Finance & CFO

Aniruddha Sen-Sr. VP & Company Secretary

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

Berger Paints India Limited ('BPIL' or 'the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on three stock exchanges in India. The Company is engaged in the manufacturing and selling of paints. The Company caters primarily to domestic market. The registered office of the Company is located at Berger House, 129 Park Street, Kolkata-700 017.

The financial statements were approved for issue in accordance with a resolution of the Board of directors on May 30, 2018.

2. Basis of Preparation

The financial statements of the Company for the year ended March 31, 2018 have been prepared in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair values (refer accounting policy regarding financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3. Summary of Significant Accounting Policies

3.1. Current and Non Current classification

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

3.2. Foreign Currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded in by the Company at spot rates at the functional currency spot rate (i.e INR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

3.3. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.4. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.5. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

3.6. Property, Plant and Equipment

Property, plant and equipment and capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 29 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation is provided on Straight line method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of property, plant and equipment where applicable, prescribed under Schedule II to the Companies Act 2013 with the exception of the following items for which useful lives as estimated by management based on technical evaluation are different from those specified in aforesaid Schedule II.

- Plant and Machinery: 9.67 years to 21.05 years
- Motor Vehicles: 6.67 years
- Tinting Machines: Based on useful lives of 60 months
- No depreciation is provided on freehold land
- Leasehold Land and Building is amortized on a straight line basis over the tenure of respective leases

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life ranging from 3 to 5 years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and are charged to Statement of Profit and Loss for the year during which such expenditure is incurred.

3.8. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.9. Inventories

Finished goods and Work-in-process are stated at the lower of cost and estimated net realisable value. Cost of inventories constitutes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Raw materials, components, stores and spares are valued at lower of cost and estimated net realisable value. Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.10. Revenue and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account, and accordingly revenue includes excise duty. Refer note 19 to the financial statements.

However, sales tax/value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have passed to the buyer, on delivery of the goods or as per buyer's instruction. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Income from services

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

Interest Income recognised under Amortized cost

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'Other Income' in the Statement of Profit and Loss.

Dividend Income

Dividend is recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

3.11. Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.

When the grant or subsidy from the Government relates to revenue, it is deducted from the related expense on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate. Where the grant or subsidy from the Government relates to revenue and is not relatable to the corresponding costs, it has been disclosed as Other Operating Income. When the grants relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.12. Employee Benefits

I. Defined Contribution Plan

a. Superannuation

Contribution made to Superannuation Fund for certain employees are recognised in the Statement of Profit and Loss as and when services are rendered by employees. The Company has no liability for future Superannuation Fund benefits other than its contribution.

b. Provident Fund

Contributions in respect of Employees who are not covered by Company's Employees Provident Fund Trust are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to Statement of Profit and Loss as and when services are rendered by employees. The Company has no obligation other than the contribution payable to the Regional Provident fund.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

II. Defined Benefit Plan

a. Gratuity

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of The Payment of Gratuity Act, 1972. Retirement Gratuity for employees, is funded through a scheme of Life Insurance Corporation of India. The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit and loss in subsequent periods. The excess/shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain/loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

b. Provident Fund

In respect of the employees covered by the Company's Employee Provident Fund Trust in Point I b above, contributions to the Company's Employees Provident Fund Trust (administered by the Company as per the provisions of Employees' Provident Fund and Misc. Provisions Act, 1952) are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the balance sheet date, as an expense.

III. Long Term Compensated Absences

The Company treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

3.13. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 3.18). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments (net of any incentives received from the lessor) are charged to Statement of Profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.14. Forward Currency Contracts

The Company uses forward currency contracts to hedge its foreign currency risks. Such forward currency contracts are initially measured at fair value on the date on which a forward currency contract is entered into and are subsequently re-measured at fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of forward contracts are recognized in the Statement of Profit and Loss as they arise.

3.15. Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in Statement of Profit and Loss, when it is incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.
- (b) the Company intends to complete the intangible asset and use or sell it.
- (c) the Company has ability to use or sell the intangible asset.
- (d) the Company can demonstrate how the intangible asset will generate probable future economic benefits.
- (e) the Company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) the Company has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised in Standalone Statement of Profit and Loss as incurred.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

3.16. Taxes on Income

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

3.17. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

The Company records a provision for decommissioning costs for its certain manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.18. Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Discount on Commercial papers is amortised over the tenor of the underlying instrument. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

3.19. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit and loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

3.20. Employees Stock Option

Stock options are granted to the employees under the stock option scheme. The cost of stock options granted to the employees (equity-settled awards) of the Company is the difference between fair value of equity instruments granted and the price at which options may be exercised by concerned employees. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

Aforesaid cost of stock options is recognised, together with a corresponding increase in Employee Stock Options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

3.21. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- a. Debt instruments at amortised cost
- b. Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost other than derivative contracts

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost on first time adoption of Ind AS as set out in Note 40. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018**B. Financial liabilities****i. Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, investment in subsidiaries and joint ventures, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.22. Standards issued but not effective

A. Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018.

The Company is currently evaluating the impact of Ind AS 115 “Revenue from Contracts with Customers” which is applicable to it w.e.f April 1, 2018. Based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have significant financial impact. However, there will be additional presentation and disclosure requirement in this regard, which will be provided in the subsequent financial statements.

B. Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company as there are no deductible temporary differences or assets that are in the scope of the amendments.

C. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. The Company is evaluating the impact of this amendment on its financial statements.

3.23. Operating Segments

The Business Process and Risk Management Committee of the Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Business Process and Risk Management Committee. The financial information presented to the Business process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

3.24. Business Combinations

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The assets and liabilities of the acquired entity are recognised at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. The components of equity of the acquired entity are added to the same components within the Company's equity. Any excess or shortfall of the consideration paid over the share capital of acquired entity is recognized as capital reserve under equity. The financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4(a) - Property, plant and equipment

₹ in Crores

Particulars	Gross Block at Cost				Depreciation / Amortisation				Net Block	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at April 1, 2017	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land										
Freehold	10.07	-	-	10.07	-	-	-	-	10.07	10.07
Leasehold	8.27	0.45	-	8.72	0.19	0.22	-	0.41	8.31	8.08
Buildings										
Freehold #	361.92	12.65	-	374.57	21.92	14.46	-	36.38	338.19	340.00
Leasehold	12.96	-	-	12.96	0.61	0.34	-	0.95	12.01	12.35
Plant & Equipment ##	577.56	102.79	(0.46)	679.89	121.88	76.69	(0.20)	198.37	481.52	455.68
Furniture and Fixtures	21.79	5.56	(0.03)	27.32	5.62	3.63	(0.02)	9.23	18.09	16.17
Computer ##	36.43	10.73	(0.14)	47.02	10.20	9.32	(0.13)	19.39	27.63	26.23
Office Equipment	8.47	2.13	(0.03)	10.57	2.32	1.85	(0.01)	4.16	6.41	6.15
Vehicles	9.18	3.79	(2.26)	10.71	1.04	2.14	(1.28)	1.90	8.81	8.14
Total	1,046.65	138.10	(2.92)	1,181.83	163.78	108.65	(1.64)	270.79	911.04	882.87

Note 4(a)(i)

Title deeds of immovable properties set out in Note 4(a) above, are in the name of the Company except those mentioned below which were transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

₹ in Crores

Particulars	No. of title deeds	Gross Carrying Amount		Net Carrying Amount		Held in the name of
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	
Leasehold land at Taloja, Maharashtra	1	1.13	1.13	0.98	1.00	Brushworks Paints Limited
Freehold land at Rishra, West Bengal	1	1.36	1.36	1.36	1.36	Berger Auto & Industrial Coatings Limited
Leasehold land at Sikandrabad, Uttar Pradesh	1	0.27	0.27	0.15	0.15	Rajdoot Paints Private Limited
Leasehold land at Chandigarh	1	0.05	0.05	0.03	0.03	Rajdoot Paints Private Limited

Note 4(b) - Intangible assets

₹ in Crores

Particulars	Gross Block at Cost				Depreciation / Amortisation				Net Block	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at April 1, 2017	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software	11.68	1.49	-	13.17	5.61	3.27	-	8.88	4.29	6.07
Total	11.68	1.49	-	13.17	5.61	3.27	-	8.88	4.29	6.07

Partly on leasehold land

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(i) Includes following assets (Color Bank) given under operating lease arrangements

₹ in Crores

Particulars	Gross Block at Cost				Depreciation / Amortisation				Net Block	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at April 1, 2017	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Plant & Equipment	171.41	42.50	-	213.91	69.13	39.40	-	108.53	105.38	102.28
Computer	19.21	3.93	-	23.14	7.80	4.31	-	12.11	11.03	11.41
Total	190.62	46.43	-	237.05	76.93	43.71	-	120.64	116.41	113.69

(ii) Also refer note 33

Note 4(c) - Capital work in progress

₹ in Crores

Particulars	Gross Block at Cost			
	As at April 1, 2017	Additions	Capitalisation	As at March 31, 2018
Buildings	10.10	6.86	(12.65)	4.31
Plant & Equipment	45.65	154.43	(117.14)	82.94
Other assets	0.48	7.85	(8.31)	0.02
Total	56.23	169.14	(138.10)	87.27

Note 4(d) - Property plant and equipment

₹ in Crores

Particulars	Gross Block at Cost				Depreciation / Amortisation				Net Block
	As at April 1, 2016@	Additions	Deletions	As at March 31, 2017	As at April 1, 2016@	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2017	As at March 31, 2017
Land									
Freehold	10.07	-	-	10.07	-	-	-	-	10.07
Leasehold	7.28	0.99	-	8.27	0.09	0.10	-	0.19	8.08
Buildings									
Freehold #	284.22	77.70	-	361.92	10.46	11.46	-	21.92	340.00
Leasehold	9.80	3.16	-	12.96	0.29	0.32	-	0.61	12.35
Plant & Equipment ##	409.69	170.55	(2.68)	577.56	58.54	65.66	(2.32)	121.88	455.68
Furniture and Fixtures	18.19	3.67	(0.07)	21.79	2.33	3.35	(0.06)	5.62	16.17
Computer ##	25.22	16.48	(5.27)	36.43	6.08	9.15	(5.03)	10.20	26.23
Office Equipment	6.62	2.00	(0.15)	8.47	0.84	1.63	(0.15)	2.32	6.15
Vehicles	8.15	2.65	(1.62)	9.18	0.17	1.99	(1.12)	1.04	8.14
Total	779.24	277.20	(9.79)	1,046.65	78.80	93.66	(8.68)	163.78	882.87

Also Refer Note 4(a)(i)

@ Also Refer Note 36

Partly on leasehold land

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4(e) - Intangible assets

₹ in Crores

Particulars	Gross Block at Cost				Depreciation / Amortisation				Net Block
	As at April 1, 2016@	Additions	Deletions	As at March 31, 2017	As at April 1, 2016@	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2017	As at March 31, 2017
Computer Software	13.34	1.56	(3.22)	11.68	4.40	4.34	(3.13)	5.61	6.07
Total	13.34	1.56	(3.22)	11.68	4.40	4.34	(3.13)	5.61	6.07

@ Also Refer Note 36

(i) Includes following assets (Color Bank) given under operating lease arrangements

₹ in Crores

Particulars	Gross Block at Cost				Depreciation / Amortisation				Net Block
	As at April 1, 2016@	Additions	Deletions	As at March 31, 2017	As at April 1, 2016@	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2017	As at March 31, 2017
Plant & Equipment	123.68	47.73	-	171.41	33.18	35.95	-	69.13	102.28
Computer	14.52	4.69	-	19.21	3.76	4.04	-	7.80	11.41
Total	138.20	52.42	-	190.62	36.94	39.99	-	76.93	113.69

@ Also Refer Note 36

(ii) Also refer note 33

Note 4(f) - Capital work in Progress

₹ in Crores

Particulars	Gross Block at Cost			
	As at April 1, 2016@	Additions	Capitalisation	As at March 31, 2017
Buildings	13.67	77.20	(80.77)	10.10
Plant & Equipment	34.56	200.73	(189.64)	45.65
Other assets	0.54	6.73	(6.79)	0.48
Total	48.77	284.66	(277.20)	56.23

@ Also Refer Note 36

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 5a. Financial assets - Investments

	Number of shares				₹ in Crores	
	Nominal Value per unit	Currency	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Non Current						
At fair value through profit and loss						
Equity Shares - Unquoted (Fully Paid)						
Shaktikunj Apartments Limited *	1	₹	1,498	1,498	0.00	0.00
At deemed cost:						
Equity Shares - Unquoted (Fully Paid)						
Investment in Wholly Owned Subsidiaries						
Beepee Coatings Private Limited	10	₹	25,00,000	25,00,000	2.50	2.50
Berger Jenson & Nicholson (Nepal) Private Limited	100	NEPALESE RUPEE	345,421	3,45,421	4.46	4.46
Berger Paints (Cyprus) Limited	1.71	EURO	62,21,490	55,53,804	73.81	65.12
Less Impairment loss (Refer note 27)					(28.00)	(28.00)
Lusako Trading Limited	1.71	EURO	56,09,827	55,10,407	68.81	67.52
Saboo Coatings Private Limited #	10.00	₹	29,60,000	-	82.85	-
Investment in Joint Ventures						
Berger Becker Coatings Private Limited	100	₹	2,70,850	2,70,850	2.71	2.71
Berger Nippon Paint Automotive Coatings Private Ltd. (Formerly BNB Coatings India Private Limited/BNB Coatings India Limited)	1,000	₹	960,400	960,400	96.04	96.04
Total					303.18	210.35
Aggregate amount of Unquoted Investments					303.18	210.35
Aggregate amount of impairment in value of Investment					28.00	28.00

The Company acquired 100% of the paid up equity share capital of Saboo Coatings Private Limited ("SCPL") after close of business hours on 5th June, 2017.

* Refer Note 42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 5b. Financial assets - Loans

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Security Deposits	19.99	13.71	1.96	5.40
Total loans	19.99	13.71	1.96	5.40

Note 5c. Other Financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Bank deposits with original maturity more than twelve months	0.09	0.11	0.07	0.05
Advances to related parties - towards Share Application money pending allotment (Refer Note 35) #	2.44	0.40	-	-
Interest accrued on deposits	-	-	0.83	0.07
Other receivables # #	-	-	1.99	1.90
Total other financial assets	2.53	0.51	2.89	2.02
#				
Berger Paints (Cyprus) Limited	2.44	0.08		
Lusako Trading Limited	-	0.32		
	2.44	0.40		
## includes receivable from related parties				
Berger Paints (Bangladesh) Limited			0.39	0.49
Berger Jenson & Nicholson (Nepal) Private Limited			1.30	1.38
			1.69	1.87

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 6. Income Tax assets (net)

₹ in Crores

	Non-Current	
	As at March 31, 2018	As at March 31, 2017
Advance payment of income tax [net of provision for tax of ₹ 836.89 crores (March 31, 2017 - ₹ 604.80 crores)]	46.14	14.76
	46.14	14.76

Note 7. Other assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital advances	16.18	10.13	-	-
Advances other than capital advances	-	-	8.33	2.61
Prepayments	3.69	3.37	8.84	8.25
Subsidy receivable #	-	-	28.38	-
Balances with statutory/government authorities	11.18	19.33	163.28	44.97
Total other assets	31.05	32.83	208.83	55.83

Excise duty disclosed in Statement of Profit and Loss for the three months period ended June 30, 2017 is net of excise duty benefit of ₹ 8.16 crores (Year ended March 31, 2017: ₹ 27.65 crores). Subsequent to the implementation of GST w.e.f July 1, 2017, the Company has claimed subsidy available under "Scheme of Budgetary Support under GST Regime to the eligible units" located in specified States amounting to ₹ 28.38 crores (March 31, 2017: Nil).

Note 8. Inventories

(at the lower of cost and net realisable value)

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Raw materials [Including in-transit ₹ 56 crores (March 31, 2017 - ₹ 58 crores)]	278.79	231.36
Packing material (Containers)[Including in-transit ₹ 0.09 crores (March 31, 2017 - ₹ Nil)]	19.49	15.64
Work in process	62.66	56.34
Finished goods	496.32	517.71
Traded goods [Including in-transit ₹ 2 crores (March 31, 2017 - ₹ 2 crores)]	71.71	63.58
Stores and Spares	10.39	9.67
Total inventories	939.36	894.30

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 9a. Financial assets - Current Investments

	Nominal Value per unit	Number of units		₹ in Crores	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
At fair value through profit and loss (FVTPL):					
<u>Investments in Mutual Funds - Unquoted</u>					
Reliance Regular Savings Fund - Debt Plan - Direct Growth Plan	10	-	2,82,72,744	-	66.42
Kotak Low Duration Fund - Direct - Growth	10	1,49,089	78,901	32.66	16.02
ICICI Prudential Savings Fund - Direct Plan - Growth	10	1,177	3,47,336	31.82	8.75
Birla Sunlife Floating Rate Fund - Long term - Direct Growth	10	740,774	-	15.95	-
IDFC Ultra Short Term Fund - Direct - Growth	10	26,28,869	-	6.52	-
ICICI Prudential Income Opportunity Fund - Direct Plan - Growth	10	46,11,451	-	11.42	-
Birla Sunlife Savings Fund - Direct Growth	10	10,23,860	-	35.23	-
Birla Sunlife Short Term Fund - Direct Growth	10	8,67,942	-	18.69	-
Birla Sunlife Cash Plus - Direct Growth	10	2,27,514	-	6.35	-
ICICI Prudential Money Market Fund - Direct Growth	10	1,22,813	-	2.95	-
L&T Liquid Fund Direct Plan - Growth	10	14,048	-	3.35	-
Kotak Floater Short Term - Direct - Growth	10	11,195	-	3.19	-
HDFC FMP 92D Fund - Direct - Growth	10	2,19,70,314	-	22.13	-
UTI Treasury Advantage Fund - Institutional Option - Direct - Growth	10	83,216	-	20.08	-
Birla Sunlife Floating Rate Fund Short Term - Direct Growth	10	-	11,32,335	-	24.56
Franklin India Low Duration Fund - Direct - Growth	10	-	1,48,47,574	-	27.76
Franklin India Short Term Income Plan - Weekly Dividend	10	10,320	10,320	3.95	3.62
Franklin India Ultra Short Term Bond Fund	10	-	45,74,710	-	10.22
Franklin India Ultra Short Term Bond Fund - Direct - Growth	10	40,73,155	1,13,29,882	9.83	25.30
HDFC Cash Management Fund - Savings Plan - Direct	10	-	72,497	-	24.62
HDFC Liquid Fund - Direct - Growth	10	-	31,217	-	10.02
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	-	1,46,04,133	-	38.43
Kotak Income Opportunity Fund - Direct Plan	10	-	1,71,32,765	-	31.98
Reliance Corporate Bond Fund - Direct - Growth	10	-	2,71,45,000	-	36.56
Reliance Money Manager Fund - Direct - Growth	10	-	77,918	-	17.74
UTI Money Market Fund - Institutional - Direct - Growth	10	17,817	1,38,508	3.47	25.27
Aggregate amount of Unquoted Investments				227.59	367.27
Aggregate amount of Repurchase price of Unquoted Investments				227.59	367.27

Refer note 37 for determination of fair value.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 9b. Financial assets-Trade receivables

(Unsecured)

₹ in Crores

	Non Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Considered good #	-	-	598.01	509.45
Doubtful	4.29	7.52	-	-
	4.29	7.52	598.01	509.45
Provision for doubtful receivables	(4.29)	(7.52)	-	-
Total trade receivables	-	-	598.01	509.45
# Includes debts due from private limited companies in which directors of the Company are interested				
Berger Jenson & Nicholson (Nepal) Private Limited	-	-	7.55	2.74
Wazir Estates Private Limited	-	-	-	0.02
Kay Dee Farms Private Limited *	-	-	-	0.00
Malibu Estate Private Limited *	-	-	-	0.00
Berger Becker Coatings Private Limited	-	-	1.52	0.20
Saboo Coatings Private Ltd.	-	-	1.13	-
Berger Nippon Paint Automotive Coatings Private Ltd.(Formerly BNB Coatings India Private Limited/BNB Coatings India Limited)	-	-	5.40	1.89

* Refer note 42

Trade receivables are non-interest bearing and generally has credit period from 30 to 90 days
For terms and conditions relating to related party receivables, refer Note 35.

Note 9c. Financial assets- Cash and Cash Equivalents

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Balances with banks:		
– On current accounts	6.82	16.39
– Deposits with original maturity of less than three months #	46.44	0.12
Cheques/drafts on hand	10.30	13.79
Cash on hand	0.62	0.58
Total Cash and Cash Equivalents	64.18	30.88

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 9d. Other bank balances

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
– Balance with banks in Unpaid Dividend Account	5.54	4.84
– Deposits with original maturity of not less than three months but less than twelve months #	50.85	0.02
Total Other bank balances other than 9c above	56.39	4.86

Deposits at Banks earn interest between 7.50% to 7.55% and are made for periods between 61 and 92 days

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Balances with banks:		
– On current accounts	6.82	16.39
– Deposits with original maturity of less than three months	46.44	0.12
Cheques/drafts on hand	10.30	13.79
Cash on hand	0.62	0.58
	64.18	30.88
Less- Bank Overdraft (Refer Note 16a)	(3.02)	(5.19)
Total	61.16	25.69

Note - 10. Equity

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Authorised Share Capital		
120,00,00,000 Equity Shares of ₹1 each (March 31, 2017: 110,00,00,000 Equity Shares of ₹1 each) #	120.00	110.00
Issued Share Capital		
97,11,22,908 Equity Shares of ₹1 each fully paid up (March 31, 2017: 97,10,78,127 Equity Shares of ₹1 each fully paid up)	97.11	97.11
Subscribed and Paid-up Share Capital		
97,10,31,428 Equity Shares of ₹1 each fully paid up (March 31, 2017: 97,09,86,647 Equity Shares of ₹1 each fully paid up)	97.10	97.10

In accordance with the Scheme of Amalgamation referred in Note 36, the authorized share capital of BJN India has merged into and combined with the Authorised Share capital of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

a) The reconciliation of share capital is given below:

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	97,09,86,647	97.10	69,34,77,912	69.35
Add: Shares issued on exercise of Employee Stock Options (Refer Note 32)*	44,781	0.00	1,17,570	0.01
Add: Bonus Shares issued and allotted during the year (Refer Note (f) below)	-	-	27,73,91,165	27.74
At the end of the year	97,10,31,428	97.10	97,09,86,647	97.10

*Refer note 42

b) Terms/Rights attached to class of shares

The Company has only one class of equity shares having a par value of ₹1 each. Holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Equity shares held by the holding company and/or the subsidiaries/associates of holding company

	As at March 31, 2018	As at March 31, 2017
U K Paints (India) Private Limited (Holding Company)	48,65,45,399	48,65,45,399
Jenson & Nicholson (Asia) Limited, UK	14,06,56,782	14,06,56,782
Citland Commercial Credits Limited	3,09,15,659	3,09,15,659
Wang Investment Finance Pvt. Ltd.	2,98,10,580	2,98,10,580
Bigg Investment & Finance Pvt. Ltd.	79,52,420	79,52,420

d) Details of Shareholders holding more than 5 percent of Equity Shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% holding	No. of Shares	% holding
U K Paints (India) Private Limited (Holding Company)	48,65,45,399	50.11%	48,65,45,399	50.11%
Jenson & Nicholson (Asia) Limited, UK	14,06,56,782	14.49%	14,06,56,782	14.49%
Nalanda India Fund Limited	4,67,19,295	4.81%	5,07,49,406	5.23%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as declared under the relevant provisions of the Companies Act, 2013

e) Shares reserved for issue under Employee Stock Options:

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note 32.

f) Fully paid up equity shares allotted by way of bonus shares

27,73,91,165 bonus shares were issued and allotted during the previous year by the Company to eligible members holding ordinary shares of ₹1 each (ratio 2:5) by capitalizing ₹ 27.74 Crores out of the sum standing to the credit of Company's Securities Premium Account.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note - 11. Other equity

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Reserves & Surplus		
Securities Premium Account (Refer Note 32)	112.34	111.31
Retained earnings	1,641.30	1,412.82
General Reserve	290.61	290.61
Other reserves		
Share based payment reserve	2.20	0.87
Capital reserve	0.02	0.02
Capital redemption reserve	0.04	0.04
Total other equity	2,046.51	1,815.67

Notes:

Securities Premium Account- Premium received on equity shares issued including those under Employee Stock Option Plan are recognised in the securities premium account net of utilization for bonus shares issued etc.

Retained Earnings - Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit plans and Revaluation Reserve aggregating to ₹ Nil (March 31, 2017: ₹0.83 crores) that had arisen from revaluation of Leasehold Land, Freehold Land and Freehold Buildings of the Company in 1989, 1985 and 1993 done by approved valuers. The aforementioned revaluation reserve is not a free reserve as per the Companies Act, 2013 and hence is not available for distribution as dividend.

General Reserve - Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Share based payment reserve - The Company has two Employee Stock Option Plan (ESOP) under which options to subscribe for the Company's shares have been granted to specific employees.

The Share based payment reserve is used to recognise the value of equity-settled share-based payments to employees as part of their remuneration. The year end balance is net off options exercised by the concerned employees Refer to Note 32 for further details of these plans.

Capital redemption reserve - Represents amount equal to the face value of equity shares transferred at the time of buy-back of shares

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 12. Other financial liabilities

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
(a) Financial liabilities at fair value through Profit & Loss				
-Foreign exchange forward contracts	-	-	-	4.11
(b) Other financial liabilities at amortized cost				
Interest accrued but not due on borrowings	-	-	-	0.11
Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due)	-	-	5.54	4.84
Deposits	3.54	2.86	37.84	37.28
Capital creditors	-	-	33.41	50.06
Accrued employee liabilities	-	-	30.46	28.77
Other payables	-	-	4.68	11.61
(c) Financial guarantee contracts [refer note 34 (iii)]	-	-	2.02	2.94
Total other financial liabilities	3.54	2.86	113.95	139.72

Note 13. Provisions

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits				
- Provision for gratuity (Refer Note 31)	-	-	2.12	2.08
- Provision for leave encashment	-	-	13.86	14.22
Others				
-Provision for decommissioning (Refer Note (a) below)	2.92	2.71	-	-
	2.92	2.71	15.98	16.30

(a) Provision for decommissioning

At the beginning of the year	2.71	2.51
Discount unwinding for the year	0.21	0.20
At the end of the year	2.92	2.71

Provision for decommissioning has been recognised towards decommissioning/dismantling obligations associated with the Company's factories constructed on leasehold lands.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 14: Income Taxes

Note 14a. Deferred tax assets & liabilities (net)

₹ in Crores

Nature - (liability) / asset	As at	As at	Statement of Profit & Loss and other comprehensive income	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liabilities				
Arising out of temporary differences in depreciable assets	63.05	54.91	(8.14)	(10.86)
Others	-	9.59	9.59	(5.51)
Total (A)	63.05	64.50	1.45	(16.37)
Deferred tax assets				
Expenses allowable on payment / actual basis for tax purposes	5.53	3.75	(1.78)	(2.69)
Financial Assets at fair value through profit and loss	(1.54)	(1.03)	0.51	0.91
Decommissioning liability	0.21	0.56	0.35	(0.11)
Others through other comprehensive income	0.25	0.87	0.62	(0.64)
Others	-	0.26	0.26	(0.14)
Total (B)	4.45	4.41	(0.04)	(2.67)
Net deferred tax (liabilities)/assets (B-A)	(58.60)	(60.09)	(1.49)	13.70

₹ in Crores

Reconciliation of deferred tax liabilities(net)	As at	As at
	March 31, 2018	March 31, 2017
Opening balance	(60.09)	(46.39)
Tax income/(expense) during the period recognised in Statement of Profit and Loss	2.11	(14.34)
Tax income/(expense) during the period recognised in OCI	(0.62)	0.64
Closing balance	(58.60)	(60.09)

During the year ended March 31, 2018 and March 31, 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

14(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

Income tax on the Company's taxable profit differs from the theoretical amount that would have arisen had the enacted rate of corporate tax in India (34.608%) being applied to such taxable profits as explained below :

₹ in Crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Accounting Profit before income tax	661.81	663.34
Profit before income tax multiplied by standard rate of corporate tax in India of 34.608% (March 31, 2017: 34.608%)	229.04	230.39
Effects of:		
Permanent differences affecting income tax expense:		
Additional deduction allowed in respect of R&D activities carried out by the company	(2.22)	(4.61)
Difference in tax on exceptional item (sale of business) (refer Note 27)	-	(10.00)
Allowance for capital expenditure u/s 32AC	-	(8.71)
Disallowance of exceptional item (impairment) (refer Note 27)	-	9.69
Utilisation of unrecognised tax losses of BJN India on amalgamation (Refer note 36)	(0.80)	-
Other miscellaneous disallowances	4.57	1.85
Net effective income tax	230.59	218.61

Tax expense reported in the Statement of Profit and Loss		
Current tax	232.08	204.91
Deferred tax	(2.11)	14.34
Income tax expense/(credit) recognised in Other Comprehensive Income	0.62	(0.64)
	230.59	218.61

Note 14(c) . Current tax liabilities (net)

₹ in Crores

	Year Ended March 31, 2018	Year Ended March 31, 2017
Provision for income tax [net of advance tax of ₹117.42 crores (March 31, 2017 ₹Nil)]	3.54	-
	3.54	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 15. Other liabilities

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Others				
Advance from customers	-	-	18.68	11.04
Statutory liabilities	-	-	65.21	69.88
Other liabilities	1.72	0.87	1.11	1.10
Total	1.72	0.87	85.00	82.02

Note 16a. Financial Liabilities- Current borrowings

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Secured		
From Banks		
Bank overdraft	3.02	5.19
Cash credit	140.25	30.20
Buyers' Credit (in foreign currency)	-	84.29
Total	143.27	119.68

Bank overdraft are repayable on demand and carry interest rate of MIBOR+ 130 bps (March 31, 2017: MIBOR + 130 bps)

Cash Credits from banks are secured by way of first charge on book debts and other current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Cash Credit is repayable on demand and carries interest at 7.30 % - 11.75% per annum (March 31, 2017: 8%-10% per annum).

The buyers' credit is repayable in six months and carries interest at Nil (March 31, 2017: LIBOR +0.25%) and is secured by hypothecation of stocks and book debts, both present and future.

Amendments to Ind AS 7 Statement of Cash Flows:

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period as under

Changes in liabilities arising from financing activities

Particulars	April 1, 2017	Cash flows	Exchange difference	March 31, 2018
Current Borrowings				
Bank overdraft	5.19	(2.17)	-	3.02
Cash credit	30.20	110.05	-	140.25
Buyers' Credit	84.29	(84.96)	0.67	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 16b. Financial Liabilities- Trade Payables

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Acceptances	137.08	111.93
Other than acceptances		
- Total outstanding dues of Micro, Small & Medium Enterprises (See Note below)	17.84	11.25
- Total outstanding dues of creditors other than Micro, Small & Medium Enterprises [includes ₹ 45.94 Crores (March 31, 2017: ₹ 37.70 Crores)] payable to related parties	777.65	627.14
Total	932.57	750.32

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under to the extent the Company has received intimation from the suppliers regarding their status under the Act.		
Principal amount remaining unpaid at the end of the year	16.33	10.17
Interest due thereon remaining unpaid at the end of the year	1.51	1.08
	17.84	11.25
Delayed payment of Principal amount paid beyond appointed date during the entire financial year	27.00	16.48
Interest actually paid under Section 16 of the Act during the entire accounting year	-	-
Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	0.33	-
Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid)	0.06	0.17
Interest accrued and remaining unpaid at the end of the year	0.43	0.18
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	1.51	1.08

Terms and conditions of the above trade payables:

Trade payables are non interest bearing and are normally settled on 45-60 days terms

For terms and conditions of transactions with related parties, refer Note 35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 17a. Financial Assets

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Financial Assets - Non Current		
At Fair Value through profit and loss		
Investments *	0.00	0.00
At Amortised Cost		
(a) Loans	19.99	13.71
(b) Other financial assets	2.53	0.51
	22.52	14.22
At Deemed Cost/Subsequent additions at cost		
Investments	303.18	210.35
Total Non current financial assets (a)	325.70	224.57
Financial assets - current		
At fair value through profit and loss		
(a) Investments	227.59	367.27
At Amortised cost		
(a) Trade receivables	598.01	509.45
(b) Cash and cash equivalents	64.18	30.88
(c) Bank balances other than (c) above	56.39	4.86
(d) Loans	1.96	5.40
(e) Other financial assets	2.89	2.02
Total Current financial assets (b)	951.02	919.88
Total financial assets (a + b)	1,276.72	1,144.45

Note 17b. Financial liabilities

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Financial liabilities - non current		
At Amortised Cost		
(a) Other Financial Liabilities		
-Deposits	3.54	2.86
Total Non Current Financial Liabilities (a)	3.54	2.86

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Financial Liabilities - Current		
At fair value through profit and loss		
Other Financial liabilities		
Foreign exchange forward contracts	-	4.11
Financial guarantee contracts	2.02	2.94
At Amortised Cost		
(a) Borrowings	143.27	119.68
(b) Trade Payables	932.57	750.32
(c) Other Financial liabilities		
Interest accrued but not due on borrowings	-	0.11
Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due)	5.54	4.84
Others		
Deposits	37.84	37.28
Capital creditors	33.41	50.06
Accrued employee liabilities	30.46	28.77
Other payables	4.68	11.61
Total Current Financial Liabilities (b)	1,189.79	1,009.72
Total Financial Liabilities (a + b)	1,193.33	1,012.58

* Refer Note 42

Note 18. Distribution made and proposed

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Dividends on equity shares declared and paid:		
Final dividend for March 31, 2017- ₹1.75 per share (March 31, 2016 - ₹1.75 per share)	169.93	97.09
Dividend Distribution Tax on final dividend	34.59	19.76
	204.52	116.85
Proposed dividends on equity shares:		
Final dividend for March 31, 2018 - ₹1.80 per share (March 31, 2017 - ₹1.75 per share)	174.78	169.93
Dividend Distribution Tax on proposed dividend	35.93	34.59
	210.71	204.52

As at March 31, 2018, proposed dividend on equity shares are subject to approval in the ensuing Annual General Meeting. Pending such approval proposed dividend and dividend distribution tax thereon have not been recognised in these financial statements

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 19. Revenue from Operations

₹ in Crores

	March 31, 2018	March 31, 2017
Sale of products (including excise duty) [refer note below]	4,792.67	4,708.73
Other operating revenue		
Scrap sales	8.34	8.19
Others	38.36	6.60
Total	4,839.37	4,723.52

Revenue from operations for period up to June 30, 2017 includes excise duty. From July 1, 2017 onwards excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST from its customers on behalf of the Government and hence, GST is not included in Revenue from operations. Sale of products includes excise duty collected from customers of ₹ 115.58 crores (March 31, 2017: ₹ 498.20 crores). Sale of products net of excise duty is ₹ 4,677.09 crores (March 31, 2017 ₹ 4,210.53 crores). In view of the aforesaid change in indirect taxes, Revenue from operations for year ended March 31, 2018 is not comparable with the amount reported for the year ended March 31, 2017

Note 20. Other income

₹ in Crores

	March 31, 2018	March 31, 2017
Interest Income from financial assets		
Deposits with banks	0.87	2.40
Insurance claim received	-	0.17
Dividend income	6.47	-
Other non operating income		
Net gain on sale of mutual fund investments	18.11	26.99
Fair value gain on mutual fund investments	4.41	2.97
Foreign Exchange Gain (net)	-	1.72
Others	16.67	14.06
Total	46.53	48.31

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 21. Cost of materials consumed

₹ in Crores

	March 31, 2018	March 31, 2017
Raw Materials Consumed		
Opening Stocks (also refer note 36)	231.36	173.78
Purchases	2,155.48	1,878.07
Closing stock	(278.79)	(231.36)
	2,108.05	1,820.49
Packing Material Consumed		
Opening Stocks (also refer note 36)	15.64	11.42
Purchases	366.23	334.29
Closing stock	(19.49)	(15.64)
	362.38	330.07
Cost of materials consumed*	2,470.43	2,150.56

*Also refer note 40 for expenses on research and development

Note 22. (Increase)/decrease in inventories of finished goods, work-in-process and traded goods

₹ in Crores

	March 31, 2018	March 31, 2017
Opening Stock (also refer note 36)		
Work-in-process	56.34	47.13
Finished goods	517.71	398.07
Traded goods	63.58	59.33
	637.63	504.53
Closing Stock		
Work-in-process	62.66	56.34
Finished goods	496.32	517.71
Traded goods	71.71	63.58
	630.69	637.63
Others	-	(3.00)
(Increase)/decrease in Excise Duty on Stock of Finished Goods	(94.60)*	15.84
(Increase)/decrease in inventories of finished goods, work-in-process and traded goods	(87.66)	(120.26)

* Includes reversal of excise duty on Inventory as at March 31, 2017. Due to implementation of GST in the current year, there is no excise duty element on the inventory as at March 31, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 23. Employee benefits expense

₹ in Crores

	March 31, 2018	March 31, 2017
Salaries and wages	228.73	209.10
Contribution to provident and other funds (Refer Note 31)	16.30	13.38
Employee stock option cost (Refer Note 32)	2.36	1.60
Staff welfare expenses	22.45	20.43
Total	269.84	244.51

Also refer note no 40 for expenses on research and development

Note 24. Finance Costs

₹ in Crores

	March 31, 2018	March 31, 2017
Interests	15.99	7.56
Unwinding of discount on provisions (Refer Note 13)	0.21	0.20
Total	16.20	7.76

Note 25. Depreciation and amortization expense

₹ in Crores

	March 31, 2018	March 31, 2017
Depreciation of tangible assets	108.65	93.66
Amortization of intangible assets	3.27	4.34
Total	111.92	98.00

Note 26. Other expenses

₹ in Crores

	March 31, 2018	March 31, 2017
Freight, octroi and delivery	313.36	299.47
Power and fuel	40.00	36.86
Consumption of stores	8.23	7.28
Repairs to plant and machinery	15.02	14.95
Repairs to building	0.68	2.54
Repairs to others	1.80	2.20
Rent (Refer Note 33)	50.70	46.45
Rates and Taxes	7.01	9.33
Travelling	47.88	44.64
Advertisement and Sales Promotion Expenses	222.23	216.40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

	March 31, 2018	March 31, 2017
Insurance	1.78	2.29
Processing Charges	44.12	43.77
Directors sitting fees	0.02	0.01
Foreign Exchange Loss (net)	1.43	-
Commission to Non-Executive Directors	0.45	0.43
Loss on sale/discard of Property, plant and equipment and intangible assets	-	0.34
Audit Fees (Refer Note 26.1)	0.61	0.59
CSR expenditure (Refer Note 26.2)	10.43	8.18
Miscellaneous Expenses (Refer Note 40) #	156.46	140.87
Total	922.21	876.60

Bad debts written off ₹ 8.38 crores (March 31, 2017 ₹ 7.88 crores)

Note 26.1 Auditor's Remuneration

₹ in Crores

	March 31, 2018	March 31, 2017
As Auditor:		
Audit fees	0.47	0.33
Tax audit fee	0.04	0.05
Miscellaneous certificates and other matters	0.08	0.18
Reimbursement of expenses	0.02	0.03
Total	0.61	0.59

Note 26.2 Details of CSR expenditure:

₹ in Crores

	March 31, 2018	March 31, 2017
a) Gross amount required to be spent by the Company during the year	10.34	8.45
(b) Amount spent during the year:		
(i) Construction/Acquisition of an asset	-	-
(ii) Purposes other than (i) above	10.43	8.18
Total	10.43	8.18

Corporate Social Responsibility expensed ₹ 10.43 Crores (2016-17: ₹ 8.18 Crores) includes Company's own programme for promoting employment enhancing vocational skill named 'iTrain'.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 27. Exceptional Items

₹ in Crores

	March 31, 2018	March 31, 2017
Profit on transfer of Company's paint division relating to 4 wheeler passenger cars and SUVs, 3 wheelers and related ancillaries	-	86.67
Impairment in subsidiary	-	(28.00)
Total	-	58.67

- During the previous year, the Company's paint division ("the Business") relating to 4 wheeler passenger cars and SUVs, 3 Wheelers and related ancillaries was transferred to Berger Nippon Paint Automotive Coatings Private Limited or BNPAC (Formerly known as BNB Coatings India Private Limited), an existing joint venture between Berger Paints India Limited and Nippon Paints Automotive Coatings Co. Ltd., Japan after the close of business hours of 30th June, 2016 on a slump sale basis at a consideration of ₹90 crores, paid in cash. By virtue of being a joint venture where Berger Paints India Limited holds 49% of the paid up share capital, BNPAC may be deemed to be a related party and the transaction was done at an Arm's length basis. The exceptional item for the year ended March 31, 2017 represents the profit on the transfer of the Business, being ₹86.67 crores, which is subject to tax.
- The Company had provided for impairment in the carrying value of its investment in its wholly owned subsidiary, Berger Paints Cyprus Limied (BPCL) on account of losses sustained by the ultimate wholly owned subsidiary Berger Paints Overseas Limited (BPOL) due to downturn in Russian economy which were reflected in the consolidated financial position of the Company. The Company had made an assessment of the fair value of the investments in Berger Paints Overseas Limited taking into account past business performance, prevailing business conditions and revised expectations about future performance. Based on the above factors and as matter of prudence provision of ₹28 crores towards impairment of such investment had been recognised in the accounts. The recoverable amount of the investment was determined at ₹37.12 crores, which was based on its value in use. This value in use calculation was carried out taking into account the discount rate of 14% per annum. The Company is in the process of reorganising its business operation in that country and based on such plan no further impairment has been considered necessary.

Note 28. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2018	March 31, 2017
Net Profit for calculation of Basic and Diluted Earnings Per Share (₹ in crores) (I)	431.84	444.09
Weighted average number of shares (II)		
- Basic	97,10,00,633	97,09,18,392
- Diluted (refer note below)	97,12,47,574	97,10,59,627

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
Earning per equity share [nominal value of ₹1 per share] [(I)/(II)]		
- Basic	4.45	4.57
- Diluted	4.45	4.57
Effect of dilution:		
Weighted average number of equity shares in calculating Basic Earnings Per Share	97,10,00,633	97,09,18,392
Dilution - Stock options granted under ESOP	2,46,941	1,41,235
Weighted average number of equity shares in calculating diluted EPS	97,12,47,574	97,10,59,627

Note 29. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets & liabilities affected in future periods.

Judgements, Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation, uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements.

Defined Employer Benefit plans

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 31.

Fair value measurement of financial instruments and guarantees

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37 for further disclosures.

Depreciation on Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Decommissioning Liability

Decommissioning Liability has been recognised for items of property plant and equipment built or installed on specified leasehold land the terms of which said leases include decommissioning of such assets on expiry of the lease prior to handing over to the lessor. The decommissioning costs as at the end of the lease period have been estimated based on current costs by the Company's own technical experts and have been escalated to the end of the leasehold period using suitable inflation factors. The said escalated cost as at the end of the lease period is now discounted to the present value of such liability by applying Company's weighted average cost of capital.

Impairment of Investment

Based on indication that the carrying value of investment in a stepdown subsidiary may be lower than the fair value, an impairment assessment has been carried out. Market related information and estimates are used to determine the recoverable value of the investment. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Note 30. Information on joint ventures

Description of Company's interest in the joint venture Company

Name of the entity	As at March 31, 2018		As at March 31, 2017	
	Proportion of Interest	Country of Incorporation	Proportion of Interest	Country of Incorporation
Berger Becker Coatings Private Limited	48.98%	India	48.98%	India
Berger Nippon Paint Automotive Coatings Private Ltd. (Formerly BNB Coatings India Private Limited/BNB Coatings India Limited)	49.00%	India	49.00%	India

Note 31. Gratuity and other post-employment benefit plans

(I) Defined benefit plans

(a) Gratuity

(i) The following table summarizes the components of net defined benefit expense towards gratuity recognised in the Statement of Profit and loss and OCI and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Changes in the present value of defined benefit obligation		
Present value of defined benefit obligation as at year beginning	30.14	27.21
Current Service Cost	2.28	1.65
Interest Cost	2.10	1.89
Past Service cost (Plan amendments)	1.65	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Remeasurements (gains)/losses		
-Actuarial (gains)/losses arising from changes in financial assumptions	(1.09)	1.85
-Actuarial (gains)/losses arising from changes in experience	(0.78)	0.01
Benefits Paid	(2.77)	(2.47)
Present value of defined benefit obligation as at year end	31.53	30.14
Changes in fair value of plan assets		
Fair Value of Plan Assets as at year beginning	28.06	25.61
Interest Income	2.03	2.04
Remeasurements (gains)/losses		
-Return on plan assets, (excluding amount included in net Interest expense)	(0.09)	(0.22)
Employer's Contribution	2.18	3.11
Benefits Paid	(2.77)	(2.48)
Fair Value of Plan Assets as at year end	29.41	28.06
Amounts Recognised in the Balance Sheet		
Present value of defined benefit obligation at the year end	31.53	30.14
Fair Value of the Plan Assets at the year end	29.41	28.06
(Liability)/Asset Recognised in the Balance Sheet	(2.12)	(2.08)

₹ in Crores

Particulars	2017 - 2018	2016 - 2017
Expense recognised in the Statement of Profit & Loss:		
Cost of current service and plan amendments	3.93	1.65
Net Interest Cost/(Income)	0.07	(0.15)
Net Cost Recognised in the Statement of Profit & Loss	4.00	1.50
Expense recognised in the Other Comprehensive Income:		
Remeasurements (gains)/losses	(1.78)	2.08
Net Cost Recognised in the Other Comprehensive Income	(1.78)	2.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

Significant Actuarial Assumptions	March 31, 2018	March 31, 2017
Discount Rate	7.65%	7.30%
Employee turnover	Age wise 0.10%-0.50%	Age wise 0.10%-0.50%
Mortality Rate	Indian Assured Lives (Mortality 2006-08 modified) Ult	Indian Assured Lives (Mortality 2006-08 modified) Ult

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India

The discount rate is based on the government securities yield

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

(iii) Major category of Plan Assets of the fair value of the total plan assets are as follows:-

	March 31, 2018	March 31, 2017
Assets under scheme of insurance	100%	100%

(iv) A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below

₹ in Crores

	March 31, 2018		March 31, 2017	
Assumptions	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(2.72)	3.18	(2.59)	3.05

₹ in Crores

	March 31, 2018		March 31, 2017	
Assumptions	Future Salary increase		Future Salary increase	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	3.17	(2.77)	2.56	(2.38)

Impact on defined benefit obligation

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) Risk Exposure

Since the employees gratuity fund is a defined benefit plan the liability to be provided will be subject to interest rate risk since the future valuation of benefit depends upon the yield of government bonds for matching maturities.

(vi) Defined Benefit Liability and Employer Contributions

Since the employees gratuity fund is a defined benefit plan maintained by Life Insurance Corporation of India the return is generated from a pool of assets invested by them and any deficit in the liability and return on plan assets is funded by the Company on a yearly basis.

(vii) In 2018-19, the Company expects to contribute ₹ 2.12 crores (March 31, 2017: ₹ 2.08 crores) to gratuity

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(viii) Maturity profile of the defined benefit obligation

₹ in Crores

	March 31, 2018	March 31, 2017
Weighted Average duration of the defined benefit obligation	12 Years	12 Years
Within the next 12 months (next annual reporting period)	0.55	0.69
Between 2 and 5 years	10.99	9.25
Between 5 and 10 years	17.11	13.23

(b) Provident Fund

Provident Fund for certain eligible employees is administered by the Company through "Berger Paints Provident Fund (Covered)" as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a trust provide that in a provident fund set up by the employer, any shortfall in the rate of interest on member contributions as compared to the relevant rate of interest declared by the Government of India for this purpose will have to be met by the employer. Such provident fund would in effect be a defined benefit plan in accordance with the requirement of Ind AS 19 - Employee Benefits.

Based on valuation of related defined benefit obligation and plan assets at the year end carried out by an independent actuary no provision has been considered necessary in this regard in these financial statements Key actuarial assumptions are as follows

	2017-18	2016-17
Discount rate	7.65%	7.30%
Expected rate of return on Plan Assets	8.55%	8.65%

(c) Other Defined Benefit Plans

The amounts for "Other Defined Benefit Plans" are below the rounding off norm adopted by the Company (refer Note 43) and hence the disclosures as required under Ind AS 19 - "Employee Benefits" have not been given.

(II) Defined contribution plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans:

₹ in Crores

	2017-18	2016-17
Provident and Family Pension Fund (applicable for eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner)	1.80	1.88
Superannuation Fund	1.99	1.95

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 32. Employee Stock Option Plan

Berger Paints India Limited Employee Stock Option Scheme, 2010

The Berger Paints India Limited – Employee Stock Option Plan [‘the Plan’] was approved at the Annual General Meeting of the Company held on 29th July, 2010. The objective of the plan is to:

- 1) Attract, retain and motivate Employees,
- 2) Create and share wealth with the Employees,
- 3) Recognise and reward employee performance with shares and
- 4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:
 - a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
 - b) “Exercise Date” means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.
 - c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.
 - d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.
 - e) The Exercise Price of an Option shall be the face value of ₹2/- per share. However, due to sub-division of Company’s share from F.V of ₹2/- to ₹1/- w.e.f from 9th January, 2015, the Compensation & Nomination & Remuneration Committee made fair and reasonable adjustments with respect to ESOPs earlier approved and granted by the Compensation & Nomination & Remuneration Committee.
 - f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.
 - g) Subject to Participant’s continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c) balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.
 - h) The Date of grant of options :1st August, 2010.

Berger Paints India Limited Employee Stock Option Plan 2016

The Berger Paints India Limited – Employee Stock Option Plan 2016 [‘the Plan’] was approved at the Annual General Meeting of the Company held on 3rd August, 2016. The objective of the plan is to:

- 1) Attract, retain and motivate Employees,
- 2) Create and share wealth with the Employees,
- 3) Recognise and reward employee performance with shares and
- 4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:
 - a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
 - b) “Exercise Date” means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.
 - c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.
 - d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- e) The Exercise Price of an Option shall be the face value of ₹ 1/- per share
- f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.
- g) Subject to Participant's continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c) balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.
- h) The Date of grant of options : 9th November, 2016.

		As at March 31, 2018	As at March 31, 2017
a.	Number of Stock Options outstanding (ESOP Plan 2010: Grant I)	-	-
	Number of Stock Options outstanding (ESOP Plan 2010: Grant II)	-	-
	Number of Stock Options outstanding (ESOP Plan 2010: Grant III)	1,390	1,390
	Number of Stock Options outstanding (ESOP Plan 2010: Grant IV)	1,172	1,172
	Total Number of Options in force (Additional grant Options vested in lieu of bonus issues from ESOP 2010 balances on 21.11.2016)	1,025	1,025
	Number of Stock Options outstanding (ESOP Plan 2016: Grant I)	88,022	1,38,270
	Number of Stock Options outstanding (ESOP Plan 2016: Grant II)	1,56,384	-
		2,47,993	1,41,857
b.	Option granted during the year		
	ESOP Plan 2016: Grant II	1,61,184	-
	ESOP Plan 2016: Grant I : 1,40,811; (34,653 Additional Grant on 21.11.2016 in lieu of bonus issue from ESOP 2010 balance shares)	-	1,75,464
c.	Number of Options vested (ESOP Plan 2010: Grant I)	-	-
	Number of Options vested (ESOP Plan 2010: Grant II)	-	-
	Number of Options vested (ESOP Plan 2010: Grant III)	-	-
	Number of Options vested (ESOP Plan 2010: Grant IV)	-	84,280
	Number of Options vested (ESOP Plan 2016: Grant I)	45,397	-
	Number of Options vested (ESOP Plan 2016: Grant II)	-	-
	Number of Additional grant Options vested in lieu of bonus issues from ESOP 2010 balances on 21.11.2016	-	34,653
		45,397	1,18,933
d.	Number of Options exercised (ESOP Plan 2010: Grant I)	-	-
	Number of Options exercised (ESOP Plan 2010: Grant II)	-	-
	Number of Options exercised (ESOP Plan 2010: Grant III) (834 options exercised during 2016-17 were vested during the year 2015-16)	-	834
	Number of Options exercised (ESOP Plan 2010: Grant IV)	-	83,108

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

		As at March 31, 2018	As at March 31, 2017
	Number of Options exercised (ESOP Plan 2010: Grant I)	44,781	-
	Number of Additional grant Options exercised in lieu of bonus issues from		
	ESOP 2010 balances on 21.11.2016	-	33,628
		44,781	1,17,570
e.	Number of Shares arising on exercise (ESOP Plan 2010: Grant I)	-	-
	Number of Shares arising on exercise (ESOP Plan 2010: Grant II)	-	-
	Number of Shares arising on exercise (ESOP Plan 2010: Grant III)	-	834
	Number of Shares arising on exercise (ESOP Plan 2010: Grant IV)	-	83,108
	Number of Shares arising on exercise (ESOP Plan 2016: Grant I)	44,781	-
	Number of Additional shares arising as result on exercise from ESOP 2010 balances on 21.11.2016	-	33,628
		44,781	1,17,570
f.	Number of Options lapsed (ESOP Plan 2010: Grant I)	-	-
	Number of Options lapsed (ESOP Plan 2010: Grant II)	-	-
	Number of Options lapsed (ESOP Plan 2010: Grant III)	-	-
	Number of Options lapsed (ESOP Plan 2010: Grant IV)	-	1,172
	Number of Options lapsed (ESOP Plan 2016: Grant I)	5,467	2,541
	Number of Options lapsed (ESOP Plan 2016: Grant II)	4,800	-
		10,267	3,713
g.	Variation of terms of Option	None during the period	None during the period
h.	Total Number of Options in force (ESOP Plan 2010: Grant I)	-	-
	Total Number of Options in force (ESOP Plan 2010: Grant II)	-	-
	Total Number of Options in force (ESOP Plan 2010: Grant III)	1,390	1,390
	Total Number of Options in force (ESOP Plan 2010: Grant IV)	1,172	1,172
	Total Number of Options in force (Additional grant Options vested in lieu of bonus issues from ESOP 2010 balances on 21.11.2016)	1,025	1,025
	Total Number of Options in force (ESOP Plan 2016: Grant I)	88,022	1,38,270
	Total Number of Options in force (ESOP Plan 2016: Grant II)	1,56,384	-
		2,47,993	1,41,857
i.	Weighted Average exercise price of the Share Options		
	Outstanding at the beginning of the year	1	1
	Granted during the year	1	1
	Forfeited during the year	-	-
	Exercised during the year	1	1
	Expired during the year	1	1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

		As at March 31, 2018	As at March 31, 2017
	Exercised during the year	1	1
	Expired during the year	1	1
	Outstanding at the end of the year	1	1
	Exercisable at the end of the period	1	1
j.	Weighted Average share price of options exercised during the year on the date of exercise	₹ 1	₹ 1
k.	Weighted Average fair value of the Options granted during the year		
i.	ESOP Plan 2016 Grant I (Fair value as on 31.03.2018)	NA	236.35
ii.	ESOP Plan 2016 Grant II (Fair value as on 31.03.2018)	250.74	NA
iii.	Additional grant in lieu of bonus issues from ESOP Plan 2010 balances of Grant III and IV (Fair value as on 31.03.2017)	NA	238.99
l.	A description of the method and significant assumptions used during the year to estimate the fair value of Options granted, including the following weighted average information:-		
	The Black Scholes Option Pricing Model for dividend paying stock has been used to compute the fair value of the Options. The significant assumptions are:		
i.	Date of grant		
a.	ESOP Plan 2016	09.11.2016	09.11.2016
b.	Additional grant in lieu of bonus issues from ESOP Plan 2010 balances	21.11.2016	21.11.2016
ii.	Weighted average share price	256.70	242.10
iii.	Exercise Price	₹ 1	₹ 1
iv.	Risk Free Interest rate	7.40%	6.69%
v.	Expected Life:		
a.	For options vested on 01.08.2015	0.33 years	1.33 years
b.	For options vested on 01.08.2016	1.33 years	2.33 years
c.	For options vested on 09.11.2017	2.61 years from the vesting day	3 years from the vesting day
d.	For options yet to be vested	3 years from the vesting day	3 years from the vesting day
vi.	Expected Volatility	20%	26%
vii.	Expected dividend yield	0.67%	0.69%
viii.	Weighted Average fair value as on grant date		
a.	ESOP Plan 2016 (Grant date 09.11.2016)	₹ 229.10	₹ 229.10
b.	Additional grant in lieu of bonus issues from ESOP Plan 2010 balances (Grant date 21.11.2016)	₹ 218.21	₹ 218.21
c.	ESOP Plan 2016 (Grant II)- 09.11.2017	₹ 247.75	NA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at March 31, 2018	As at March 31, 2017
ix. The price of the underlying share in the market at the time of option grant:		
a. ESOP Plan 2010: Grant-III- 31.07.2012	₹ 138.70	₹ 138.70
b. ESOP Plan 2010: Grant IV- 31.07.2013	₹ 205.45	₹ 205.45
c. ESOP Plan 2016- 08.11.2016	₹ 234.85	₹ 234.85
d. Additional grant on 21.11.2016 in lieu of bonus issues from ESOP Plan 2010 balances- 18.11.2016	₹ 187.10	₹ 187.10
e. ESOP Plan 2016 (Grant II)- 09.11.2017	₹ 253.70	NA
x. Time to maturity		
a. For options vested on 01.08.2015 (Grant III)	0.33 years	1.33 years
b. For options vested on 01.08.2016 (Grant IV)	1.33 years	2.33 years
c. Additional grants vested on 21.11.2016	0.33 years and 1.33 years	1.33 years and 2.33 years
d. ESOP 2016 (Grant I) vested on 08.11.2017	2.61	NA
e. For options yet to be vested	3 years from the vesting day	3 years from the vesting day

Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the ESOP.

The fair values of our ESOP are based on the market value of our stock on the date of grant.

m. The following table summarizes information about Share Options outstanding as at year end:-

Range of exercise prices per option (₹)	As at March 31, 2018		
	No. of options outstanding	Weighted average remaining contractual life	Weighted average exercise price (₹)
1	1,946	0.33 years	1
1	1,641	1.33 years	1
1	88,022	2.61 years	1
1	1,56,384	Yet to be vested	1

Range of exercise prices per option (₹)	As at March 31, 2017		
	No. of options outstanding	Weighted average remaining contractual life	Weighted average exercise price (₹)
1	1,946	1.33 years	1
1	1,641	2.33 years	1
1	1,38,270	Yet to be vested	1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 33. Leases

Operating lease — Company as lessee

The Company's leasing arrangements for various depots, offices etc are in the nature of operating leases which are cancellable at the option of the Company. These leases have a life between 1 year to 20 years (March 31, 2017 - 1 year to 20 year) which is renewable by mutual consent of concerned parties. No contingent rent is payable by the Company in respect of the above leases. Some of the lease agreements have price escalation clauses. Related lease rentals have been disclosed under the head "Rent" in Note 26 of Statement of Profit and Loss. There are no restrictions placed upon the Company by such leases.

Operating lease — Company as lessor

The Company has given Color bank (tinting machines) on operating lease to its dealers. The Company enters into 3- 5 years cancellable lease agreements. However the corresponding lease rentals may be receivable for a shorter period or may be waived off/refunded on achievement of certain sales targets by the concerned dealers. The minimum aggregate lease payments to be received in future is considered as ₹ Nil. Accordingly the disclosure of the minimum lease payments receivable at the Balance sheet date is not made. The amounts received from customers pending to be refunded back are recognised as liabilities and are included in "Deposits" under "Other financial liabilities" in Note 12. Also refer note 4.

34. Commitment and Contingencies

a. Commitments

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
a) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for (net of advances)	38.55	37.42

b. Contingent Liabilities

(i) Claims against the Company not acknowledged as debts:

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Income Tax	-	15.83
Sales Tax	28.45	27.33
Excise Duty, Service Tax, Customs	25.79	27.28
	54.24	70.44

The Company has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same and hence has not been provided for in the books. The future cash flows on account of the above cannot be determined unless the judgements/decisions are received from the ultimate judicial forums. No reimbursements are expected to arise to the Company in respect of above cases.

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
ii. Outstanding Bank guarantees	9.89	34.24
iii. Corporate guarantees issued by the Company to certain banks for loans taken by some of its subsidiaries and amount outstanding as at the year end (Refer note a and b below)	258.93	253.18

- Immovable assets aggregating ₹ 236.40 crores (March 31, 2017: ₹ 232.95 crores) have been mortgaged by deposit of title deeds in favour of BNP Paribas & Standard Chartered towards loan extended to its subsidiary, M/s Lusako Trading Limited a Subsidiary of the Company
- The loan is utilised by the said subsidiary for its business purposes. Also refer note 12 and 35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

35(a). Disclosure in respect of Related Parties pursuant to Ind AS 24

List of Related Parties

I.	Parent and Subsidiary Companies:	
	Name of related parties	Nature of relationship
	U K Paints (India) Private Limited	Holding Company
	Berger Jenson & Nicholson (Nepal) Private Limited	Wholly Owned Subsidiary
	Beepee Coatings Private Limited	Wholly Owned Subsidiary
	Berger Paints (Cyprus) Limited	Wholly Owned Subsidiary
	Lusako Trading Limited	Wholly Owned Subsidiary
	Saboo Coatings Private Limited	Wholly Owned Subsidiary(acquired after close of business hours on 5th June, 2017)
	Berger Paints Overseas Limited	Wholly Owned Subsidiary of Bergr Paints (Cyprus) Limited
	Bolix S.A.	Wholly Owned Subsidiary of Lusako Trading Limited
	BUILD-TRADE BIS sp. z o.o	Wholly Owned Subsidiary of Bolix S.A.
	Bolix UKRAINA OOO	Wholly Owned Subsidiary of Bolix S.A.
	Soltherm External Insulations Limited	Wholly Owned Subsidiary of Bolix S.A.
	Soltherm Insulations Thermique Exterieur SAS	Wholly Owned Subsidiary of Bolix S.A.
	BJN Paints India Limited	Erstwhile wholly owned step down subsidiary which merged into the company (refer note 36)
II.	Other related parties with whom transactions have taken place during the year:	
a)	Key Management Personnel	
	Name of related parties	Nature of relationship
	Mr. K S Dhingra	Director
	Mr. G S Dhingra	Director
	Mr. Kanwardip Singh Dhingra	Whole time director and relative of Mr G S Dhingra
	Mrs. Rishma Kaur	Whole time director and relative of Mr K S Dhingra
	Mr. Abhijit Roy	Managing Director & CEO
	Mr. Srijit Dasgupta	Director-Finance & Chief Financial Officer
	Mr. Aniruddha Sen	Senior Vice President & Company Secretary
	Mr. Kamal Ranjan Das	Independent Director
	Mr. Naresh Gujral	Independent Director
	Mr. Dharendra Swarup	Independent Director
	Mr. Gopal Krishna Pillai	Independent Director
b)	Others	
	Name of related parties	Nature of relationship
	Berger Becker Coatings Private Limited	Joint Venture of the Company
	Berger Nippon Paint Automotive Coatings Private Limited	Joint Venture of the Company

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Jenson & Nicholson (Asia) Limited	Fellow Subsidiary
Berger Paints (Bangladesh) Limited	Fellow Subsidiary
Citland Commercial Credits Limited	Fellow Subsidiary
Wang Investment Finance Private Limited	Fellow Subsidiary
Kanwar Properties Private Limited	Fellow Subsidiary
Berger Paints Provident Fund (Covered)	Post-employment benefit plan of the Company
Berger Paints Officers (Non-Management Category) Superannuation Fund	Post-employment benefit plan of the Company
Berger Paints Management Staff Superannuation Fund	Post-employment benefit plan of the Company
BAICL Employees Superannuation Fund	Post-employment benefit plan of the Company
BAICL Employees Gratuity Fund	Post-employment benefit plan of the Company
Seaward Packaging Private Limited	Entity controlled by Key Managerial Personnel
Flex Properties Private Limited	Entity controlled by Key Managerial Personnel
Wazir Estates Private Limited	Entity controlled by Key Managerial Personnel
Bigg Investment & Finance Private Limited	Entity controlled by Key Managerial Personnel
KSD Family Trust	Mr K S Dhingra - Settlor Trustee
GBS Dhingra Family Trust	Mr G S Dhingra - Settlor Trustee
Mrs. Meeta Dhingra	Spouse of Mr K S Dhingra
Mrs. Vinu Dhingra	Spouse of Mr G S Dhingra
Mrs. Jessima Kumar	Daughter of Mr K S Dhingra
Ms. Dipti Dhingra	Daughter of Mr K S Dhingra
Mrs. Sunaina Kohli	Daughter of Mr G S Dhingra
Mrs. Anshna Sawhney	Daughter of Mr G S Dhingra

Note 35(b)

A. During the year the following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Transaction	Related Party	2017-18	2016-17
Sale of Goods	Berger Becker Coatings Private Limited	1.57	1.09
	Berger Jenson & Nicholson (Nepal) Private Limited	9.54	6.00
	Berger Nippon Paint Automotive Coatings Private Limited	18.67	15.94
	Wazir Estates Private Limited	0.04	0.07
	Berger Paints (Bangladesh) Limited	0.70	0.48
	Berger Paints Overseas Limited	1.10	0.39
	U K Paints (India) Private Limited	0.40	0.40
	Saboo Coatings Private Limited	1.75	-
	Mr. K S Dhingra *	0.03	0.00
	Mr. G S Dhingra *	0.00	0.00
	Seaward Packaging Private Limited *	0.00	0.00
	Bolix S.A.	-	0.07

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Transaction	Related Party	2017-18	2016-17
Royalty Income	Berger Jenson & Nicholson (Nepal) Private Limited	1.85	1.93
	Berger Paints (Bangladesh) Limited	0.29	0.10
Interest Income	Saboo Coatings Private Limited	0.09	-
Purchase of Goods	U K Paints (India) Private Limited	68.15	62.24
	Berger Becker Coatings Private Limited	-	0.16
	Saboo Coatings Private Limited *	0.00	-
	Seaward Packaging Private Limited	37.88	31.20
	Berger Nippon Paint Automotive Coatings Private Limited	0.71	0.07
Processing Charges	U K Paints (India) Private Limited	18.57	15.75
	Beepee Coatings Private Limited	24.45	24.89
	Seaward Packaging Private Limited	-	0.04
Rent Expenses	U K Paints (India) Private Limited	3.94	3.84
	Flex Properties Private Limited	0.18	0.16
	Beepee Coatings Private Limited	0.06	0.07
	Kanwar Properties Private Limited	0.38	-
	Mr. K S Dhingra	0.24	0.19
	Mr. G S Dhingra	0.24	0.19
Security Deposit Given	U K Paints (India) Private Limited	-	0.05
Security Deposit Refunded	U K Paints (India) Private Limited	0.11	-
Processing Income	Berger Nippon Paint Automotive Coatings Private Limited	2.22	1.38
Rendering of Manpower Services	U K Paints (India) Private Limited	0.02	-
	Berger Becker Coatings Private Limited	0.16	0.20
Machinery Rental Income	Beepee Coatings Private Limited	0.39	0.43
Business Transfer in relation to the 4 wheelers passenger cars and SUV, 3 wheelers and related ancillaries (Refer Note No 26)	Berger Nippon Paint Automotive Coatings Private Limited	-	90.00
Contribution to Provident Fund	Berger Paints Provident Fund (Covered)	13.26	12.70
Contribution to Gratuity Fund	BAICL Employees Gratuity Fund	0.05	0.11
Contribution to Superannuation Fund	Berger Paints Officers (Non-Management Category) Superannuation Fund	0.58	0.64
	Berger Paints Management Staff Superannuation Fund	1.28	1.34
	BAICL Employees Superannuation Fund	0.08	0.06
Directors Commission & Fees	Mr. K S Dhingra	0.10	0.10
	Mr. G S Dhingra	0.10	0.10
	Mr. Kamal Ranjan Das	0.03	0.03
	Mr. Naresh Gujral	0.07	0.07
	Mr. Dharendra Swarup	0.07	0.07

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Transaction	Related Party	2017-18	2016-17
	Mr. Gopal Krishna Pillai	0.07	0.07
Short Term Loan Given	Saboo Coatings Private Limited	4.00	-
Short Term Loan Repaid	Saboo Coatings Private Limited	4.00	-
Equity Contribution	Berger Nippon Paint Automotive Coatings Private Limited	-	89.67
	Berger Paints (Cyprus) Limited	8.69	28.34
	Lusako Trading Limited	1.29	1.34
Share Application	Berger Paints (Cyprus) Limited	2.44	0.08
	Lusako Trading Limited	-	0.32
Key Management Personnel Compensation	Mr. Abhijit Roy	2.58	2.20
	Mr. Srijit Dasgupta	1.40	1.29
	Mr. Aniruddha Sen	0.94	0.88
	Mr. Kanwardip Singh Dhingra	0.23	0.26
	Mrs. Rishma Kaur	0.23	0.27
Dividend Payment	U K Paints (India) Private Limited	85.15	47.25
	Jenson & Nicholson (Asia) Limited	24.61	14.07
	Others	17.66	11.52
Dividend Receipt	Berger Jenson & Nicholson (Nepal) Private Limited	6.47	-
Impairment in Subsidiary	Berger Paints (Cyprus) Limited	-	28.00

B. Balances outstanding at the year end (including commitments):

Outstanding	Related Party	2017-18	2016-17
Payable	U K Paints (India) Private Limited	24.46	21.31
	Beepee Coatings Private Limited	11.84	9.19
	Seaward Packaging Private Limited	9.45	7.12
	Berger Paints Officers (Non-Management Category) Superannuation Fund	-	0.05
	Berger Paints Management Staff Superannuation Fund	-	0.11
	Bolix S.A.	0.11	-
	Flex Properties Private Limited *	0.00	-
	Wazir Estates Private Limited *	0.00	(0.02)
	Kanwar Properties Private Limited	0.08	0.08
	Mr. Abhijit Roy	0.44	0.37
	Mr. Srijit Dasgupta	0.06	-
	Mr. K S Dhingra *	0.00	0.00
	Mr. G S Dhingra *	0.00	0.00
Receivable	Berger Becker Coatings Private Limited	1.52	0.20
	Berger Jenson & Nicholson (Nepal) Private Limited	8.85	2.74
	Berger Nippon Paint Automotive Coatings Private Limited	5.40	1.89
	Saboo Coatings Private Limited	1.13	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Transaction	Related Party	2017-18	2016-17
	Berger Paints (Bangladesh) Limited	0.67	0.84
	Berger Paints (Cyprus) Limited	2.44	0.08
	Lusako Trading Limited	-	0.32
	Berger Paints Overseas Limited	1.10	-
Corporate Guarantee outstanding (Also Refer Note 34 for details of security given)	Lusako Trading Limited	248.47	247.68
	Others	10.46	5.50

₹ in Crores

C. Details of remuneration to Key Managerial Personnel is given below			
Particulars		2017-18	2016-17
- Short-term employee benefits		4.80	4.32
- Post employment benefits		0.51	0.36
- Share based payment		0.07	0.21
		5.38	4.89

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 31 for further details of the scheme.

* Refer Note 42

Notes:

Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in Arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash except unless otherwise mentioned.

Note 36

During the year, National Company Law Tribunal has approved the scheme of amalgamation ('Scheme') between the Company and BJN Paints India Limited ('BJN'), India, a wholly owned step down subsidiary of the Company from the Appointed Date of April 1, 2017. The Scheme became effective from March 29, 2018 after completion of all related regulatory formalities. In accordance with the above Scheme and the accounting treatment prescribed for merger of entities under common control in IND AS 103 – Business Combination (pooling of interests method), the financial statements of the Company for the previous year have been restated with effect from 1st April 2016, being the earliest period presented. Consequently, for the previous year, revenue of ₹114.99 crores and loss before tax of ₹2.35 crores appearing in the books of BJN has been included in the revenue and profit before tax of the Company in the above financial statements for that year. In respect of the Balance Sheet, all assets and liabilities and differential value of equity have been recognised by the Company.

Summary of the assets/ liabilities merged is as under-

₹ in Crores

Particulars	As at April 1, 2016	As at March 31, 2017
Property, Plant and Equipment	5.29	5.82
Other Non-Current Assets	0.25	0.11
Net Current Assets #	(11.64)	(14.63)
Non-Current Liabilities	0.67	0.67
Equity	6.77	9.37

included cash and cash equivalents of ₹3.47 Crores as at April 1, 2016 and ₹3.69 Crores as at March 31, 2017

In accordance with the Scheme of Amalgamation referred in Note 36 above, the authorized share capital of BJN India has merged into and combined with the Authorised Share capital of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 37 Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

a) Financial assets and liabilities measured at fair value through profit and loss at March 31, 2018

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	-	227.59	-	227.59
Investment in unquoted equity instruments*	-	-	0.00	0.00
Financial Liabilities				
Financial Guarantee Contracts	-	-	2.02	2.02

Financial assets and liabilities measured at fair value through profit and loss at March 31, 2017

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds		367.27	-	367.27
Investment in unquoted equity instruments*	-	-	0.00	0.00
Financial Liabilities				
Financial Guarantee Contracts	-	-	2.94	2.94
Derivatives not designated as hedges	-	4.11	-	4.11

*Refer note 42

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable techniques
Financial Guarantee Contracts -Also refer note 34	DCF Method	Interest saved approach

(b) Financial instruments at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled

(c) During the year there has been no transfer from one level to another

(d) Also refer note 17a and 17b

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 38. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations. The Company enters into derivative transactions by way of forward exchange contracts to hedge its payables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The BPRMC provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by personnel that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk, liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and financial derivative.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017
- The sensitivity of equity is calculated as at March 31, 2018 for the effects of the assumed changes of the underlying risk

Interest rate risk

The Company has incurred short term debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk. Borrowing issued at fixed rates expose the Company to fair value interest rate risk. The Company's interest rate risk management policy includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

Some of the Company's borrowings are index linked, that is their cost is linked to changes in the London inter-bank offer rate (Libor).

Although the Company has significant variable rate interest bearing liabilities at March 31, 2018, there would not be any material impact on pre-tax profit and pre-tax equity of the Company on account of any anticipated fluctuations in interest

Foreign currency risk

The Company has a policy of entering into foreign exchange forward contracts to manage risk of foreign exchange fluctuations on borrowings and payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities by way of direct imports or financing of imports through foreign currency instruments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The Company proactively hedged its currency exposures in case of a significant movement in exchange rates for imports and in case the hedged cost of foreign currency instrument is lower than the domestic cost of borrowing in case of short term import financing .

As at March 31, 2018, the Company hedged 2% (March 31, 2017: 58%) for 6 months , of its expected foreign currency payables. This foreign currency risk on payables is hedged by using foreign currency forward contracts.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD/Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in Crores

		Change in USD rate(%)	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	USD	5%	(1.98)	(1.98)
	USD	(5%)	1.98	1.98
	EURO	5%	(0.07)	(0.07)
	EURO	(5%)	0.07	0.07
March 31, 2017	USD	5%	(6.73)	(6.73)
	USD	(5%)	6.73	6.73
	EURO	5%	(0.08)	(0.08)
	EURO	(5%)	0.08	0.08

Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk

Equity price risk

The Company does not have any investments in listed securities or in Equity Mutual Funds and thereby is not exposed to any Equity price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by BPRMC and corrective actions taken.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in Note 12 except for financial guarantees. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 37 and the liquidity table below.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in Crores

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2018						
Borrowings	143.27	-	-	-	-	143.27
Financial Liabilities						-
Other financial liabilities	5.54	68.55	37.84	3.54	-	115.47
Financial Guarantee	258.93	-	-	-	-	258.93
Trade payables	1.51	931.06	-	-	-	932.57
	409.25	999.61	37.84	3.54	-	1,450.24
Year ended March 31, 2017						
Borrowings	34.58	85.10	-	-	-	119.68
Other financial liabilities	4.84	96.29	35.65	2.86		139.64
Financial Guarantee	253.18	-	-	-	-	253.18
Trade payables	1.08	749.24	-	-	-	750.32
	293.68	930.63	35.65	2.86	-	1,262.82

Note 39. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company only avails short term borrowings to bridge its working capital gap and finances its capital expenditure through internal generation of funds.

The company has a generally low debt equity ratio

₹ in Crores

	March 31, 2018	March 31, 2017
Borrowings (Note 16a)	143.27	119.68
Less: cash and cash equivalents (Note 9c)	(64.18)	(30.88)
Net debt	79.09	88.08
Total capital	2,143.61	1,912.77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
Capital and net debt	2,222.70	2,001.57
Gearing ratio	4%	4%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

Note 40 Expenditure on Research & Development

a. Details of Research & Development expenses incurred during the year, debited under various heads of Statement of Profit & Loss is given below

₹ in Crores

	March 31, 2018	March 31, 2017
Employee Benefit Expenses	10.05	9.08
Material consumption	0.99	0.97
Power and Fuel	0.39	0.43
Depreciation	1.95	1.75
Others	1.17	0.77
	14.55	13.00

b. Details of Capital expenditure incurred for Research & Development are given below

Capital Expenditure	1.40	3.51
	1.40	3.51
Total	15.95	16.51

Above includes allowable expenditure under section 35(2AB) of the Income Tax Act

Capital expenditure ₹ 0.51 crores (March 31, 2017 ₹ 1.10 crores)

Revenue expenditure ₹ 9.54 crores (March 31, 2017 ₹ 8.72 crores)

The Company has a research & development unit situated in Howrah, Kolkata which focuses on reasearch on new and existing paint products, reformulation for cost optimization, environment friendly products etc.

Note 41. Segment Information

The Company is engaged in the business of manufacturing and selling of paints. Based on the nature of products, production process , regulatory environment, customers and distribution methods there are no reportable segment(s) other than "Paints".



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 42

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

For **S.R. BATLIBOI & CO. LLP**
Firm Registration Number 301003E/E300005
Chartered Accountants

per **Bhaswar Sarkar**
Partner
Membership Number : 055596
Place: Kolkata
Dated: May 30, 2018

For and on behalf of Board of Directors
Kuldip Singh Dhingra, Chairman
Gurbachan Singh Dhingra, Vice-Chairman
Abhijit Roy, Managing Director & CEO
Srijit Dasgupta, Director-Finance & CFO
Aniruddha Sen, Sr. VP & Company Secretary

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

	₹ Crores				
	2017-18*	2016-17*	2015-16*	2014-15^	2013-14
Gross Revenue	4,839.37	4,723.52	4,305.91	4,212.94	3,735.35
Revenue from Operations (Net of Excise Duty)	4,723.79	4,225.32	3,857.81	3,806.51	3,384.82
% Growth	11.80	9.53	1.35	12.46	11.92
Other Income	46.53	48.31	36.20	34.19	30.59
Materials Consumed	2,788.34	2,442.09	2,287.64	2,226.14	2,051.94
Employee Benefits Expense	269.84	244.51	203.76	178.21	158.74
Other Expenses	922.21	876.60	758.80	926.76	784.50
Operating Profit - EBITDA	789.93	710.43	643.81	509.59	420.23
% to Net Revenue	16.72	16.81	16.69	13.39	12.42
Depreciation / Amortization	111.92	98.00	88.07	78.62	58.27
Finance Cost	16.20	7.76	17.05	34.72	34.26
Profit Before Tax & Exceptional Item	661.81	604.67	538.69	396.25	327.70
Exceptional Items	-	58.67	-	-	-
Profit Before Tax	661.81	663.34	538.69	396.25	327.70
Tax Expense	229.97	219.25	182.43	130.22	93.45
Profit After Tax	431.84	444.09	356.26	266.03	234.25
Return On Net Worth (%)	20.15	23.22	22.38	19.79	20.71
Dividend - including Tax on Dividend	204.52	116.85	108.49	104.35	89.18
Retained Earnings	431.84	444.09	356.26	161.68	145.07
Shareholders' Funds:					
Share Capital	97.10	97.10	69.35	69.33	69.30
Reserves and Surplus	2,046.51	1,815.67	1,522.79	1,274.97	1,062.59
Total	2,143.61	1,912.77	1,592.14	1,344.30	1,131.89
Deferred Tax Liability (Net)	58.60	60.09	46.39	32.81	26.01
Borrowings	143.27	119.68	66.51	288.49	302.80
Other current and non-current liabilities	1,159.22	904.80	807.02	644.31	700.22
EQUITY AND LIABILITIES	3,504.70	3,087.34	2,512.06	2,309.91	2,160.92
Fixed Assets	1,002.60	945.17	752.86	736.45	680.64
Investments	530.77	577.62	415.14	243.93	187.29
Other current and non-current assets	1,971.33	1,564.55	1,344.06	1,329.53	1,292.99
ASSETS	3,504.70	3,087.34	2,512.06	2,309.91	2,160.92
Debt - Equity Ratio	0.07:1	0.06 : 1	0.04 : 1	0.21 : 1	0.27 : 1
Cash Earnings Per Share (₹)*	5.60	5.58	4.58	4.97	4.22
Earnings Per Share - Basic (₹)*	4.45	4.57	3.67	3.84	3.38
Earnings Per Share - Diluted (₹)*	4.45	4.57	3.67	3.84	3.38
Book Value Per Share (₹)*	22.07	19.70	16.40	19.39	16.33
Dividend per share (₹)*	1.80	1.75	1.65	1.25	1.10
Number of employees	3,130	2,993	2,802	2,666	2,607

^ Figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956. Hence these numbers are not comparable with previous years.

* Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. However, Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years. Return on net worth, Earnings Per Share, Dividend per share, Cash earnings per share and Book Value per share for these years are computed on the basis of figures as per Ind AS. Hence the numbers are not comparable with previous years.

FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

Part "A" : Subsidiaries

Sl. No.	Name of subsidiary	Berger Jenson & Nicholson (Nepal) Limited Private	Beeper Coatings Private Limited	Saboo Coatings Private Limited	Berger Paints (Cyprus) Limited	Lusako Trading Limited	Berger Overseas Limited	Bolix S.A	Build Trade BIS sp. z.o.o	Bolix UKRAINA OOO	Soltherm External Insulations Limited	Soltherm Insulations Thermique Extérieure SAS	Surefire Management Services Limited
1.	Reporting Period	14/03/2018	31/03/2018	31/03/2018	31/12/2017	31/12/2017	31/12/2017	31/12/2017	31/12/2017	31/12/2017	31/12/2017	31/12/2017	31/12/2017
2.	Reporting Currency	Nepalese Rupees	INR	INR	USD	USD	Russian Ruble	Polish Zloty	Polish Zloty	Ukrainian hryvnia	GBP	EUR	GBP
3.	Exchange Rate as on last date of relevant Financial Year in case of foreign subsidiaries	0.62	1.00	1.00	63.93	63.93	1.11	18.36	18.36	2.26	86.36	76.74	86.36
4.	Share Capital	2.16	2.50	2.96	81.28	81.65	1.54	18.36	0.09	0.18	0.26	0.04	0.00
5.	Reserves & surplus	132.29	9.94	18.84	(6.40)	(71.97)	(29.13)	182.82	0.02	(1.49)	0.27	0.05	-
6.	Total assets	184.61	17.33	41.74	74.90	254.84	47.44	291.32	0.11	0.64	3.52	0.35	0.00
7.	Total liabilities	50.16	4.89	19.94	0.02	245.16	75.03	90.14	0.00	1.95	2.99	0.26	-
8.	Investments	-	0.00	-	-	252.70	-	1.06	0.01	-	-	-	-
9.	Turnover	170.82	24.44	71.51	-	-	7.93	199.18	-	1.86	9.43	0.96	-
10.	Profit before taxation	45.19	3.19	4.93	(3.78)	(7.34)	(4.16)	8.20	(0.01)	(0.25)	0.30	0.05	-
11.	Provision for taxation	9.25	0.80	1.74	-	-	-	2.02	-	-	0.12	0.01	-
12.	Profit after taxation	35.94	2.39	3.19	(3.78)	(7.34)	(4.16)	6.18	(0.01)	(0.25)	0.18	0.04	-
13.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14.	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	99%	100%	100%	75%

Notes : The following information shall be furnished at the end of the statement :

- Names of subsidiaries which are yet to commence operations - Not Applicable.
- Names of subsidiaries which have been liquidated or sold during the year - Not Applicable.

Part "B": Associates and Joint Ventures

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

₹ in Crores

Sl. No.	Name of associates / Joint Ventures	Berger Becker Coatings Private Limited	Berger Nippon Paint Automotive Coatings Private Limited "Formerly BNB Coatings India Pvt. Ltd."
		Joint Venture	Joint Venture
1.	Latest audited Balance Sheet Date	March 31, 2018	March 31, 2018
2.	Shares of Associate / Joint Ventures held by the company on the year end		
	i) Number	2,70,850	9,60,400
	ii) Amount of Investment in Associates / Joint Venture	2.71	96.04
	iii) Extend of Holding %	48.98%	49.00%
3.	Description of how there is significant influence	By way of shareholding	By way of shareholding
4.	Reasons why the associate/ joint venture is not consolidated	Consolidated	Consolidated
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	50.28	97.98
6.	Profit / Loss for the year		
	i) Considered in consolidation	6.88	(2.57)
	ii) Not Considered in consolidation	Not Applicable	Not Applicable

Notes : The following information shall be furnished at the end of the statement :

- Names of associates or joint ventures which are yet to commence operations - Not Applicable.
- Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable.

Place: Kolkata
Dated: May 30, 2018

For and on behalf of Board of Directors
Kuldip Singh Dhingra - Chairman
Gurbachan Singh Dhingra - Vice-Chairman
Abhijit Roy - Managing Director & CEO
Srijit Dasgupta - Director - Finance & CFO
Aniruddha Sen - Sr. Vice President & Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BERGER PAINTS INDIA LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Berger Paints India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and joint ventures as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 11 (eleven) subsidiaries, whose Ind AS financial statements include total assets of ₹592.85 crores and net assets of ₹181.27 crores as at March 31, 2018, and total revenues of ₹474.60 crores and net cash inflows of ₹1.25 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹6.85 crores for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of 1 (one) joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and one joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group's companies and joint ventures incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and joint ventures – Refer Note 33 to the consolidated Ind AS financial statements;
 - ii. The Group and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and joint ventures incorporated in India during the year ended March 31, 2018.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership No.: 055596

Place of Signature: Kolkata

Date: May 30, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BERGER PAINTS INDIA LIMITED

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

In conjunction with our audit of the consolidated financial statements of Berger Paints India Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Berger Paints India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's, its subsidiaries and jointly ventures which are incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 2 subsidiary companies, and 1 joint venture which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint venture incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 30, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As at March 31, 2018	₹ in Crores As at March 31, 2017
ASSETS			
Non-current assets			
Property plant and equipment	4	997.83	950.20
Capital work-in-progress	4	97.16	62.21
Goodwill	4	264.57	178.90
Other intangible assets	4	4.77	6.86
Investments in joint ventures	5	105.54	104.86
Financial assets			
(a) Investments	5a	0.00	0.00
(b) Loans	5b	20.43	13.71
(c) Other financial assets	5c	2.53	3.99
Deferred tax assets (net)	13b	0.74	0.76
Income tax assets (net)	13c	46.53	14.76
Other non-current assets	6	35.07	36.28
		1,575.17	1,372.53
Foreign currency monetary item translation difference account		8.91	10.08
Current Assets			
Inventories	7	1,007.34	935.47
Financial assets			
(a) Investments	8a	227.59	367.27
(b) Trade receivables	8b	692.40	578.14
(c) Cash and cash equivalents	8c	83.59	45.25
(d) Bank balances other than (c) above	8d	121.38	57.20
(e) Loans	5b	1.96	11.33
(f) Other financial assets	5c	3.81	4.66
Other current assets	6	221.24	58.40
		2,359.31	2,057.72
		3,943.39	3,440.33
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	97.10	97.10
Other equity	10	2,097.41	1,804.46
Total Equity		2,194.51	1,901.56
Liabilities			
Non-Current Liabilities			
Financial liabilities			
(a) Borrowings	14a	249.47	262.08
(b) Other financial liabilities	11	7.27	5.59
Provisions	12	4.56	4.17
Deferred tax liabilities (net)	13a	83.20	81.45
Other non-current liabilities	15	1.72	1.24
Income tax Liabilities(net)	13d(1)	-	4.75
		346.22	359.28
Current Liabilities			
Financial liabilities			
(a) Borrowings	14a	172.70	144.13
(b) Trade payables	14b	955.25	761.20
(c) Other financial liabilities	11	144.70	154.62
Other current liabilities	15	93.88	89.82
Provisions	12	30.88	29.72
Current tax liabilities (net)	13d	5.25	-
		1,402.66	1,179.49
Total Liabilities		1,748.88	1,538.77
TOTAL EQUITY AND LIABILITIES		3,943.39	3,440.33
Significant accounting policies			
	3		

The accompanying notes are an integral part of the financial statements.
As per our report on even date

For S.R. BATLIBOI & CO. LLP

Firm Registration Number 301003E/E300005
Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number : 055596

Place: Kolkata

Dated: May 30, 2018

For and on behalf of Board of Directors

Kuldip Singh Dhingra-Chairman

Gurbachan Singh Dhingra-Vice-Chairman

Abhijit Roy-Managing Director & CEO

Srijit Dasgupta-Director -Finance & CFO

Aniruddha Sen-Sr. VP & Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Notes	Year Ended March 31, 2018	₹ in Crores Year Ended March 31, 2017
Revenue from operations	18	5,282.12	5,050.45
Other income	19	45.87	54.54
Total Income		5,327.99	5,104.99
Expenses			
Cost of materials consumed	20	2,678.14	2,283.60
Purchases of traded goods		431.79	433.79
(Increase)/decrease in inventories of finished goods, work-in-process and traded goods	21	(99.97)	(125.09)
Excise duty on sale of goods (Refer note 18)		116.39	498.20
Employee benefits expense	22	356.58	306.72
Finance Costs	23	24.55	16.22
Depreciation and amortisation expense	24	124.21	108.05
Other expenses	25	992.20	934.67
Total Expense		4,623.89	4,456.16
Profit Before share of joint ventures, exceptional Items and tax		704.10	648.83
Share in profit of joint ventures	5	0.64	10.05
Profit Before exceptional Items and tax		704.74	658.88
Exceptional items	26	-	44.20
Profit before tax		704.74	703.08
Tax Expense/(credit)			
Current tax		245.64	214.83
Deferred tax		(1.73)	14.59
		243.91	229.42
Profit for the year (I)		460.83	473.66
Other Comprehensive Income:			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		1.73	(2.42)
Income tax effect thereof		(0.60)	0.75
Share of other comprehensive income in Joint Venture (net of tax)		0.05	(0.02)
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Exchange differences on translation of foreign operations		33.26	(17.25)
Other comprehensive income/(loss) for the year, net of tax (II)		34.44	(18.94)
Total comprehensive income for the year, net of tax (I + II)		495.27	454.72
Earnings per Equity Share of ₹1 each	27		
Basic		4.75	4.88
Diluted		4.74	4.88

Significant accounting policies 3
The accompanying notes are an integral part of the financial statements.
As per our report on even date

For S.R. BATLIBOI & CO. LLP
Firm Registration Number 301003E/E300005
Chartered Accountants

per **Bhaswar Sarkar**
Partner
Membership Number : 055596
Place: Kolkata
Dated: May 30, 2018

For and on behalf of Board of Directors
Kuldip Singh Dhingra-Chairman
Gurbachan Singh Dhingra-Vice-Chairman
Abhijit Roy-Managing Director & CEO
Srijit Dasgupta-Director-Finance & CFO
Aniruddha Sen-Sr. VP & Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

a. Equity Share Capital:

Equity shares of Re 1 each issued, subscribed and fully paid	No. of shares	₹ in Crores
At March 31, 2017	97,09,86,647	97.10
Add: Issue of Shares on exercise of Stock Options (Note 31)*	44,781	0.00
At March 31, 2018	97,10,31,428	97.10

*refer note 41

b. Other equity

For the year ended March 31, 2018

Particulars	Reserves & Surplus						Items of OCI	Total Equity
	Securities premium Account	Share based payment reserve	Retained earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Foreign Currency Translation Reserve	
As at April 1, 2017	111.31	0.87	1,420.40	0.19	302.87	0.04	(31.22)	1,804.46
Profit for the year	-	-	460.83	-	-	-	-	460.83
Other comprehensive income for the year	-	-	1.18	-	-	-	33.26	34.44
Total Comprehensive Income for the year	-	-	462.01	-	-	-	33.26	495.27
Issue of share capital on Bonus Issue (Note 9)	-	-	-	-	-	-	-	-
Exercise of share options (Note 31)	1.03	(1.03)	-	-	-	-	-	-
Cost of Share based payments (Note 31)	-	2.44	-	-	-	-	-	2.44
Transfer to housing reserves (Note 12)	-	-	(0.16)	-	-	-	-	(0.16)
Share Options forfeited/ lapsed (Note 31)	-	(0.08)	-	-	-	-	-	(0.08)
Dividends (Note 17)	-	-	(169.93)	-	-	-	-	(169.93)
Dividend distribution tax on cash dividend (Note 17)	-	-	(34.59)	-	-	-	-	(34.59)
As at March 31, 2018	112.34	2.20	1,677.73	0.19	302.87	0.04	2.04	2,097.41

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

For the year ended March 31, 2017

Particulars	Reserves & Surplus						Items of OCI	Total Equity
	Securities premium Account	Share based payment reserve	Retained earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Foreign Currency Translation Reserve	
As at April 1, 2016	137.50	0.83	1,065.28	0.19	302.87	0.04	(13.97)	1,492.74
Profit for the year	-	-	473.66	-	-	-	-	473.66
Other comprehensive income for the year	-	-	(1.69)	-	-	-	(17.25)	(18.94)
Total Comprehensive Income for the year	-	-	471.97	-	-	-	(17.25)	454.72
Issue of share capital on Bonus Issue (Note 9)	(27.74)	-	-	-	-	-	-	(27.74)
Exercise of share options (Note 31)	1.55	(0.82)	-	-	-	-	-	0.73
Cost of Share based payments (Note 31)	-	0.93	-	-	-	-	-	0.93
Share Options forfeited/ lapsed (Note 31)	-	(0.07)	-	-	-	-	-	(0.07)
Dividends (Note 17)	-	-	(97.09)	-	-	-	-	(97.09)
Dividend distribution tax on Dividend (Note 17)	-	-	(19.76)	-	-	-	-	(19.76)
As at March 31, 2017	111.31	0.87	1,420.40	0.19	302.87	0.04	(31.22)	1,804.46

As per our report on even date

For S.R. BATLIBOI & CO. LLP

Firm Registration Number 301003E/E300005

Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number : 055596

Place: Kolkata

Dated: May 30, 2018

For and on behalf of Board of Directors

Kuldip Singh Dhingra-Chairman

Gurbachan Singh Dhingra-Vice - Chairman

Abhijit Roy-Managing Director & CEO

Srijit Dasgupta-Director-Finance & CFO

Aniruddha Sen-Sr. VP & Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	₹ in Crores	
	2017-18	2016-17
A. Cash flow from operating activities:		
Net Profit before tax	704.74	703.08
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	124.21	108.05
(Profit)/Loss on sale/discard of Property, plant and equipment and intangible assets	0.01	0.35
Employee stock option scheme	2.36	1.60
Profit on transfer of Company's paint division relating to 4 wheeler passenger cars and SUVs, 3 wheelers and related ancillaries (refer note 26)	-	(44.20)
Foreign Currency translation	9.01	(9.06)
Unrealised foreign exchange (gain)/loss - (net)	(8.79)	0.07
Finance costs	24.55	16.22
Interest income	(6.78)	(4.60)
Net gain on sale of mutual fund investments	(18.11)	(26.99)
Fair value gain on mutual fund investments	(4.41)	(2.97)
Operating profit before working capital changes	826.79	741.55
Adjustments for :		
Increase/(decrease) in loans, deposits and other financial assets	3.61	2.12
Decrease in trade receivables	(114.26)	(33.76)
Decrease in other current and non current assets	(154.97)	(20.14)
Decrease in inventories	(71.87)	(203.16)
Increase in trade payables	194.05	91.51
Increase in other financial liabilities	4.54	12.23
Increase/(decrease) in provisions	3.29	4.21
Increase in other current and non current liabilities	7.64	12.34
Increase/(decrease) in Other Bank balances	-	7.13
Cash generated from operations	698.81	614.03
Direct taxes paid (net of refund)	(276.91)	(219.53)
Net cash flow from operating activities (A)	421.90	394.51
B. Cash flow from investing activities:		
Purchase of Property, plant and equipment and intangible assets including capital work in progress	(292.87)	(268.60)
Proceeds from sale of property, plant and equipment and intangible assets	3.28	4.23
Interest received	5.67	4.70
Investment in joint venture and subsidiaries	1.77	(57.23)
Proceeds from transfer of Company's paint division relating to 4 wheeler passenger cars and SUVs, 3 wheelers and related ancillaries (Refer Note 26)	-	45.90
Purchase of current investments	(1,988.27)	(4,093.86)
Proceeds from sale of current investments	2,150.47	4,056.46
Redemption /maturity of bank deposits having original maturity of more than three months but less than twelve months	(63.48)	-
Net cash flow used in investing activities (B)	(183.43)	(308.39)
C. Cash flow from financing activities:		
Proceeds from issuance of equity share capital	0.00	0.01
Net movement in cash credit	110.03	(27.38)
Short term borrowings taken	2,577.83	1,130.84
Interest paid	(24.57)	(16.33)
Dividend paid (including net dividend distribution tax)	(204.52)	(116.85)
Movement in short term borrowings (net)	(2,658.90)	(1,052.71)
Net cash used in financing activities	(200.13)	(82.42)
Net increase in cash and cash equivalents [A+B+C]	38.34	3.70
Cash and cash equivalents at the beginning of the year	45.25	41.56
Cash and cash equivalents as at end of the year	83.59	45.25

Refer Note 8c for Components of Cash and cash Equivalents

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For S.R. BATLIBOI & CO. LLP

Firm Registration Number 301003E/E300005

Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number : 055596

Place: Kolkata

Dated: May 30, 2018

For and on behalf of Board of Directors

Kuldip Singh Dhingra-Chairman

Gurbachan Singh Dhingra-Vice-Chairman

Abhijit Roy-Managing Director & CEO

Srijit Dasgupta-Director -Finance & CFO

Aniruddha Sen-Sr. VP & Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

Berger Paints India Limited ('BPIL' or 'the Holding Company' or 'the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on three stock exchanges in India. The Holding Company is engaged in the manufacturing and selling of paints. The Company caters primarily to domestic market. The registered office of the Company is located at Berger House, 129 Park Street, Kolkata-700 017.

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of directors on May 30, 2018.

2. Basis of Preparation

The consolidated financial statements of the Group (BPIL and its subsidiaries) for the year ended March 31, 2018 have been prepared in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair values. (refer accounting policy regarding financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3. Summary of Significant Accounting Policies

3.1. Current and Non Current classification

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

3.2. Foreign Currencies

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the respective companies included in the Group operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's presentation currency.

The functional currency of BPIL, Bepee Coatings Private Limited (BCPL), BJB Paints India Limited (BJNPIL), Berger Becker Coatings Private Limited (BBCPL) (Joint Venture) and Berger Nippon Paint Automotive Coatings Private Limited (BNPACPL) (Joint Venture) is Indian rupee. The functional currency of other subsidiaries included within the Group are the respective local currencies.

Transactions in foreign currencies are initially recorded in by the respective companies at spot rates at the functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

3.3. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.4. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.5. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.6. Property, Plant and Equipment

Property, plant and equipment and capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 29 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation is provided on Straight line method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of property, plant and equipment where applicable, prescribed under Schedule II to the Companies Act 2013 with the exception of the following items for which useful lives as estimated by management based on technical evaluation are different from those specified in aforesaid Schedule II.

- Plant and Machinery: 9.67 years to 21.05 years
- Motor Vehicles: 6.67 years
- Tinting Machines: Based on useful lives of 60 months
- No depreciation is provided on freehold land
- Leasehold Land and Building is amortized on a straight line basis over the tenure of respective leases

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life ranging from 3 to 5 years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and are charged to Statement of Profit and Loss for the year during which such expenditure is incurred.

3.8. Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, 'Business Combinations'.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the respective company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired; by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the respective company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

3.9. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.10. Inventories

Finished goods and Work-in-process are stated at the lower of cost and estimated net realisable value. Cost of inventories constitutes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Raw materials, components, stores and spares are valued at lower of cost and estimated net realisable value. Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.11. Revenue and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Group on its own account, and accordingly revenue includes excise duty. Refer note 18 to the financial statements.

However, sales tax/value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have passed to the buyer, on delivery of the goods or as per buyer's instruction. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Income from services

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

Interest Income recognised under Amortized cost

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'Other Income' in the Statement of Profit and Loss.

Dividend Income

Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

3.12. Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants/subsidy will be received.

When the grant or subsidy from the Government relates to revenue, it is deducted from the related expense on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate. Where the grant or subsidy from the Government relates to revenue and is not relatable to the corresponding costs, it has been disclosed as other operating income. When the grants relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.13. Employee Benefits

I. Defined Contribution Plan

a. Superannuation

Contribution made to Superannuation Fund for certain employees of the Holding Company are recognised in the Statement of Profit and Loss as and when services are rendered by employees. The Holding Company has no liability for future Superannuation Fund benefits other than its contribution.

b. Provident Fund

Contributions in respect of Employees of Holding Company who are not covered by Holding Company's Employees Provident Fund Trust and in respect of other employees of the Group, are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to Statement of Profit and Loss as and when services are rendered by employees. The Group has no obligation other than the contribution payable to the Regional Provident fund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

II. Defined Benefit Plan

a. Gratuity

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of The Payment of Gratuity Act, 1972. Retirement Gratuity for employees of the Holding Company, is funded through a scheme of Life Insurance Corporation of India. The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit and loss in subsequent periods. The excess / shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain / loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

b. Provident Fund

In respect of the employees covered by the Holding Company's Employee Provident Fund Trust in Point I b above, contributions to the Holding Company's Employees Provident Fund Trust (administered by the Holding Company as per the provisions of Employees' Provident Fund and Misc. Provisions Act, 1952) are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Holding Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the balance sheet date, as an expense.

III. Long Term Compensated Absences

The Group treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

3.14. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Finance leases are capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 3.19). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.15. Forward Currency Contracts

The Holding Company uses forward currency contracts to hedge its foreign currency risks. Such forward currency contracts are initially measured at fair value on the date on which a forward currency contract is entered into and are subsequently re-measured at fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of forward contracts are recognized in the Statement of Profit and Loss as they arise.

3.16. Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in Statement of Profit and Loss, when it is incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.
- (b) the Company intends to complete the intangible asset and use or sell it.
- (c) the Company has ability to use or sell the intangible asset.
- (d) the Company can demonstrate how the intangible asset will generate probable future economic benefits.
- (e) the Company has adequate technical, financial and other resources to complete the development and to use or sell intangible asset.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(f) the Company has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised in Statement of Profit and Loss as incurred.

3.17. Taxes on Income

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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3.18. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group records a provision for decommissioning costs for its certain manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.19. Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Discount on Commercial papers is amortised over the tenor of the underlying instrument. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

3.20. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit and loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

3.21. Employees Stock Option

Stock options are granted to the employees under the stock option scheme. The cost of stock options granted to the employees (equity-settled awards) of the Company is the difference between fair value of equity instruments granted and the price at which options may be exercised by concerned employees. For each stock option, the measurement of fair

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

Aforesaid cost of stock options is recognised, together with a corresponding increase in Employee Stock Options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

3.22. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- a. Debt instruments at amortised cost
- b. Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost other than derivative contracts

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables.

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Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost on first time adoption of Ind AS as set out in Note 40. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, investment in subsidiaries and joint ventures, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.23. Standards issued but not effective

A. Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018.

The Company is currently evaluating the impact of Ind AS 115 “Revenue from Contracts with Customers” which is applicable to it w.e.f April 1, 2018. Based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have significant financial impact. However, there will be additional presentation and disclosure requirement in this regard, which will be provided in the subsequent financial statements.

B. Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company as there are no deductible temporary differences or assets that are in the scope of the amendments.

C. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. The Company is evaluating the impact of this amendment on its financial statements.

3.24. Operating Segments

The Business process and Risk Management Committee of the Holding Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Business process and Risk Management Committee. The financial information presented to the Business process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

3.25. Business Combination

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The assets and liabilities of the acquired entity are recognised at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

The components of equity of the acquired entity are added to the same components within the Group equity. Any excess or shortfall of the consideration paid over the share capital of acquired entity is recognized as capital reserve under equity. The financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

3.26. Basis for Consolidation

Consolidated financial statements relate to Berger Paints India Limited, the Holding Company and its subsidiaries (the Group) and its Joint ventures. The consolidated financial statements are in conformity with the Accounting Standard – 110 on Consolidated Financial Statements as notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and other relevant Provisions of the Companies Act, 2013 and are prepared as set out below:

- i. The financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after adjustments / elimination of inter-company balances, transactions including unrealized profits on inventories etc, if any.
- ii. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Holding Company's separate financial statements.
- iii. The translation of the functional currencies into Indian Rupees (functional and presentation currency) of foreign subsidiaries is performed for assets and liabilities using closing exchange rates at the Balance Sheet date, for revenues, costs, and expenses using average rates prevailing during the period. The resultant exchange difference arising out of such transactions is recognized as part of Other Comprehensive Income as Foreign Currency Translation Reserve by the Holding Company until the disposal of Investment.
- iv. The excess of cost to the Holding Company of its investment in the subsidiaries over the Holding's portion of equity of the subsidiaries at the dates they became subsidiaries is recognized in the financial statements as Goodwill.
- v. Joint Ventures are entities over which the Group has joint control along with third parties. Investments in Joint Ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the acquisition date.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4(a) - Property, plant and equipment

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block		
	As at April 1, 2017	Additions	Deletions	Translation Difference	As at March 31, 2018	As at April 1, 2017	Acquisition**	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land													
Freehold	12.57	0.46	-	0.32	13.35	-		-	-	-	-	13.35	12.57
Leasehold	8.54	0.45	-	-	8.99	0.19		0.22	-	-	0.41	8.58	8.35
Buildings													
Freehold #	378.18	17.03	(0.34)	2.89	397.76	23.89		16.36	-	1.94	42.19	355.57	354.29
Leasehold	27.22	0.87	-	-	28.09	2.11	0.02	1.05	-	-	3.18	24.91	25.11
Plant & Machinery ##	607.17	118.60	(3.03)	6.32	729.06	122.68	0.38	81.44	(2.05)	5.00	207.45	521.61	484.49
Furniture and Fixtures	26.48	9.97	(0.90)	1.36	36.91	7.15	0.07	5.69	(0.88)	1.16	13.19	23.72	19.33
Computer ##	36.43	10.91	(0.14)	-	47.20	10.19	0.06	9.37	(0.13)	-	19.49	27.71	26.24
Office Equipment	8.89	2.32	(0.07)	-	11.14	2.53	0.01	1.97	(0.01)	-	4.50	6.64	6.36
Vehicles	13.99	8.19	(4.63)	1.24	18.79	0.53	0.15	4.35	(2.77)	0.79	3.05	15.74	13.46
TOTAL	1,119.47	168.80	(9.11)	12.13	1,291.29	169.27	0.69	120.45	(5.84)	8.89	293.46	997.83	950.20

Partly on leasehold land

Note 4(a)(i)

Title deeds of immovable properties set out in Note 4(a) above, are in the name of the Company except those mentioned below which were transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

₹ in Crores

Particulars	No of title deeds	Gross Carrying Amount		Net Carrying Amount		Held in the name of
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	
Leasehold land at Taloja, Maharashtra	1	1.13	1.13	0.98	1.00	Brushwork Paints Limited
Freehold land at Rishra, West Bengal	1	1.36	1.36	1.36	1.36	Berger Auto & Industrial Coatings Limited
Leasehold land at Sikandrabad, Uttar Pradesh	1	0.27	0.27	0.15	0.15	Rajdoot Paints Private Limited
Leasehold land at Chandigarh	1	0.05	0.05	0.03	0.03	Rajdoot Paints Private Limited

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4(b) - Goodwill

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation						Net Block	
	As at April 1, 2017	Additions	Deletions	Translation Difference	As at March 31, 2018	As at April 1, 2017	Acquisition	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Goodwill *	178.90	64.18	-	21.49	264.57	-		-	-	-	-	264.57	178.90
TOTAL	178.90	64.18	-	21.49	264.57	-	-	-	-	-	-	264.57	178.90

* Includes Goodwill on consolidation ₹65.24 crores (2016-17 ₹1.06 crores). Goodwill of ₹64.18 crores is on account of acquisition of Saboo Coatings Private Limited during the year.

Note 4(c) - Other Intangible assets

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation						Net Block	
	As at April 1, 2017	Additions	Deletions	Translation Difference	As at March 31, 2018	As at April 1, 2017	Acquisition**	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software	11.96	1.73	(0.29)	2.21	15.61	5.10	0.07	3.76	(0.27)	2.18	10.84	4.77	6.86
TOTAL	11.96	1.73	(0.29)	2.21	15.61	5.10	0.07	3.76	(0.27)	2.18	10.84	4.77	6.86

** Indicates accumulated depreciation on assets acquired from Saboo Coating Private Limited during the year as at the June 5, 2018

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(i) Includes following assets (color bank) given under operating lease

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block		
	As at April 1, 2017	Additions	Deletions	Translation Difference	As at March 31, 2018	As at April 1, 2017	Acquisition	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Plant & Equipment	172.85	46.09	-	-	218.94	67.28	-	40.10	-	-	107.38	111.56	105.57
Computer	19.20	6.46	(1.04)	-	24.62	7.79	-	5.31	(0.69)	-	12.41	12.21	11.41
Total	192.05	52.55	(1.04)	-	243.56	75.07	-	45.41	(0.69)	-	119.79	123.77	116.98

(ii) Also refer note 32

(iii) Capital work in Progress

Particulars	Gross Block at Cost			
	As at April 1, 2017	Additions	Capitalisation	As at March 31, 2018
Buildings	13.49	8.72	(17.90)	4.31
Plant & Equipment	48.24	187.42	(142.83)	92.83
Other assets	0.48	7.61	(8.07)	0.02
TOTAL	62.21	203.75	(168.80)	97.16

Note 4(d) - Property, plant and equipment

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at April 1, 2016	Additions	Deletions	Translation Difference	As at March 31, 2017	As at April 1, 2016	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land												
Freehold	12.30	0.36	-	(0.09)	12.57	-	-	-	-	-	12.57	12.30
Leasehold	7.55	0.99	-	-	8.54	0.09	0.10	-	-	0.19	8.35	7.46
Buildings												
Freehold #	300.57	78.46	(1.36)	0.51	378.18	11.08	13.16	-	(0.35)	23.89	354.29	289.49
Leasehold	23.97	3.25	-	-	27.22	1.08	1.03	-	-	2.11	25.11	22.89
Plant & Machinery ##	435.59	177.66	(5.61)	(0.47)	607.17	58.57	69.04	(3.35)	(1.58)	122.68	484.49	377.02
Furniture and Fixtures	22.04	5.60	(0.74)	(0.42)	26.48	3.00	5.22	(0.68)	(0.39)	7.15	19.33	19.04
Computer ##	25.22	16.48	(5.27)	-	36.43	6.08	9.15	(5.04)	-	10.19	26.24	19.14
Office Equipment	7.20	2.01	(0.32)	-	8.89	1.09	1.76	(0.32)	-	2.53	6.36	6.11
Motor Cars and Other Vehicles	13.40	5.34	(4.35)	(0.40)	13.99	0.37	3.62	(3.16)	(0.30)	0.53	13.46	13.03
TOTAL	847.84	290.15	(17.65)	(0.87)	1,119.47	81.36	103.08	(12.55)	(2.62)	169.27	950.20	766.48

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 4 (e) - Goodwill

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at April 1, 2016	Additions	Deletions	Translation Difference	As at March 31, 2017	As at April 1, 2016	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Goodwill ^	186.46	-	-	(7.56)	178.90	-	-	-	-	-	178.90	186.46
TOTAL	186.46	-	-	(7.56)	178.90	-	-	-	-	-	178.90	186.46

^ Includes Goodwill on consolidation ₹ 1.06 crores (2015-2016 ₹ 1.06 crores)

Note 4(f) - Other Intangible Assets

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at April 1, 2016	Additions	Deletions	Translation Difference	As at March 31, 2017	As at April 1, 2016	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Computer Software	14.06	1.94	(3.28)	(0.76)	11.96	4.08	4.97	(3.19)	(0.76)	5.10	6.86	9.98
TOTAL	14.06	1.94	(3.28)	(0.76)	11.96	4.08	4.97	(3.19)	(0.76)	5.10	6.86	9.98

Partly on leasehold land

(i) Includes following assets (color bank) given under operating lease

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at April 1, 2016	Additions	Deletions	Translation Difference	As at March 31, 2017	As at April 1, 2016	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Plant & Equipment	125.95	48.41	(1.51)	-	172.85	31.82	36.43	(0.97)	-	67.28	105.57	94.13
Computer	14.51	4.69	-	-	19.20	3.75	4.04	-	-	7.79	11.41	10.76
Total	140.46	53.10	(1.51)	-	192.05	35.57	40.47	(0.97)	-	75.07	116.98	104.89

(ii) Also refer note 32

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iii) Capital work in Progress

₹ in Crores

Particulars	Gross Block at Cost			
	As at April 1, 2016	Additions	Capitalisation	As at March 31, 2017
Buildings	13.93	81.27	(81.71)	13.49
Plant & Equipment	36.54	215.29	(203.59)	48.24
Other assets	0.54	4.79	(4.85)	0.48
TOTAL	51.01	301.35	(290.15)	62.21

Note 5. Investment in Joint Ventures

The Group has a 48.98% and 49% interest in Berger Becker Coatings Private Limited and Berger Nippon Paint Automotive Coatings Private Limited respectively (Company's Joint Venture with , which are involved in the manufacture and selling of paints). These joint ventures are private limited companies that are not listed on any public exchange. The Group's interest in joint ventures are accounted for using the equity method in the consolidated financial statements. Both the joint ventures are individually immaterial to the reporting entity. Summarised financial information of the joint venture, based on its Ind AS financial statements are set out below

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Carrying amount of interest in joint ventures	105.54	104.86
Non-current assets	225.16	228.88
Current Assets	251.95	222.44
Non-Current Liabilities	(3.12)	(3.77)
Current Liabilities	(171.36)	(153.72)
Equity	302.63	293.83

₹ in Crores

	March 31, 2018	March 31, 2017
Total Income	489.21	410.07
Expense	473.88	388.30
PAT	8.70	5.57
Total Comprehensive Income	8.79	13.62

	March 31, 2018	March 31, 2017
Group's share of Profit from joint ventures	0.64	10.05
Group's share of Other Comprehensive Income/(Loss) for the year from joint ventures	0.05	(0.02)
Group's share of total comprehensive income for the year from joint ventures	0.69	10.03

Consolidated notes to financial statements for the year ended March 31, 2018

Note 5a. Financial assets - Investments

₹ in Crores

	Number of shares				₹ in crores	
	Nominal Value per unit	Currency	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Investments (Fully Paid)						
At fair value through profit and loss (FVTPL):						
Equity Shares (Fully Paid) - Unquoted						
Shaktikunj Apartments Limited *	1	₹	1,498	1,498	0.00	0.00
Charotar Gas Company *	10	₹	10	10	0.00	0.00
Total Non-current Investments at cost					0.00	0.00

Investments at fair value through profit and loss (fully paid) reflect investment in unquoted equity securities. Refer note 36 for determination of their fair value.

* Refer Note 41

Note 5b. Financial assets - Loans

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Security Deposits	20.42	13.71	1.96	8.22
Other Loans	0.01	-	-	3.11
Total loans and deposits	20.43	13.71	1.96	11.33

Note 5c. Other Financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Bank Deposits with original maturity more than twelve months	0.09	0.11	0.07	0.05
Security Deposits	-	-	0.02	0.97
Advances to related parties - towards Share Application money pending allotment ##	2.44	2.45	-	-
Interest accrued on deposits	-	-	1.77	0.66
Other receivables*	0.00	1.43	1.95	2.98
Total Other financial assets	2.53	3.99	3.81	4.66
##				
Berger Paints (Cyprus) Limited	2.44	2.13		
Lusako Trading Limited	-	0.32		
(Share application money pending allotment)	2.44	2.45		
* includes receivable from related parties				
Berger Paints (Bangladesh) Limited			0.39	0.49
			0.39	0.49

Consolidated notes to financial statements for the year ended March 31, 2018

Note 6. Other Assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital advances	16.50	10.13	0.28	-
Advances other than capital advances				
Security Deposits	0.54	0.54	-	-
Other Advances	-	-	11.39	3.61
Prepayments	3.87	3.45	9.01	8.27
Subsidy receivable #	-	-	28.38	-
Advances to others	-	-	0.33	-
Balances with statutory/ government authorities	14.16	22.16	171.85	46.52
Total Other Assets	35.07	36.28	221.24	58.40

Excise duty disclosed in Statement of Profit and Loss for the three months period ended June 30, 2017 is net off excise duty benefit of ₹8.16 crores (Year ended March 31, 2017: ₹27.65 crores). Subsequent to the implementation of GST w.e.f July 1, 2017, the Company has claimed subsidy available under "Scheme of Budgetary Support under GST Regime to the eligible units" located in specified States amounting to ₹28.38 crores (March 31, 2017: ₹Nil).

Note 7. Inventories

(at the lower of cost and net realisable value)

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Raw materials [Including in-transit ₹56 crores (March 31, 2017 - ₹58 crores)]	304.34	247.01
Packing material (Containers)[Including in-transit ₹0.09 crores (March 31, 2017 - ₹Nil)]	23.30	18.45
Work in process	68.54	58.42
Finished goods	517.78	531.95
Traded goods [Including in-transit ₹2 crores (March 31, 2017 - ₹2 crores)]	76.87	67.45
Stores and Spares	16.51	12.19
Total inventories	1,007.34	935.47

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 8a. Financial assets - Current Investments

	Number of units			₹ in crores	
	Nominal Value per unit	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Investments at Fair Value Through Profit and Loss (FVTPL):					
Investments in Mutual Funds - Unquoted					
Reliance Regular Savings Fund - Debt Plan - Direct Growth Plan	10	-	28,272,744	-	66.42
Kotak Low Duration Fund - Direct - Growth	10	149,089	78,901	32.66	16.02
ICICI Prudential Savings Fund - Direct Plan - Growth	10	1,177	347,336	31.82	8.75
Birla Sunlife Floating rate Fund - long term - Direct Growth	10	740,774	-	15.95	-
IDFC Ultra Short Term Fund - Direct - Growth	10	2,628,869	-	6.52	-
ICICI Prudential Income Opportunity Fund - Direct Plan - Growth	10	4,611,451	-	11.42	-
Birla Sunlife Savings Fund - Direct Growth	10	1,023,860	-	35.23	-
Birla Sunlife Short Term Fund - Direct Growth	10	867,942	-	18.69	-
Birla Sunlife Cash Plus - Direct Growth	10	227,514	-	6.35	-
ICICI Prudential Money Market Fund - Direct Growth	10	122,813	-	2.95	-
L&T Liquid Fund Direct Plan - Growth	10	14,048	-	3.35	-
Kotak Floater Short Term - Direct - Growth	10	11,195	-	3.19	-
HDFC FMP 92d Fund - Direct - Growth	10	21,970,314	-	22.13	-
UTI Treasury Advantage Fund - Institutional Option - Direct - Growth	10	83,216	-	20.08	-
Birla Sunlife Floating Rate Fund Short term - Direct growth	10	-	1,132,335	-	24.56
Franklin India Low Duration Fund - Direct - Growth	10	-	14,847,574	-	27.76
Franklin India Short Term Income Plan - Weekly Dividend	10	10,320	10,320	3.95	3.62
Franklin India Ultra Short Term Bond Fund	10	-	4,574,710	-	10.22
Franklin India Ultra Short Term Bond Fund - Direct - Growth	10	4,073,155	11,329,882	9.83	25.30

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Number of units			₹ in crores	
	Nominal Value per unit	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
HDFC Cash Management Fund					
- Savings Plan - Direct	10	-	72,497	-	24.62
HDFC Liquid Fund - Direct - Growth	10	-	31,217	-	10.02
ICICI Prudential Corporate Bond Fund					
- Direct plan - Growth	10	-	1,46,04,133	-	38.43
Kotak Income Opportunity fund					
- Direct plan	10	-	1,71,32,765	-	31.98
Reliance Corporate Bond Fund					
- Direct - Growth	10	-	2,71,45,000	-	36.56
Reliance Money Manager Fund					
- Direct - Growth	10	-	77,918	-	17.74
UTI Money Market Fund - Institutional					
- Direct - Growth	10	17,817	1,38,508	3.47	25.27
Aggregate amount of Unquoted Investments				227.59	367.27
Aggregate amount of Repurchase price of Unquoted Investments				227.59	367.27

Refer note 36 for determination of fair value.

Note 8b. Trade Receivables (Unsecured)

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Considered good*	-	-	692.40	578.14
Doubtful	8.74	12.24	-	-
	8.74	12.24	692.40	578.14
Provision for doubtful receivables	(8.74)	(12.24)	-	-
Total trade receivables	-	-	692.40	578.14

* Includes debts due from private limited companies in which directors of the Company are directors

Berger Becker Coatings Private Limited	1.52	0.20
Berger Nippon Paint Automotive Coatings Private Ltd. (Formerly BNB Coatings India Private Limited/BNB Coatings India Limited)	5.40	1.89
Wazir Estates Private Limited #	-	0.02

Trade receivables are non-interest bearing and generally has credit period from 30 to 90 days

For terms and conditions relating to related party receivables, refer Note 34

Refer Note 41

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 8c. Financial Assets-Cash and Cash Equivalents

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Balances with banks:		
– On current accounts	23.47	30.62
– Deposits with original maturity of less than three months #	48.99	0.15
Cheques/drafts on hand	10.30	13.79
Cash on hand	0.83	0.69
Total Cash and Cash Equivalents	83.59	45.25

Note 8d. Other bank balances

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Other bank balances:		
– Balance with banks in Unpaid Dividend Account	5.54	4.84
– Deposits with original maturity of not less than three months but less than twelve months #	115.81	52.33
Earmarked balances	0.03	0.03
Total other bank balances other than 8c above	121.38	57.20

Deposits at Banks earn interest between 7.50 % to 11% and are made for periods between 61 and 275 days

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Balances with banks:		
– On current accounts	23.47	30.62
– Deposits with original maturity of less than three months	48.99	0.15
Cheques/drafts on hand	10.30	13.79
Cash on hand	0.83	0.69
Total Cash and Cash Equivalents	83.59	45.25
Less- Bank Overdraft (Refer Note 14a)	(3.02)	(5.19)
	80.57	40.07

Note - 9. Equity Share Capital

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Authorised Capital		
120,00,00,000 Equity Shares of ₹ 1 each (March 31, 2017: 1,100,000,000 Equity Shares of ₹ 1 each)#	120.00	110.00
Issued Capital		
97,11,22,908 Equity Shares of ₹ 1 each fully paid up (March 31, 2017: 971,078,127 Equity Shares of ₹ 1 each fully paid up)	97.11	97.11
	97.11	97.11
Subscribed and Paid-up Capital		
97,10,31,428 Equity Shares of ₹ 1 each fully paid up (March 31, 2017: 970,986,647 Equity Shares of ₹ 1 each fully paid up)	97.10	97.10
	97.10	97.10

In accordance with the Scheme of Amalgamation referred in note 34 (c), the authorized share capital of BJN India has merged into and combined with the Authorised Share capital of the Company.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

a) The Reconciliation of share capital is given below:

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	97,09,86,647	97.10	69,34,77,912	69.35
Add: Shares issued on exercise of Employee Stock Options (Refer Note 31)*	44,781	0.00	117,570	0.01
Add: Bonus Shares issued and allotted during the year (Refer Note (f) below)	-	-	277,391,165	27.74
At the end of the year	97,10,31,428	97.10	97,09,86,647	97.10

* Refer note 41

b) Terms/Rights attached to class of shares

The Holding Company has only one class of Equity Shares having a par value of ₹1 each. Holder of each Equity Share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Equity Shares held by the Holding Company and/or the subsidiaries/associates of Holding Company

	As at March 31, 2018	As at March 31, 2017
U K Paints (India) Private Limited (Ultimate Holding Company)	48,65,45,399	48,65,45,399
Jenson & Nicholson (Asia) Limited, UK	14,06,56,782	14,06,56,782
Citland Commercial Credits Limited	3,09,15,659	3,09,15,659
Wang Investment Finance Pvt. Ltd.	2,98,10,580	2,98,10,580
Bigg Investment & Finance Pvt. Ltd.	79,52,420	79,52,420

d) Details of Shareholders holding more than 5 percent of Equity Shares in the Holding Company

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% holding	No. of Shares	% holding
U K Paints (India) Private Limited (Ultimate Holding Company)	48,65,45,399	50.11%	48,65,45,399	50.11%
Jenson & Nicholson (Asia) Limited, UK	14,06,56,782	14.49%	14,06,56,782	14.49%
Nalanda India Fund Limited	4,67,19,295	4.81%	5,07,49,406	5.23%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as declared under the relevant provisions of the Companies Act, 2013

e) Shares reserved for issue under Employee Stock Options:

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Holding Company, refer Note 31.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

f) Fully paid up equity shares allotted by way of bonus shares

27,73,91,165 bonus shares were issued and allotted during the year by the Company to the eligible members of the Company holding ordinary shares of ₹ 1 each (ratio 2:5) by capitalizing ₹ 27.74 Crores out of the sum standing to the credit of Company's Securities Premium Account.

Note - 10. Other equity

	₹ in Crores	
	As at March 31, 2018	As at March 31, 2017
Reserves & Surplus		
Securities Premium Account (refer Note 31)	112.34	111.31
Retained earnings	1,677.73	1,420.40
General Reserve	302.87	302.87
Other reserves		
Share based payment reserve	2.20	0.87
Capital reserve	0.19	0.19
Capital redemption reserve	0.04	0.04
Items of OCI		
Foreign Currency Translation Reserve	2.04	(31.22)
Total other equity	2,097.41	1,804.46

Notes:

Securities Premium Account - Premium received on equity shares issued including those under employee stock option plan are recognised in the securities premium account net of utilization for bonus shares issued etc.

Retained Earnings - Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit plans and Revaluation reserve aggregating to ₹ Nil (March 31, 2017: ₹ 0.83 crores) created on revaluation of Leasehold Land, Freehold Land and Freehold Buildings of the Holding Company in 1989, 1985 and 1993 done by approved valuers. The aforementioned revaluation reserve is not a free reserve as per the Companies Act, 2013 and hence is not available for distribution as dividend.

General Reserve - Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid capital of the company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Share based payment reserve - The Company has two employee stock option plan (ESOP) under which options to subscribe for the Company's shares have been granted to specific employees. The Share based payment reserve is used to recognise the value of equity-settled share-based payments to employees as part of their remuneration. The year end balance is net off options exercised by the concerned employees. Refer to Note 32 for further details of these plans.

Capital redemption reserve - Represents the amount equal to the face value of equity shares transferred at the time of buy-back of shares.

Foreign Currency Translation Reserve- Represents exchange difference on translation of financial statements of foreign subsidiaries.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 11. Other Financial Liabilities

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
(a) Financial liabilities at fair value through Profit and Loss				
-Foreign exchange forward contracts	-	-	-	4.11
(b) Other financial liabilities at amortized cost				
-Interest accrued but not due on borrowings	-	-	0.89	0.91
-Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due)	-	-	5.54	4.84
-Deposits	6.37	5.16	37.85	37.31
-Capital creditors	-	-	33.51	50.06
-Accrued employee liabilities	-	-	46.52	35.07
-Other Payables	0.90	0.43	20.39	22.32
(c) Financial guarantee contracts [refer note 34 (iii)]	-	-	-	-
Total other financial liabilities	7.27	5.59	144.70	154.62

Note 12. Provisions

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits				
- Provision for Gratuity (Refer Note 30)	-	-	4.84	4.40
- Provision for Leave Encashment	1.20	1.46	14.18	13.75
-Provision for Housing Fund & Warranty (Refer Note (a) & (b) below)	-	-	6.65	5.90
-Provision for Decommissioning Cost (Refer Note (c) below)	2.92	2.71	-	-
Others	0.44	-	5.21	5.67
	4.56	4.17	30.88	29.72
(a) Housing Fund				
At the beginning of the year			5.20	3.10
Arisen during the year			0.85	2.10
Utilized during the year			-	-
At the end of the year			6.05	5.20

Provision for housing fund cost has been recognised in compliance with Sec 41 of Nepal Labour Act, 2048

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
(b) Warranty Provision				
At the beginning of the year			0.70	0.30
Arisen during the year			-	0.40
Utilized during the year			(0.10)	-
At the end of the year			0.60	0.70
A provision for warranty is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities				
(c) Provision for Decommissioning Cost				
At the beginning of the year	2.71	2.51		
Arisen during the year	-	-		
Interest unwinding for the year	0.21	0.20		
At the end of the year	2.92	2.71		
Provision for decommissioning cost has been recognised towards decommissioning/dismantling costs associated with Holding Company's factories constructed by the Holding Company on leasehold lands.				

Note 13a. Deferred Tax Assets & Liabilities (net)

₹ in Crores

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss and Other Comprehensive Income	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred Tax Liabilities				
Arising out of temporary differences in depreciable assets	91.25	76.96	(9.24)	(11.54)
Difference in valuation method of Inventories	0.05	0.04	(0.01)	(0.00)
Other	0.83	9.59	9.44	(5.51)
Total (A)	92.13	86.59	0.19	(17.05)
Deferred Tax Assets				
On expenses allowable against taxable income in future years	6.91	4.48	(2.17)	(3.00)
Financial Assets at fair value through profit and loss	(1.54)	(1.03)	0.51	0.91
Decommissioning Liability	0.21	0.56	0.35	(0.11)
Others	3.00	0.26	(0.24)	(0.14)
Others through Other Comprehensive Income	0.35	0.87	0.59	(0.64)
Total (B)	8.93	5.14	(0.96)	(2.98)
Deferred Tax Expenses/(Credit) (A-B)			(1.15)	14.07
Net Deferred Tax (Liabilities)/Assets (B-A)	(83.20)	(81.45)		

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

During the year ended 31 March, 2018 and 31 March, 2017, the Holding Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Holding Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders.

Note 13b. Deferred Tax Assets & Liabilities

₹ in Crores

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss and Other Comprehensive Income	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities				
Arising out of temporary differences in depreciable assets	0.26	0.42	(0.16)	(0.01)
Total (A)	0.26	0.42	(0.16)	(0.01)
Deferred Tax Assets				
Expenses allowable on payment/actual basis for tax purpose	0.74	0.91	(0.17)	(0.13)
Others through Other Comprehensive Income	0.26	0.27	(0.01)	(0.11)
Total (B)	1.00	1.18	(0.18)	(0.24)
Deferred Tax Expenses/(Credit) (A-B)			0.02	(0.23)
Net Deferred Tax (Liabilities)/Assets (B-A)	0.74	0.76		

Note 13c . Income Tax assets (net)

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Advance payment of income tax [net of provision for tax of ₹836.89 crores (March 31, 2017 - ₹604.80 crores)]	46.53	14.76
	46.53	14.76

Note 13(d) . Current tax liabilities (net)

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Provision for income tax [net of advance tax of ₹117.42 crores (March 31, 2017 ₹ Nil)]	5.25	-
	5.25	-

Note 13d(1). Income tax liabilities (net)

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Provision for income tax [net of advance tax of ₹ Nil (March 31, 2017 ₹ 2.89 crores)]	-	4.75
	-	4.75

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 13(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporate tax in India (34.608%) as follows:

	₹ in Crores	
	March 31, 2018	March 31, 2017
Accounting Profit before income tax (before share of profit from J/V)	704.10	693.03
Profit before income tax multiplied by standard rate of corporate tax in India of 34.608% (31 March 2016: 34.608%)	243.67	239.84
Effects of:		
Permanent differences affecting income tax expense:		
Additional deduction allowed in respect of		
R&D activities carried out by the company	(2.22)	(4.61)
Difference in tax on exceptional item (sale of business) Refer Note 26	-	(10.00)
Allowance for capital expenditure u/s 32AC	-	(8.71)
Disallowance of exceptional item (impairment)	-	9.69
Effect of different tax rates in the components	(0.61)	1.20
Other miscellaneous disallowances	3.67	1.26
Net effective income tax	244.51	228.67
Income tax expense reported in the Statement of Profit and Loss	243.91	229.42
Income tax expense reported in Other Comprehensive Income	0.60	(0.75)
	244.51	228.67

The Subsidiaries have unused tax losses which arose on incurrence of business losses and unabsorbed depreciation under the respective tax loss for which no deferred tax asset has been recognised in the Balance Sheet. Refer table below:

₹ in Crores					
Financial Year	Particulars	March 31, 2018	Expiry Date	March 31, 2017	Expiry Date
2012-13	Business Loss	-	-	6.22	Dec 2017
2013-14	Business Loss	6.25	Dec 2018	5.86	Dec 2018
2014-15	Business Loss	6.48	Dec 2019	6.08	Dec 2019
2014-15	Business Loss	6.17	Dec 2020	3.01	Mar 2022
2014-15	Unabsorbed Depreciation	0.00	NA	0.89	NA
2015-16	Business Loss	0.95	Dec 2022	5.79	Dec 2020
2016-17	Business Loss	7.55	Dec 2023	0.89	Dec 2021

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹161.07 crores (2016-17: ₹110.51 crores). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 14a. Financial Liabilities- Borrowings

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Secured				
Term Loan				
From Banks (secured)	244.20	259.59	-	-
Loans repayable on demand				
From Banks				
Bank Overdraft	-	-	3.02	5.19
Cash credit	-	-	140.71	30.51
Buyers' Credit (in foreign currency)	-	-	-	84.29
Long term maturity of finance lease obligations	5.27	2.49	-	-
Other Loans	-	-	28.97	24.14
	249.47	262.08	172.70	144.13

Term Loan from banks are secured by a charge by way of mortgage on some specific fixed assets

Term loan of ₹132.33 crores (2016-17: ₹140.67crores) is repayable by June 7, 2019 and carries interest of 3 month LIBOR +140 Basis points. Term loan of ₹111.87 crores (2016-17: ₹118.92 crores) is repayable by April 14, 2019 and carries interest of 6 month LIBOR+ 140 Basis points

Bank overdraft are repayable on demand and carry interest rate of MIBOR+ 130 bps (March 31, 2017: MIBOR+ 130 bps)

Cash Credits from banks are secured by way of first charge on book debts and current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Cash Credit is repayable on demand and carries interest at 7.3 % - 11.75% per annum (March 31, 2017: 8%-10% per annum)

The buyers' credit is repayable in six months and carries interest at ₹ Nil (March 31, 2017: LIBOR +0.25%) and is secured by hypothecation of stocks and book debts, both present and future.

Amendments to Ind AS 7 Statement of Cash Flows:

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period as under

₹ in Crores

Particulars	April 1, 2017	Cash flows	Exchange difference	March 31, 2018
Non Current Borrowings				
Term Loan	259.59	-	(15.39)	244.20
Particulars	April 1, 2016	Cash flows	Exchange	March 31, 2017
Non Current Borrowings				
Term Loan	253.38	-	6.21	259.59

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	April 1, 2017	Cash flows	Exchange difference	March 31, 2018
Current Borrowings				
Bank overdraft	5.19	(2.17)	-	3.02
Cash credit	30.51	110.20	-	140.71
Buyers' Credit	84.29	(89.46)	5.17	0.00
Other Loans	24.14	4.83	-	28.97

Particulars	April 1, 2016	Cash flows	Exchange	March 31, 2017
Current Borrowings				
Bank overdraft	7.88	(2.69)	-	5.19
Cash credit	61.69	(31.18)	-	30.51
Buyers' Credit	5.27	78.84	0.18	84.29
Other Loans	23.87	0.27	-	24.14

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 14b. Financial Liabilities- Trade Payables

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Acceptances	137.08	111.93
Other than Acceptances		
- Total outstanding dues of Micro, Small & Medium Enterprises (See note below)	17.84	11.25
- Total outstanding dues of creditors other than Micro, Small & Medium Enterprises	800.33	638.02
	955.25	761.20

	As at March 31, 2018	As at March 31, 2017
Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 are provided as under to the extent the Company has received intimation from the suppliers regarding their status under the Act.		
Principal amount remaining unpaid at the end of the year	16.33	10.17
Interest due thereon remaining unpaid at the end of the year	1.51	1.08
	17.84	11.25
Delayed payment of Principal amount paid beyond appointed date during the entire financial year	27.00	16.48
Interest actually paid under Section 16 of the Act during the entire accounting year	-	-
Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	0.33	-
Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid)	0.06	0.17
Interest accrued and remaining unpaid at the end of the year	0.43	0.18
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	1.51	1.08
Terms and conditions of the above trade payables: Trade payables are non interest bearing and are normally settled on 45-60 day terms For terms and conditions with related parties, refer to Note 34		

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 15. Other liabilities

₹ in Crores

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Others				
Advance from customers	-	-	19.29	12.59
Statutory liabilities	-	-	73.43	75.99
Other liabilities	1.72	1.24	1.16	1.24
	1.72	1.24	93.88	89.82

Note 16a. Financial Assets

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Financial Assets - Non Current		
At Fair Value through profit and loss		
Investments *	0.00	0.00
At Amortised Cost		
(a) Loans and Deposits	20.43	13.71
(b) Other Financial Assets	2.53	3.99
	22.96	17.70
At Deemed Cost / Subsequent Additions at cost		
Investments in joint ventures	105.54	104.86
Total Non Current Financial Assets (a)	128.50	122.56
Financial Assets - Current		
At fair value through profit and loss		
(a) Investments	227.59	367.27
At Amortised Cost		
(a) Loans and Deposits	1.96	11.33
(b) Cash and Cash Equivalents	83.59	45.25
(c) Bank balances other than (b) above	121.38	57.20
(b) Trade receivables	692.40	578.14
(e) Other financial assets	3.81	4.66
Total Current Financial Assets (b)	1,130.73	1,063.85
Total Financial Assets (a + b)	1,259.23	1,186.41

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 16b. Financial Liabilities

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Financial Liabilities - Non Current		
At Amortised Cost		
(a) Borrowings	249.47	262.08
(b) Other Financial Liabilities	7.27	5.59
Total Non Current Financial Liabilities (a)	256.74	267.67
Financial Liabilities - Current		
At fair value through profit and loss		
Other Financial Liabilities		
-Foreign exchange forward contracts	-	4.11
At Amortised Cost		
(a) Borrowings	172.70	144.13
(b) Trade Payables	955.25	761.20
(c) Other financial liabilities		
Interest accrued but not due on borrowings	0.89	0.91
Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due)	5.54	4.84
Others		
Deposits	37.85	37.31
Capital Creditors	33.51	50.06
Accrued Employee Liabilities	46.52	35.07
Other Payables	20.39	22.32
Total Current Financial Liabilities (b)	1,272.65	1,059.95
Total Financial Liabilities (a + b)	1,529.39	1,327.62

* Refer Note 41

Note 17. Distribution made and proposed

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
Cash dividends on Equity shares declared and paid:		
Final dividend for March 31, 2017- ₹ 1.75 per share (March 31, 2016 - ₹ 1.00 per share)	169.93	97.09
DDT on final dividend	34.59	19.76
	204.52	116.85
Proposed dividends on equity shares:		
Final dividend for March 31, 2018- ₹ 1.80 per share (March 31, 2017 - ₹ 1.75 per share)	174.78	169.93
DDT on proposed dividend	35.93	34.59
	210.71	204.52

As at March 31 2018, proposed dividend on equity shares are subject to approval in the ensuing Annual General Meeting. Pending such approval proposed dividend and dividend distribution tax thereon have not been recognised in these financial statements

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 18. Revenue from Operations

₹ in Crores

	March 31, 2018	March 31, 2017
Sale of Products (including excise duty) Refer note below	5,232.78	5,033.60
Other Operating revenue		
Scrap Sales	9.62	9.21
Others	39.72	7.64
Total	5,282.12	5,050.45

Revenue from operations for period up to June 30, 2017 includes excise duty. From July 1, 2017 onwards excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST from its customers on behalf of the Government and hence, GST is not included in Revenue from operations. Sale of products includes excise duty collected from customers of ₹ 116.39 crores (March 31, 2017: ₹ 498.20 crores). Sale of products net of excise duty is ₹ 5,116.39 crores (March 31, 2017 ₹ 4,535.40 crores). Revenue from operations for periods up to June 30, 2017 includes excise duty. In view of the aforesaid change in indirect taxes, Revenue from operations for year ended March 31, 2018 is not comparable with the amount reported for the year ended March 31, 2017.

Note 19. Other Income

₹ in Crores

	March 31, 2018	March 31, 2017
Interest Income from financial assets		
Deposits with banks	6.78	4.60
Other non operating income		
Net gain on sale of mutual fund investments	18.11	26.99
Fair value gain on mutual fund investments	4.41	2.97
Foreign Exchange Gain (net)	1.77	1.72
Others	14.80	18.26
	45.87	54.54

Note 20. Cost of materials consumed

₹ in Crores

	March 31, 2018	March 31, 2017
Raw Materials Consumed		
Opening Stocks	247.01	191.30
Add: Purchases	2,356.17	1,998.03
Less: Closing stock	(304.34)	(247.01)
	2,298.84	1,942.32
Packing Material Consumed		
Opening Stocks	18.45	12.92
Add: Purchases	384.15	346.81
Less: Closing stock	(23.30)	(18.45)
	379.30	341.28
Cost of materials consumed	2,678.14	2,283.60

Also refer note 39 for expenses on research and development

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 21. (Increase)/Decrease in inventories of finished goods, work-in-process and stock - in - trade

₹ in Crores

	March 31, 2018	March 31, 2017
Opening Stock		
Work-in-Process	58.42	49.58
Finished Goods	531.95	407.42
Traded goods	67.45	62.89
	657.82	519.89
Closing Stock		
Work-in-Process	68.54	58.42
Finished Goods	517.78	531.95
Traded goods	76.87	67.45
	663.19	657.82
Others	-	(3.00)
(Increase)/Decrease in Excise Duty on Stock of Finished Goods	(94.60)*	15.84
(Increase)/decrease in inventories of finished goods, work-in-process and traded goods	(99.97)	(125.09)

* Includes reversal of excise duty on Inventory as at March 31, 2017. Due to implementation of GST in the current year, there is no excise duty element on the inventory as at March 31, 2018

Note 22. Employee Benefits Expense

₹ in Crores

	March 31, 2018	March 31, 2017
Salaries and Wages	305.74	263.85
Contribution to Provident and Other Funds (Refer Note 30)	24.78	19.86
Expense on Employee Stock Option Scheme (Refer Note 31)	2.36	1.60
Staff Welfare Expenses	23.70	21.41
	356.58	306.72

Note 23. Finance Costs

₹ in Crores

	March 31, 2018	March 31, 2017
Interest on debts and borrowings	24.34	16.02
Unwinding of discount on provisions (Refer Note 12)	0.21	0.20
	24.55	16.22

Note 24. Depreciation and amortization expense

₹ in Crores

	March 31, 2018	March 31, 2017
Depreciation of tangible assets (Note 4)	120.45	103.08
Amortization of intangible assets (Note 4)	3.76	4.97
	124.21	108.05

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 25. Other Expense

₹ in Crores

	March 31, 2018	March 31, 2017
Freight, octroi and delivery	336.02	320.86
Power and fuel	48.27	43.79
Consumption of stores and spare parts	9.69	7.99
Repairs to plant & machinery	3.77	5.26
Repairs to building	15.29	15.49
Repairs to others	5.25	5.19
Rent (Refer note 32)	53.03	47.30
Rates and taxes	9.48	12.05
Travelling	52.43	47.92
Advertisement and sales promotion expenses	248.73	241.34
Insurance	3.32	3.70
Processing charges	20.67	18.88
Directors' fees	0.02	0.01
Foreign Exchange loss (net)	1.43	-
Commission to Non-Executive Directors	0.45	0.43
Loss on sale/discard of Property, plant and equipment and intangible assets	0.01	0.35
Audit fees (Refer note 25.1)	0.82	0.69
CSR expenditure (Refer note 25.2)	10.43	8.18
Miscellaneous expenses # (Refer note 39)	173.09	155.24
	992.20	934.67

Bad debts written off ₹ 8.43 crores (31 March 2017 ₹ 8.21 crores)

Note 25.1 Auditor's Remuneration

₹ in Crores

	March 31, 2018	March 31, 2017
As Auditor:		
Audit fees	0.65	0.46
Tax audit fee	0.05	0.04
Miscellaneous Certificates and Other Matters	0.09	0.16
Reimbursement of expenses	0.03	0.03
	0.82	0.69

Note 25.2 Details of CSR expenditure:

₹ in Crores

	March 31, 2018	March 31, 2017
a) Gross amount required to be spent by the group during the year	10.43	8.45
b) Amount spent during the year:	-	-
(i) Construction/Acquisition of an asset	-	-
(ii) Purposes other than (i) above	10.43	8.18
Total	10.43	8.18

Corporate Social Responsibility expensed ₹ 10.43 Crores (2016-17: ₹ 8.18 Crores) includes Company's own programme for promoting employment enhancing vocational skill named 'iTrain'

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 26. Exceptional Items

₹ in Crores

	March 31, 2018	March 31, 2017
Profit on transfer of Company's paint division relating to 4 wheeler passenger cars and SUVs, 3 wheelers and related ancillaries	-	44.20
	-	44.20

During the previous year In the consolidated statement, as per the IND AS, the realized gain on slump sale to Berger Nippon Paint Automotive Coatings Private Limited (previously known as BNB Coatings India Private Limited), an existing Joint Venture between Berger Paints India Limited and Nippon Paints Automotive Coatings Co. Limited, Japan to the extent of 51% being borne by a third party investor has been recognised under the equity method in the share of the consolidated profit for the quarter, with a corresponding reduction of 49 % in the carrying amount of the investment in the consolidated balance sheet

Note 27. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2018	March 31, 2017
Net Profit after tax for calculation of Basic and Diluted Earnings Per Share (₹ in crores) (I)	460.83	473.67
Weighted average number of shares (II)		
- Basic	97,10,00,633	97,09,18,392
- Diluted (refer note below)	97,12,47,574	97,10,59,627
Earning per equity share [nominal value of ₹ 1 per share] [(I)/(II)]		
- Basic	4.75	4.88
- Diluted	4.74	4.88
<u>Effect of dilution:</u>		
Weighted average number of equity shares in calculating Basic Earnings Per Share	97,10,00,633	97,09,18,392
Dilution - Stock options granted under ESOP	246,941	141,235
Weighted average number of equity shares in calculating diluted EPS	97,12,47,574	97,10,59,627

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 28. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements.

Defined Employer Benefit plans

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 30.

Fair value measurement of financial instruments and guarantees

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

Depreciation on Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Decommissioning Liability

Decommissioning Liability has been recognised for items of property plant and equipment built or installed on specified leasehold land the terms of which said leases include decommissioning of such assets on expiry of the lease prior to handing over to the lessor. The decommissioning costs as at the end of the lease period have been estimated based on current costs by the Holding Company's own technical experts and have been escalated to the end of the leasehold period using suitable inflation factors. The said escalated cost as at the end of the lease period is now discounted to the present value of such liability by applying holding company's weighted average cost of capital.

Impairment test for Goodwill

- a) Goodwill from Bolix SA
Goodwill of Rs. 199.63 crores had arisen on acquisition of Bolix SA, a wholly owned step down subsidiary of the Company in an earlier year. The Group assesses the goodwill for any indication of impairment at annual basis. The Group is in the process of reorganisation of its business operations in that Country and based on such plan, no further impairment has been considered necessary.
- b) Goodwill from Saboo Coatings Private Limited
During the year, the company has acquired 'Saboo Coatings Private Limited' and recorded Goodwill on acquisition of the same amounting to Rs. 64.18 crores.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 29. Information related to subsidiaries and joint ventures

The subsidiaries considered in the consolidated financial statements are as follows:

Name of Company	Country of Incorporation	% voting power as at March 31, 2018	% voting power as at March 31, 2017	Accounting period
Direct subsidiaries				
Berger Jenson & Nicholson (Nepal) Private Limited	Nepal	100%	100%	15th March - 14th March
Beepee Coatings Private Limited	India	100%	100%	1st April - 31st March
Berger Paints (Cyprus) Limited	Cyprus	100%	100%	1st January - 31st December
Lusako Trading Limited	Cyprus	100%	100%	1st January - 31st December
Indirect subsidiaries				
Berger Paints Overseas Limited [100% Subsidiary of Berger Paints (Cyprus) Limited]	Russia	100%	100%	1st January - 31st December
Bolix S.A. (100% Subsidiary of Lusako Trading Limited)	Poland	100%	100%	1st January - 31st December
Build-Trade BIS sp. z.o.o. (100% Subsidiary of Bolix S.A.)	Poland	100%	100%	1st January - 31st December
Bolix UKRAINA OOO (99% Subsidiary of Bolix S.A.)	Ukraine	99%	99%	1st January - 31st December
Soltherm External Insulations Limited (100% Subsidiary of Bolix S.A.)	United Kingdom	100%	100%	1st January - 31st December
Soltherm Insulations Thermique Exterieur SAS (100% Subsidiary of Bolix S.A.)	France	100%	100%	1st January - 31st December
Surefire Management Services Ltd ("SMS").	United Kingdom	75%	NA	1st January - 31st December
Joint Ventures				
Berger Becker Coatings Private Limited	India	48.98%	48.98%	1st April - 31st March
Berger Nippon Paint Automotive Coatings Private Limited (Formerly known as BNB Coatings Private Limited)	India	49.00%	49.00%	1st April - 31st March

There are no material transactions/events that have occurred between December 31/March 14 and March 31 which might have a material impact on the profitability or financial position on these consolidated financial statements.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 30. Gratuity and other post employment benefit plans

(I) Defined benefit plans

(a) Gratuity

(i) The following table summarizes the components of net defined benefit expense toward gratuity recognised in the Statement of Profit and loss and OCI and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores		
Particulars	March 31, 2018	March 31, 2017
Changes in the present value of defined benefit obligation		
Present value of defined benefit obligation as at year beginning	34.08	30.80
Current Service Cost	4.63	1.82
Interest Cost	2.51	2.18
Past Service cost (Plan amendments)	1.65	
Remeasurements (gains)/losses		
-Actuarial (gains)/losses arising from changes in demographic assumptions	0.01	-
-Actuarial (gains)/losses arising from changes in financial assumptions	(1.76)	2.06
-Actuarial (gains)/losses arising from changes in experience adjustments	(0.09)	0.11
Benefits paid	(3.07)	(2.89)
Present value of defined benefit obligation as at year end	37.96	34.08
Changes in fair value of plan assets		
Fair value of plan assets as at year beginning	29.68	27.30
Interest income	3.61	2.18
Remeasurements (gains)/losses		
-Return on plan assets, (excluding amount included in net interest expense)	(0.09)	(0.25)
-Actuarial (gains)/losses arising from changes in financial assumptions	(0.02)	-
Employer's contribution	3.01	3.34
Benefits paid	(3.07)	(2.89)
Fair Value of Plan Assets as at year end	33.12	29.68
Amounts Recognised in the Balance Sheet		
Present value of defined benefit obligation at the year end	37.96	34.08
Fair value of the plan assets at the year end	33.12	29.68
(Liability)/Asset Recognised in the Balance Sheet	(4.84)	(4.40)

₹ in Crores		
Particulars	2017 - 2018	2016 - 2017
Expense recognised in the statement of profit and loss:		
Current service cost	6.28	1.82
Net interest cost/(income)	(1.10)	0.00
Net cost recognised in the statement of profit and loss	5.18	1.82

Particulars	2017 - 2018	2016 - 2017
Expense recognised in the Other Comprehensive Income:		
Remeasurements (gains)/losses	(1.73)	2.42
Net cost recognised in the statement of profit and loss	(1.73)	2.42

(ii) The principal assumptions used in determining gratuity obligations for the Group's plans are shown below

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Significant Actuarial Assumptions	March 31, 2018	March 31, 2017
Discount Rate	7.65%	7.30%
Employee Turnover	Age wise 0.10%-0.50%	Age wise 0.10%-0.50%
Mortality Rate	Indian Assured Lives (Mortality 2006-08 modified) Ult	Indian Assured Lives (Mortality 2006-08 modified) Ult

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India

The discount rate is based on the government securities yield

The Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

(iii) Major category of Plan Assets of the fair value of the total plan assets are as follows:-

	March 31, 2018	March 31, 2017
Assets under scheme of insurance	100%	100%

(iv) A quantitative sensitivity analysis for significant assumptions are as shown below

₹ in Crores

	March 31, 2018		March 31, 2017	
Assumptions	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(4.20)	4.92	(3.05)	3.58

	March 31, 2018		March 31, 2017	
Assumptions	Future Salary increase		Future Salary increase	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	4.91	(4.27)	3.08	(2.84)

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) Risk Exposure

Since the employees gratuity fund is a defined benefit plan the liability to be provided will be subject to interest rate risk since the future valuation of benefit depends upon the yield of government bonds for matching maturities.

(vi) Defined Benefit Liability and Employer Contributions

Since the employees gratuity fund is a defined benefit plan maintained by Life Insurance Corporation of India the return is generated from a pool of assets invested by them and any deficit in the liability and return on plan assets is funded by the Group on a yearly basis

In 2018-19, the Company expects to contribute ₹4.84 crores (March 31, 2017: ₹4.40 crores) to gratuity.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(vii) Maturity profile of the defined benefit obligation

₹ in Crores

	March 31, 2018	March 31, 2017
Weighted Average duration of the defined benefit obligation	9-12 Years	9-12 Years
Within the next 12 months (next annual reporting period)	1.04	0.95
Between 2 and 5 years	13.16	10.59
Between 5 and 10 years	21.67	15.44

(b) Provident Fund

Provident Fund for certain eligible employees is administered by the Holding Company through "Berger Paints Provident Fund (Covered)" as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a trust provide that in a provident fund set up by the employer, any shortfall in the rate of interest on member contributions as compared to the relevant rate of interest declared by the Government of India for this purpose will have to be met by the employer. Such provident fund would in effect be a defined benefit plan in accordance with the requirement of Ind AS 19 - Employee Benefits.

Based on valuation of related defined benefit obligation and plan assets at the year end carried out by an independent actuary no provision has been considered necessary in this regard in these financial statements. Key actuarial assumptions are as follows

	March 31, 2018	March 31, 2017
Discount rate	7.65%	7.30%
Expected rate of return on Plan Assets	8.55%	8.65%

(c) Other Defined Benefit Plans

The amounts for "Other Defined Benefit Plans" are below the rounding off norm adopted by the Group (refer Note 41) and hence the disclosures as required under Ind AS 19 - "Employee Benefits" have not been given.

(II) Defined contribution plans

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans:

₹ in Crores

	March 31, 2018	March 31, 2017
Provident and Family Pension Fund (applicable for eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner)	3.28	2.58
Superannuation Fund	1.99	1.95

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 31. Employee Stock Option Plan

Berger Paints India Limited Employee Stock Option Scheme, 2010

The Berger Paints India Limited – Employee Stock Option Plan [‘the Plan’] was approved at the Annual General Meeting of the Company held on 29th July, 2010. The objective of the plan is to:

- 1) Attract, retain and motivate Employees,
- 2) Create and share wealth with the Employees,
- 3) Recognise and reward employee performance with shares and
- 4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:
 - a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
 - b) “Exercise Date” means the date on which the Participant exercises his Vested Options and in case of partial exercise shall mean each date on which the Participant exercises part of his Vested Options.
 - c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.
 - d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.
 - e) The Exercise Price of an Option shall be the face value of Rs. 2/- per Share. However, due to sub-division of Company’s share from F.V of ₹ 2/- to ₹ 1/- w.e.f from 9th January, 2015, the Compensation & Nomination & Remuneration Committee made fair and reasonable adjustments with respect to ESOP’s earlier approved and granted by the Compensation & Nomination & Remuneration Committee.
 - f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.
 - g) Subject to Participant’s continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : i) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; ii) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and iii) balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.
 - h) The Date of grant of options : 1st August, 2010.

Berger Paints India Limited Employee Stock Option Plan 2016

The Berger Paints India Limited – Employee Stock Option Plan 2016 [‘the Plan’] was approved at the Annual General Meeting of the Company held on 3rd August, 2016. The objective of the plan is to:

- 1) Attract, retain and motivate Employees,
- 2) Create and share wealth with the Employees,
- 3) Recognise and reward employee performance with shares and
- 4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:
 - a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
 - b) “Exercise Date” means the date on which the Participant exercises his Vested Options and in case of partial exercise shall mean each date on which the Participant exercises part of his Vested Options.
 - c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.
 - d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.
 - e) The Exercise Price of an Option shall be the face value of ₹ 1/- per Share
 - f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.
 - g) Subject to Participant’s continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : i) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; ii) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and iii) balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

on the third anniversary of the Grant Date.

h) The Date of grant of options : 9th November, 2016.

		As at March 31, 2018	As at March 31, 2017
a.	Number of Stock Options outstanding (ESOP Plan 2010: Grant I)	-	-
	Number of Stock Options outstanding (ESOP Plan 2010: Grant II)	-	-
	Number of Stock Options outstanding (ESOP Plan 2010: Grant III)	1,390	1,390
	Number of Stock Options outstanding (ESOP Plan 2010: Grant IV)	1,172	1,172
	Total Number of Options in force (Additional grant Options vested in lieu of bonus issues from ESOP 2010 balances on 21.11.2016)	1,025	1,025
	Number of Stock Options outstanding (ESOP Plan 2016 : Grant I)	88,022	138,270
	Number of Stock Options outstanding (ESOP Plan 2016: Grant II)	156,384	-
		2,47,993	1,41,857
b.	Option granted during the year		
	ESOP Plan 2016: Grant II	1,61,184	-
	ESOP Plan 2016: Grant I: 1,40,811 options 34653 Additional Grant on 21.11.2016 in lieu of bonus issue from ESOP 2010 balance shares	-	1,75,464
c.	Number of Options vested (ESOP Plan 2010: Grant I)	-	-
	Number of Options vested (ESOP Plan 2010: Grant II)	-	-
	Number of Options vested (ESOP Plan 2010: Grant III)	-	-
	Number of Options vested (ESOP Plan 2010: Grant IV)	-	84,280
	Number of Options vested (ESOP Plan 2016: Grant I)	45,397	-
	Number of Options vested (ESOP Plan 2016: Grant II)	-	-
	Number of Additional grant Options vested in lieu of bonus issues from ESOP Plan 2010 balances on 21.11.2016	-	34,653
		45,397	1,18,933
d.	Number of Options exercised (ESOP Plan 2010: Grant I)	-	-
	Number of Options exercised (ESOP Plan 2010: Grant II)	-	-
	Number of Options exercised (ESOP Plan 2010: Grant III) (834 options exercised during 2016-17 were vested during the year 2015-16)	-	834
	Number of Options exercised (ESOP Plan 2010: Grant IV)	-	83,108
	Number of Options exercised (ESOP Plan 2016: Grant I)	44,781	-
	Number of Additional grant Options exercised in lieu of bonus issues from ESOP Plan 2010 balances on 21.11.2016	-	33,628
		44,781	1,17,570
e.	Number of Shares arising on exercise (ESOP Plan 2010: Grant I)	-	-
	Number of Shares arising on exercise (ESOP Plan 2010: Grant II)	-	-
	Number of Shares arising on exercise (ESOP Plan 2010: Grant III)	-	834
	Number of Shares arising on exercise (ESOP Plan 2010: Grant IV)	-	83,108
	Number of Shares arising on exercise (ESOP Plan 2016: Grant I)	44,781	-
	Number of Additional shares arising as result on exercise from ESOP Plan 2010 balances on 21.11.2016	-	33,628
		44,781	1,17,570
f.	Number of Options lapsed (ESOP Plan 2010: Grant I)	-	-
	Number of Options lapsed (ESOP Plan 2010: Grant II)	-	-
	Number of Options lapsed (ESOP Plan 2010: Grant III)	-	-
	Number of Options lapsed (ESOP Plan 2010: Grant IV)	-	1,172
	Number of Options lapsed (ESOP Plan 2016: Grant I)	5,467	2,541
	Number of Options lapsed (ESOP Plan 2016: Grant II)	4,800	-
		10,267	3,713

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

g.	Variation of terms of Option	None during the period	None during the period
h.	Total Number of Options in force (ESOP Plan 2010: Grant I)	Nil	Nil
	Total Number of Options in force (ESOP Plan 2010: Grant II)	Nil	Nil
	Total Number of Options in force (ESOP Plan 2010: Grant III)	1,390	1,390
	Total Number of Options in force (ESOP Plan 2010: Grant IV)	1,172	1,172
	Total Number of Options in force (Additional grant Options vested in lieu of bonus issues from ESOP Plan 2010 balances on 21.11.2016)	1,025	1,025
	Total Number of Options in force (ESOP Plan 2016: Grant I)	88,022	1,38,270
	Total Number of Options in force (ESOP Plan 2016: Grant II)	1,56,384	-
		2,47,993	1,41,857
i.	Weighted Average exercise price of the Share Options		
	Outstanding at the beginning of the year	1	1
	Granted during the year	1	1
	Forfeited during the year	-	-
	Exercised during the year	1	1
	Expired during the year	1	1
	Outstanding at the end of the year	1	1
	Exercisable at the end of the period	1	1
j.	Weighted Average share price of options exercised during the year on the date of exercise	₹ 1	₹ 1
k.	Weighted Average fair value of the Options granted during the year		
	i. ESOP Plan 2016 Grant I (Fair value as on 31.03.2018)	NA	236.35
	ii. ESOP Plan 2016 Grant II (Fair value as on 31.03.2018)	250.74	NA
	iii. Additional grant in lieu of bonus issues from ESOP Plan 2010 balances of Grant III and IV (Fair value as on 31.03.2017)	NA	238.99
l.	A description of the method and significant assumptions used during the year to estimate the fair value of Options granted, including the following weighted average information:- The Black Scholes Option Pricing Model for dividend paying stock has been used to compute the fair value of the Options. The significant assumptions are:		
	i. Date of grant		
	a. ESOP Plan 2016	09.11.2016	09.11.2016
	b. Additional grant in lieu of bonus issues from ESOP Plan 2010 balances	21.11.2016	21.11.2016
	ii. Weighted average share price	256.70	242.10
	iii. Exercise Price	₹ 1	₹ 1
	iv. Risk Free Interest rate	7.40%	6.69%
	v. Expected Life:		
	a. For options vested on 01.08.2015	0.33 years	1.33 years
	b. For options vested on 01.08.2016	1.33 years	2.33 years
	c. For options vested on 09.11.2017	2.61 years	3 years from the vesting day
	d. For options yet to be vested	3 years from the vesting day	3 years from the vesting day
	vi. Expected Volatility	20%	26%
	vii. Expected dividend yield	0.67%	0.69%
	viii. Weighted Average fair value as on grant date		
	a. ESOP Plan 2016 (Grant date 09.11.2016)	₹ 229.10	₹ 229.10
	b. Additional grant in lieu of bonus issues from ESOP Plan 2010 balances (Grant date 21.11.2016)	₹ 218.21	₹ 218.21
	c. ESOP Plan 2016 (Grant II)- 09.11.2017	₹ 247.75	NA
	ix. The price of the underlying share in the market at the time of option grant:		
	a. ESOP Plan 2010: Grant-III- 31.07.2012	₹ 138.70	₹ 138.70
	b. ESOP Plan 2010: Grant IV- 31.07.2013	₹ 205.45	₹ 205.45
	c. ESOP Plan 2016: Grant I- 08.11.2016	₹ 234.85	₹ 234.85
	d. Additional grant on 21.11.2016 in lieu of bonus issues from ESOP Plan 2010 balances- 18.11.2016	₹ 187.10	₹ 187.10

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

e. ESOP Plan 2016 (Grant II)- 09.11.2017	₹ 253.70	NA
x. Time to maturity		
a. For options vested on 01.08.2015 (Grant III)	0.33 years	1.33 years
b. For options vested on 01.08.2016 (Grant IV)	1.33 years	2.33 years
c. Additional grants vested on 21.11.2016	0.33 years and 1.33 years	1.33 years and 2.33 years
d. ESOP Plan 2016 (Grant I) vested on 08.11.2017	2.61 years	NA
e. For options yet to be vested	3 years from the vesting day	3 years from the vesting day

Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the ESOP.

The fair values of our ESOP are based on the market value of our stock on the date of grant.

m. The following table summarizes information about Share Options outstanding as at year end:-

Range of exercise prices per option (₹)	As at March 31, 2018		
	No. of options outstanding	Weighted average remaining contractual life	Weighted average exercise price (₹)
1	1,946	0.33 years	1
1	1,641	1.33 years	1
1	88,022	2.61 years	1
1	1,56,384	Yet to be vested	1

Range of exercise prices per option (₹)	As at March 31, 2017		
	No. of options outstanding	Weighted average remaining contractual life	Weighted average exercise price (₹)
1	1,946	1.33 years	1
1	1,641	2.33 years	1
1	1,38,270	Yet to be vested	1

Note 32. Leases

Operating lease — Group as lessee

The Group's leasing arrangement are in the nature of cancellable operating leases. The Group has taken various depots, offices etc. on Operating Leases. These leases have a life of between 1 year to 20 years (March 31, 2017 - 1 year to 20 year) which is renewable by mutual consent of concerned parties. No contingent rent is payable by the Holding Company in respect of the above leases. Some of the lease agreements have price escalation clauses. Related lease rentals have been disclosed under the head "Rent" in Note 25 of Statement of Profit and Loss. There are no restrictions placed upon the Holding Company by such leases.

Operating lease — Group as lessor

The Holding Company has given Color bank (tinting machines) on operating lease to its dealers. The Holding Company enters into 3- 5 years cancellable lease agreements. However the corresponding lease rentals may be receivable for a shorter period or may be waived off/refunded on achievement of certain sales targets by the concerned dealers. The minimum aggregate lease payments to be received in future is considered as ₹ Nil. Accordingly the disclosure of the minimum lease payments receivable at the Balance sheet date is not made. The amounts received from customers pending to be refunded back are recognised as liabilities and are included in "Deposits" under "Other financial liabilities" in Note 11. Also refer note 4.

Finance lease — Group as lessee

During the year ended March 31, 2018, Bolix S.A, an indirect subsidiary of the Holding company, has started the leasing of 25 cars, and three leasing agreements for dispensing and mixing devices which were classified as finance leases and the value of all cars in net finance lease and 122 pieces of dispensing and mixing devices as at March 31, 2018 amounting to ₹ 6.06 crores. During the year ended March 31, 2017, Bolix S.A, an indirect subsidiary of the Holding Company, has started the leasing of 13 cars, which were classified as finance leases and the value of all 35 cars in net finance lease as at March 31, 2017 amounts to ₹ 2.63 crores.

Minimum lease payments for all cars used under the finance lease agreements are as follows:

	March 31, 2018	March 31, 2017
Upto 1 year	1.90	1.48
From 1 year to 5 years	3.73	1.24
	5.63	2.72

The total amount of the minimum lease payments, net of finance charges (interest) is consistent with the level of commitments from the lease agreements

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
Minimum Lease payments	5.63	2.60
Finance Charges (Interest)	(0.36)	(0.11)
Lease liabilities	5.27	2.49

Note 33. Commitment and Contingencies

₹ in Crores

	As at March 31, 2018	As at March 31, 2017
a. Commitments		
i) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for (net of advances)	39.77	37.42
b. Contingent Liabilities		
ii) Claims against the Company not acknowledged as debts:	As at March 31, 2018	As at March 31, 2017
Income Tax	3.39	19.20
Sales Tax	30.63	29.49
Excise Duty & Customs	27.39	28.78
	61.41	77.47
The Group has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same and hence has not been provided for in the books. The future cash flows on account of the above cannot be determined unless the judgements/decisions are received from the ultimate judicial forums. No reimbursements is expected to arise to the Group in respect of above cases.		
	As at March 31, 2018	As at March 31, 2017
c. i) Outstanding Bank guarantees	9.89	34.24
ii) Corporate bank guarantee	258.93	253.18

Immovable assets aggregating ₹236.40 crores (March 31, 2017: ₹232.95 crores) have been mortgaged by deposit of title deeds in favour of BNP Paribas & Standard Chartered towards loan extended to its subsidiary, M/s Lusako Trading Limited a Subsidiary of the Company. The loan is utilised by the said subsidiary for its business purposes.

Note 34(a). Disclosure in respect of Related Parties pursuant to Ind AS 24

List of Related Parties

I.	Holding and Subsidiary Companies:	
	Name of related parties	Nature of relationship
	U K Paints (India) Private Limited	Holding Company
	Berger Jenson & Nicholson (Nepal) Private Limited	Wholly Owned Subsidiary
	Beepee Coatings Private Limited	Wholly Owned Subsidiary
	Berger Paints (Cyprus) Limited	Wholly Owned Subsidiary
	Lusako Trading Limited	Wholly Owned Subsidiary
	Saboo Coatings Private Limited	Wholly Owned Subsidiary (acquired after close of business hours on 5th June, 2017)
	Berger Paints Overseas Limited	Wholly Owned Subsidiary of Berger Paints (Cyprus) Limited
	Bolix S.A.	Wholly Owned Subsidiary of Lusako Trading Limited
	BUILD-TRADE BIS sp. z o.o	Wholly Owned Subsidiary of Bolix S.A.
	Bolix UKRAINA sp.z o.o	Wholly Owned Subsidiary of Bolix S.A.
	Soltherm External Insulations Limited	Wholly Owned Subsidiary of Bolix S.A.
	Soltherm Insulations Thermique Exterieur	Wholly Owned Subsidiary of Bolix S.A.
	BJN Paints India Limited	Erstwhile wholly owned step down subsidiary which merged into the Company [refer note 34 (c)]

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

II. Other related parties with whom transactions have taken place during the year:

a)	Key Management Personnel	
	Name of related parties	Nature of relationship
	Mr. K S Dhingra	Director
	Mr. G S Dhingra	Director
	Mr. Kanwardip Singh Dhingra	Whole time director and relative of Mr G S Dhingra
	Mrs. Rishma Kaur	Whole time director and relative of Mr K S Dhingra
	Mr. Abhijit Roy	Managing Director & CEO
	Mr. Srijit Dasgupta	Director Finance & Chief Financial Officer
	Mr. Aniruddha Sen	Senior Vice President & Company Secretary
	Mr. Kamal Ranjan Das	Independent Director
	Mr. Naresh Gujral	Independent Director
	Mr. Dharendra Swarup	Independent Director
	Mr. Gopal Krishna Pillai	Independent Director
b)	Others	
	Name of related parties	Nature of relationship
	Berger Becker Coatings Private Limited	Joint Venture of the Company
	Berger Nippon Paint Automotive Coatings Private Limited	Joint Venture of the Company
	Jenson & Nicholson (Asia) Limited	Fellow Subsidiary
	Berger Paints (Bangladesh) Limited	Fellow Subsidiary
	Citland Commercial Credits Limited	Fellow Subsidiary
	Wang Investment Finance Private Limited	Fellow Subsidiary
	Kanwar Properties Private Limited	Fellow Subsidiary
	Berger Paints Provident Fund (Covered)	Post-employment benefit plan of the Company
	Berger Paints Officers (Non-Management Category) Superannuation Fund	Post-employment benefit plan of the Company
	Berger Paints Management Staff Superannuation Fund	Post-employment benefit plan of the Company
	BAICL Employees Superannuation Fund	Post-employment benefit plan of the Company
	BAICL Employees Gratuity Fund	Post-employment benefit plan of the Company
	Seaward Packaging Private Limited	Entity controlled by Key Managerial Personnel
	Flex Properties Private Limited	Entity controlled by Key Managerial Personnel
	Wazir Estates Private Limited	Entity controlled by Key Managerial Personnel
	Bigg Investment & Finance Private Limited	Entity controlled by Key Managerial Personnel
	KSD Family Trust	Mr K S Dhingra - Settlor Trustee
	GBS Dhingra Family Trust	Mr G S Dhingra - Settlor Trustee
	Mrs. Meeta Dhingra	Spouse of Mr K S Dhingra
	Mrs. Vinu Dhingra	Spouse of Mr G S Dhingra
	Mrs. Jessima Kumar	Daughter of Mr K S Dhingra
	Ms. Dipti Dhingra	Daughter of Mr K S Dhingra
	Mrs. Sunaina Kohli	Daughter of Mr G S Dhingra
	Mrs. Anshna Sawhney	Daughter of Mr G S Dhingra

Note 34 (b)

A. During the year the following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Transaction	Related Party	March 31, 2018	March 31, 2017
Sale of Goods	Berger Becker Coatings Private Limited	1.57	1.09
	Berger Nippon Paint Automotive Coatings Private Limited	18.67	15.94
	Wazir Estates Private Limited	0.04	0.07
	Berger Paints (Bangladesh) Limited	0.70	0.48
	U K Paints (India) Private Limited	0.40	0.40
	Mr. K S Dhingra *	0.03	0.00
	Mr. G S Dhingra *	0.00	0.00
	Seaward Packaging Private Limited *	0.00	0.00
Royalty Income	Berger Paints (Bangladesh) Limited	0.29	0.10

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Purchase of Goods	U K Paints (India) Private Limited	68.15	62.24
	Berger Becker Coatings Private Limited	-	0.16
	Seaward Packaging Private Limited	37.88	31.20
	Berger Nippon Paint Automotive Coatings Private Limited	0.71	0.07
Processing Charges	U K Paints (India) Private Limited	18.57	15.75
Rent Expenses	Seaward Packaging Private Limited	-	0.04
	U K Paints (India) Private Limited	3.94	3.84
	Flex Properties Private Limited	0.18	0.16
	Kanwar Properties Private Limited	0.38	-
	Mr. K S Dhingra	0.24	0.19
	Mr. G S Dhingra	0.24	0.19
Security Deposit Given	U K Paints (India) Private Limited	-	0.05
Security Deposit Refunded	U K Paints (India) Private Limited	0.11	-
Processing Income	Berger Nippon Paint Automotive Coatings Private Limited	2.22	1.38
Rendering of Manpower Services	U K Paints (India) Private Limited	0.02	-
	Berger Becker Coatings Private Limited	0.16	0.20
Business Transfer in relation to the 4 wheelers passenger cars and SUV, 3 wheelers and related ancillaries (Refer Note No 26)	Berger Nippon Paint Automotive Coatings Private Limited	-	90.00
Contribution to Provident Fund	Berger Paints Provident Fund (Covered)	13.26	12.70
Contribution to Gratuity Fund	BAICL Employees Gratuity Fund	0.05	0.11
Contribution to Superannuation Fund	Berger Paints Officers (Non-Management Category) Superannuation Fund	0.58	0.64
	Berger Paints Management Staff Superannuation Fund	1.28	1.34
	BAICL Employees Superannuation Fund	0.08	0.06
Directors Commission & Fees	Mr. K S Dhingra	0.10	0.10
	Mr. G S Dhingra	0.10	0.10
	Mr. Kamal Ranjan Das	0.03	0.03
	Mr. Naresh Gujral	0.07	0.07
	Mr. Dharendra Swarup	0.07	0.07
	Mr. Gopal Krishna Pillai	0.07	0.07
Equity Contribution	Berger Nippon Paint Automotive Coatings Private Limited	-	89.67
Key Management Personnel Compensation	Mr. Abhijit Roy	2.58	2.20
	Mr. Srijit Dasgupta	1.40	1.29
	Mr. Aniruddha Sen	0.94	0.88
	Mr. Kanwardip Singh Dhingra	0.23	0.26
	Mrs. Rishma Kaur	0.23	0.27
Dividend Payment	U K Paints (India) Private Limited	85.15	47.25
	Jenson & Nicholson (Asia) Limited	24.61	14.07
	Others	17.66	11.52

B. Balances outstanding at the year end (including commitments):

Outstanding	Related Party	March 31, 2018	March 31, 2017
Payable	U K Paints (India) Private Limited	24.46	21.31
	Seaward Packaging Private Limited	9.45	7.12
	Berger Paints Officers (Non-Management Category) Superannuation Fund	-	0.05
	Berger Paints Management Staff Superannuation Fund	-	0.11
	Flex Properties Private Limited *	0.00	-
	Wazir Estates Private Limited *	0.00	(0.02)
	Kanwar Properties Private Limited	0.08	0.08
	Mr. Abhijit Roy	0.44	0.37
	Mr. Srijit Dasgupta	0.06	-
	Mr. K S Dhingra *	0.00	0.00
	Mr. G S Dhingra *	0.00	0.00

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Receivable	Berger Becker Coatings Private Limited	1.52	0.20
	Berger Nippon Paint Automotive Coatings Private Limited	5.40	1.89
	Berger Paints (Bangladesh) Limited	0.67	0.84
Corporate guarantee outstanding	Berger Becker Coatings Private Limited	10.21	-

C. Details of remuneration to Key Managerial Personnel is given below

Particulars	March 31, 2018	March 31, 2017
- Short-term employee benefits	4.80	4.32
- Post employment benefits	0.51	0.36
- Share based payment	0.07	0.21
	5.38	4.89

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 31 for further details of the scheme.

* Refer Note 41

Notes:

a) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash except unless otherwise mentioned.

Note 34 (c)

During the year, National Company Law Tribunal has approved the Scheme of amalgamation ('the Scheme') between the Company and BJN Paints India Limited ('BJN'), India, a wholly owned step down subsidiary of the Company. The Scheme came into effect from March 29, 2018 after completion of all related regulatory formalities.

Note 35(a) Disclosure of additional information pertaining to the Holding Company, Subsidiaries and Joint Ventures

₹ in Crores

Entity Name	As At March 31, 2018		March 31, 2018		March 31, 2018		March 31, 2018	
	Net assets		Share of Profit/Loss		OCI		TCI	
	% of consolidated assets	Amount	% of consolidated profit and loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
Holding								
Berger Paints India Limited	95.34	2,092.24	92.12	424.51	3.37	1.16	85.95	425.67
Indian Subsidiaries								
1) Beepee Coatings Private Limited	0.45	9.94	0.52	2.39	0.08	0.03	0.49	2.42
2) Saboo Coatings Private Limited	0.86	18.84	0.69	3.19	(0.17)	(0.06)	0.63	3.13
Foreign Subsidiaries								
1) Berger Jenson & Nicholson (Nepal) Private Limited	6.03	132.28	7.80	35.94	-	-	7.26	35.94
2) Berger Paints (Cyprus) Limited consolidated with	(1.55)	(33.99)	(1.02)	(4.72)	-	-	(0.95)	(4.72)

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Berger Paints Overseas Limited								
3) Lusako Trading Limited consolidated with Bolix S.A. & Group *	(5.30)	(116.35)	(0.24)	(1.12)	-	-	(0.23)	(1.12)
Joint Ventures								
1) Berger Becker Coatings Private Limited	0.31	6.85	1.49	6.85	0.09	0.03	1.39	6.88
2) Berger Nippon Paint Automotive Coatings Private Limited Foreign Currency Translation Reserve	(0.28)	(6.21) 90.91	(1.35)	(6.21)	0.06 96.59	0.02 33.26	(1.25) 6.72	(6.19) 33.26
	100.00	2,194.51	100.00	460.83	100.00	34.44	100.00	495.27

* Group includes Build-Trade BIS sp. z.o.o., Bolix UKRAINA OOO, Soltherm External Insulations Limited and Soltherm Insulations Thermique Exterieur SAS

Note: The above figures are after eliminating intra group transactions and intra group balances as on March 31, 2018

Note 35(b). Disclosure of additional information pertaining to the Parent Company , Subsidiaries and Joint Ventures (Contd.)

₹ in Crores

Entity Name	As at March 31, 2017		March 31, 2017		March 31, 2017		March 31, 2017	
	Net assets		Share of Profit/Loss		OCI		TCI	
	% of consolidated assets	Amount	% of consolidated profit and loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
Holding								
Berger Paints India Limited	102.05	1,940.61	90.75	429.87	6.32	(1.20)	94.27	428.67
Indian Subsidiaries								
1) Beepee Coatings Private Limited	(0.10)	(1.90)	0.09	0.43	2.49	(0.47)	(0.01)	(0.04)
Foreign Subsidiaries								
1) Berger Jenson & Nicholson (Nepal) Private Limited	5.35	101.66	5.88	27.86	-	-	6.13	27.86
2) Berger Paints (Cyprus) Limited consolidated with Berger Paints Overseas Limited	(1.57)	(29.86)	0.64	3.04	-	-	0.67	3.04
3) Lusako Trading Limited consolidated with Bolix S.A. & Group *	(8.28)	(157.52)	0.51	2.41	-	-	0.53	2.41
Joint Ventures								
1) Berger Becker Coatings Private Limited	2.15	40.69	1.51	7.13	0.14	(0.03)	1.55	7.10
2) Berger Nippon Paint Automotive Coatings Private Limited	0.40	7.88	0.62	2.92	(0.05)	0.01	0.65	2.93

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	₹ in Crores							
Foreign Currency Translation Reserve	-	-	-	-	91.10	(17.25)	(3.79)	(17.25)
	100.00	1,901.56	100.00	473.66	100.00	(18.94)	100.00	454.72

* Group includes Build-Trade BIS sp. z.o.o and Bolix UKRAINA OOO

Note: The above figures are after eliminating intra group transactions and intra group balances as on March 31, 2017

Note 36 Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

a) Financial assets and liabilities measured at fair value through profit and loss at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	-	227.59	-	227.59
Investment in unquoted equity instruments*	-	-	0.00	-
Financial Liabilities				
Derivatives not designated as hedges	-	-	-	-

Financial assets and liabilities measured at fair value through profit and loss at 31 March 2017

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	-	367.27	-	367.27
Investment in unquoted equity instruments*	-	-	0.00	-
Financial Liabilities				
Derivatives not designated as hedges	-	4.11	-	4.11

(b) Financial instruments at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled

(c) During the year there has been no transfer from one level to another

(d) Also refer note 16a & 16b

(e) *Refer note 41

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 37. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance The Group's working capital requirements. The Group has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations. The Group also holds 'Fair Value Through Other comprehensive Income' (FVTOCI) investments and enters into derivative transactions by way of forward exchange contracts to hedge its payables.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's Board of Directors oversees the management of these risks. The Group's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for The Group. The BPRMC provides assurance to The Group's Board of Directors that The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with The Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by personnels that have the appropriate skills, experience and supervision. It is The Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk, liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and financial derivative.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2018.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations.

The following assumptions have been made in calculating the sensitivity analysis:

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017

► The sensitivity of equity is calculated as at March 31, 2018 for the effects of the assumed changes of the underlying risk

Interest rate risk

The Group has incurred short term debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowing issued at fixed rates expose the Group to fair value interest rate risk. The Group's interest rate risk management policy includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

The Group has incurred long term debt to finance acquisition, which exposes it to interest rate risk. Some of the Group's borrowings are index linked, that is their cost is linked to changes in the London inter-bank offer rate (LIBOR).

Although The Group has significant variable rate interest bearing liabilities at March 31, 2018, there would not be any material impact on pretax profit of The Group on account of any anticipated fluctuations in interest

Foreign currency risk

The Group has a policy of entering into foreign exchange forward contracts to manage risk of foreign exchange fluctuations on borrowings and payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities by way of direct imports or financing of imports through foreign currency instruments.

The Group proactively hedged its currency exposures in case of a significant movement in exchange rates for imports and in case the hedged cost of foreign currency instrument is lower than the domestic cost of borrowing in case of short term import financing.

As at March 31, 2018, the Company hedged 2% (March 31, 2017: 58%) for 6 months, of its expected foreign currency payables. This foreign currency risk on payables is hedged by using foreign currency forward contracts.

Commodity price risk

The Group doesn't enter into any long term contract with its suppliers for hedging its commodity price risk

Equity price risk

The Group does not have any investments in listed securities or in Equity Mutual Funds and thereby is not exposed to any Equity price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by BPRMC and corrective actions taken.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in Note 11.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt.

The table below summarises the maturity profile of The Group's financial liabilities based on contractual undiscounted payments.

INR in Crores						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2018						
Borrowings	143.73	28.97	-		-	172.70
Other financial liabilities	5.54	92.93	39.86	6.37	-	144.70
Trade payables	1.51	953.74	-		-	955.25
	150.78	1,075.63	39.86	6.37	-	1,272.65
Year ended March 31, 2017						
Borrowings	34.89	85.10	24.14	-	-	144.13
Other financial liabilities	4.84	82.12	62.50	5.16	-	154.62
Trade payables	1.06	760.14	-	-	-	761.20
	40.79	927.36	86.64	5.16	-	1,059.95

Note 38. Capital management

For the purpose of the Holding Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the holding. The primary objective of the Holding Company's capital management is to maximise the shareholder value. The Holding Company only avails short term borrowings to breach its working capital gap and finances its capital expenditure through internal generation of funds. The Holding company has a generally low debt equity ratio

	March 31, 2018	March 31, 2017
Borrowings (refer note 14a)	172.70	144.13
Less: cash and cash equivalents (refer note 8c)	(83.59)	(45.25)
Net debt	89.11	98.86
Total capital	2,194.51	1,901.56
Capital and net debt	2,283.62	2,000.43
Gearing ratio	4%	5%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 39 Expenditure on Research & Development

a. Details of Research & Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below

	₹ in Crores	
	March 31, 2018	March 31, 2017
Employee Benefit Expenses	10.05	9.08
Materials and Stores & Spares consumption	0.99	0.97
Power and Fuel	0.39	0.43
Depreciation	1.95	1.75
Others	1.17	0.77
	14.55	13.00

b. Details of Capital expenditure incurred for Research & Development are given below

	₹ in Crores	
	March 31, 2018	March 31, 2017
Capital Expenditure	1.40	3.51
	1.40	3.51
Total	15.95	16.51

Above includes allowable expenditure under section 35 (2AB) of the Income Tax Act

Capital expenditure ₹ 0.51 crores (March 31, 2017 ₹ 1.10 crores)

Revenue expenditure ₹ 9.54 crores (March 31, 2017 ₹ 8.72 crores)

The Holding Company has a research & development unit situated in Howrah, Kolkata which focuses on research on new and existing paint products, formulation for cost optimization, environment friendly products etc.

Note 40. Segment Information

The Group is engaged in the business of manufacturing and selling paints. Based on the nature of products, production process, regulatory environment, customers and distribution methods there are no reportable segment(s) other than "Paints".

Note 41. All figures are in Rupees Crores. Figures marked with (*) are below the rounding off norm adopted by the Holding Company.

For **S.R. BATLIBOI & CO. LLP**
Firm Registration Number 301003E/E300005
Chartered Accountants

per **Bhaswar Sarkar**
Partner
Membership Number : 55596
Place: Kolkata
Dated: May 30, 2018

On behalf of Board of Directors
Kuldip Singh Dhingra-Chairman
Gurbachan Singh Dhingra-Vice-Chairman
Abhijit Roy-Managing Director & CEO
Srijit Dasgupta-Director-Finance & CFO
Aniruddha Sen-Sr. VP & Company Secretary

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

	₹ Crores				
	2017-18*	2016-17*	2015-16*	2014-15^	2013-14
Gross Revenue	5,282.12	5,050.45	4,683.85	4,758.67	4,250.71
Revenue from Operations (Net of Excise Duty)	5,165.73	4,552.25	4,223.10	4,322.06	3,869.72
% Growth*	13.48	7.79	(2.29)	11.69	15.64
Other Income	45.87	54.54	34.68	36.02	35.95
Materials Consumed	3,009.96	2,592.30	2,470.19	2,531.26	2,345.35
Employee Benefits Expense	356.58	306.72	273.50	253.13	225.24
Other Expenses	992.20	934.67	834.67	1,026.95	867.76
Operating Profit - EBITDA	852.86	773.09	679.42	546.74	467.32
% to Net Revenue	16.51	16.98	16.09	12.65	12.08
Depreciation/Amortization	124.21	108.05	98.65	92.50	70.71
Finance Cost	24.55	16.22	27.28	50.14	46.63
Profit Before Tax & Exceptional Item	704.10	648.83	553.49	404.10	349.98
Share in Profit of Joint Ventures	0.64	10.05	5.69	-	-
Profit Before exceptional Items and tax	704.74	658.88	559.18	404.10	349.98
Exceptional Item	-	44.20	-	-	-
Profit Before Tax	704.74	703.08	559.18	404.10	349.98
Tax Expense	243.91	229.42	188.62	139.40	100.59
Profit After Tax	460.83	473.66	370.56	264.70	249.39
Return On Net Worth (%)*	21.00	24.91	23.72	20.14	22.28
Shareholders' Funds:					
Share Capital	97.10	97.10	69.35	69.33	69.30
Reserves and Surplus	2,097.41	1,804.46	1,492.74	1,244.73	1,051.03
Total	2,194.51	1,901.56	1,562.09	1,314.06	1,120.33
Other current and non-current liabilities	1,748.88	1,538.77	1,315.23	1,352.96	1,474.53
EQUITY AND LIABILITIES	3,943.39	3,440.33	2,877.32	2,667.02	2,594.86
Fixed Assets	1,364.33	1,198.17	1,013.97	1,009.40	997.09
Investments	333.13	472.13	347.54	176.49	90.68
Other current and non-current assets	2,245.93	1,770.03	1,515.81	1,481.13	1,507.09
ASSETS	3,943.39	3,440.33	2,877.32	2,667.02	2,594.86
Cash Earnings Per Share (₹)	6.02	5.99	4.83	5.15	4.62
Earnings Per Share - Basic (₹)	4.75	4.88	3.82	3.82	3.60
Earnings Per Share - Diluted (₹)	4.74	4.88	3.82	3.82	3.60
Book Value Per Share (₹)	22.59	19.58	16.09	18.96	16.16
Wt Avg No. of Shares	97,12,47,574.26	97,10,59,627	97,08,68,054	69,31,50,576	34,64,03,720
Cash Profit	585.04	581.71	469.20	357.20	292.52

^ Figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956. Hence these numbers are not comparable with previous years.

* Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. However, Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years. Return on net worth for these years are computed on the basis of figures as per Ind AS. Hence the numbers are not comparable with previous years.

BERGER PAINTS INDIA LIMITED

SALES DEPOTS & OFFICES

EAST – 1

DURGAPUR

G. T. Road, Khairasole, Durgapur – 713 212
Phone : 0343 645158/159/160/136

HOWRAH**

Jalan Complex, NH-6, Near Brickfield
Bipparnapara, Begri, Howrah – 711 411
Mobile: 08282945921

KOLKATA – 1

6C, Rameshwar Shaw Road, Kolkata – 700 014
Phone : 033 2284 8120/2289 7395/7762
Fax : 033 2289 7084

KOLKATA – 2*

Godown No. 4A & 4B, C/o. Central Warehousing Corporation
1B, Kishore Mohan Banerjee Road, Panihati, Kolkata – 700 114
Phone : 033 6500 9700 to 9723

KOLKATA – 4*

Apeejay Industries Limited Complex
47, Hide Road, P.S. Taratolla, Kolkata – 700 088
Phone : 033 6500 1693/1352/1665/1433

KOLKATA – 5 & 6*

C/o Shriram Warehousing Pvt. Ltd., NH6, Bombay Road
Chamrail, Liluah, Howrah – 711 114
Phone : 033 6499 3292/85/84

PANIHATI**

Godown No. 2B & 2C, C/o Central Warehousing Corporation
1B, Kishore Mohan Banerjee Road, Panihati, Kolkata – 700 114
Phone : 033 6499 0773/706

CHANDANNAGAR (HOOGHLY)*

Bagbazar, Talpukur, MGM Sarani, Chandannagar
Dist. Hooghly – 712 136

PATNA – 1

TPS Compound, Exide Battery Campus, Near Sonali Mahendra
Showroom, New By Pass Road, Near Anisabad, Patna – 800 002
Phone : 0612 645 5370 to 645 5385

PATNA – 2

Shailesh Amber House, Mahatma Gandhi Setu Road
Opposite – Tata Motors, Pahari, Patna – 800 007
Phone : 0612 322 7623 to 322 7625

MUZAFFARPUR

Kolhua Paigamberpur, Purani Motihari Road, Baria
P.S. Ahiyapur, Post-Kolhua Paigamberpur, Dist. Muzaffarpur
Muzaffarpur – 843 108

RAIPUR

G D Warehousing, Warehouse No.10
Behind Raika Rolling Mill, Ring Road
No. 2, Gondwara, Raipur – 493 221, Chattisgarh
Phone: 0771 661 6601/3/5/614/619

SILIGURI

Kusum Warehouse, 3rd Mile Sevoke Road, Plot No.120, Mouza
Dabgram, Block Rajganj, P.S. Bhaktinagar,
Beside Hotel Cindrella, Dist. Jalpaiguri – 734 008
Mobile: 0923333455/09233470002

MALDA

Kamla Bari, Jadupur, (Sadhlapur), Gabgacchi
Malda – 732 101
Phone: 0759 5094 284/286/287

EAST – 2

AGARTALA

Road No. 2 & 3, Crossing, Dhaleswar, Natun Pally
Agartala, Tripura (West) – 799 007
Phone : 0381 231 1433/230 8404
(Proposed to be shifted to: Saw Mill, Khayerpur
Agartala, Tripura – 799 008)

BHUBANESWAR

Plot No.146, Sector – A, Zone – B, Mancheswar, Industrial Estate
Bhubaneswar – 751 010
Phone : 0674 258 8719/8720

CUTTACK

Village – Bilateruan, Near Maguli Chhak, N.H. 5, P.O. Harianta
P.S. Tangi, Cuttack – 754 025
Phone : 0671 239 2616/239 2584
(Proposed to be shifted to: Chaudhury Complex, Manguli Square
Cuttack – 754 025)

GUWAHATI – 1

Honuram Boro Path, Kachari Basti, Dispur, Guwahati – 781 005
Phone : 0361 234 8381/3026/28

GUWAHATI – 2

C/o. East India Technosys Pvt. Ltd., A. K. Dev Road
Opposite Bethany High School, Behind Gorchuk
Police Station, Guwahati – 781 035
Phone : 0361 227 6289/6288/213 3467/3524

GUWAHATI – 3

Holding Number 901, Ward No.13, N.H. 37, Lokhra
Guwahati – 781 034
Phone : 0361 223 6606

GUWAHATI**

Godown Nos. 8 & 9, Village Pamohi, Mouza – Ramcharani
Dist. – Kamrup (Metro) Assam
(Proposed to be shifted to: Progressive Alliance, C/o: Vishal Estate
P.O. Gauripur, Amingao, Kamrup Rural (Assam), Landmark – Near
Bhramputra Industrial Estate)

JORHAT*

Dag No. 2143/2565 of P P No.335/652 Charangia Gaon
Porbatia Mouza, Jorhat West Circle, Dist. – Jorhat, Assam

TEZPUR**

C/o: Om Tulshi Warehouse, Nagar Basti, Teen Mile – Tezpur
Teen Mile, Tezpur, Assam

JAMSHEDPUR

Near Military Camp, Sundernagar, Tatanagar
Jamshedpur, Jharkhand – 832 107
Phone : 0763 509 3823

RANCHI

Martin Baken, Village Kharsidag, P.O. – Tetri, Ring Road
Ranchi, Jharkhand – 834 010
Mobile: 07070097309

SAMBALPUR

Global Warehouse, Remed, Sambalpur – 768 006, Odisha
Phone : 0789 446 9691

SHILLONG

Near Chief Engineer Office (MES), Lower Nongrim Hills
East Khasi Hills, Dist. Shillong – 793 003, Meghalaya
Phone : 0364 253 4901/4903

SOUTH – 1

CHENNAI – 1*

99/5, MGR Road, Nagalkeni, Chrompet, Chennai – 600 044
Phone : 044 669 14000

CHENNAI – 2

Plot No.D – 18, Ambattur Industrial Estate, Ambattur
Chennai – 600 058
Phone : 044 2635 7835/6/7/8/9

COIMBATORE

S.F. No. 9/1A2, Rangavale Compound, Metupalayam Road
Thudiyalur Post, Coimbatore – 641 034, Tamilnadu
Phone : 0422 2644 508/2644 132/2644 271/436 8288

HYDERABAD – 1*

Plot No.5, Opposite IDPL Company, Lane Beside Tibcon Capacitor
Balanagar, Hyderabad – 500 037
Phone : 040 2980 4277/88/99

HYDERABAD – 2

Door No.10-10/21, New Gayatri Nagar, Opposite SBH Bank
Jillelaguda, Hyderabad – 500 079
Phone : 040 2409 7334/2409 4334

KURNOOL

Door No. 51/15/A/4/8, Sy. No.312/2, 321, Rajiv Nagar, Bellary
Road, Near Hanuman Weight Bridge, Kurnool – 518 003
Phone : 08518 259 677/577

MADURAI

“Sundara Bhavanam”, Door No.175, Kamarajar Salai
Madurai – 625 009
Phone : 0452 262 8274/8312
Fax : 0452 262 9023

PUDUCHERRY

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

TIRUNELVELI

200-E/2/1, Tiruchendur Road, Samathanapuram
Palayamkottai, Tirunelveli – 627 002
Phone : 0462 257 3315/16

TIRUPATI

No.14-39, Opp. G.D.R. Cylinders,
Renigunta Industrial Estate, Renigunta-517 520
Mobile: 08772239395/200

TRICHY

249/2B, Opposite SIT Hostel, Tanjavur Main Road
Ariyamangalam, Trichy – 620 010
Phone: 0431 244 1476/71
Fax : 0431 244 0104

VIJAYAWADA

R.S. No.73/2, Kanuru Donka Road, Prasadampadu
Vijayawada Rural – 521 108
Phone : 0866 284 3641/42
Mobile: 09246494620

VISAKHAPATNAM

Plot No. 188, D-Block, IDA, Autonagar
Visakhapatnam – 530 012, Andhra Pradesh
Phone : 0891 254 5936/257 8396

SOUTH – 2

ALLEPPEY

C/o. Jasspack Services Pvt. Ltd.,
Building No.8/52 C, Karinganamkuzhy, P.O. Arookutty Ferry Road
Aroor, Alleppey – 688 534
Phone : 0478 287 2366
(Proposed to be shifted to: Tharayil Parambu, Eramalloor – Ezhupurna
Road, Ezhupurna Panchayat, Ward No.12/3, Eramalloor P.O. Cherthala
Taluk, Alleppey District, Kerala – 688 537)

BENGALURU (OFFICE ONLY)

22, Fort “A”, K R Road, Opposite Vani Vilas Hospital
Bengaluru – 560 002
Phone : 080 2670 1315/1815
Fax : 080 2670 9641

BENGALURU – 1*

103/1, Gottigere, Basavanapura, Near Nice Road Junction
Bannerghata Road, Bengaluru – 560 083
Phone: 080 2842 9721
Fax: 080 2842 9722

(Proposed to be shifted to: Survey No.43, New CMC No.7/43 &
43/1, Kechenahalli Grama, R.V. Niketan Post, 8th Mile, Kengeri
Hobli, Mysore Road, Bengaluru – 560 059)

* Shop only

** Raw Material Godown

** Regional Distribution Centre

* Home Decor Centre

***Raw Material & Depot

Proposed New Depots

BENGALURU – 3

Plot No.32, Peenya III Phase Industrial Area
Bengaluru - 560 058
Phone: 080 283 77778/283 77668

BENGALURU**

Survey No.250, Huchhegowdanapalya, T. Begur Grama
Panchayat & Post, Nelamangala Taluq, Bengaluru Rural District
Karnataka – 562 123
Phone: 080 2773 3557

CALICUT

Door No. III/102 D, (New No XV/517 B), Ground Floor, Parammal
Junction, Near ALPB School, Parammal, N H Bypass Road
Azhinhilam, Malapuram – 673 632 Calicut, Kerala
Phone: 0483 283 2144/2244

HOSUR

C –13, Sidco Industrial Estate, Hosur - 635 126, Tamil Nadu
Phone: 04344 274 939/274 929

HUBLI

Bembalgi Farms, Next to Jain Mandir
P. B. Road, Gabbur, Hubli – 580 028
Phone: 0836 221 8027/28

KANNUR

C/o. Western India Cottons Godown, PPXIII/66, P.O. Pappinisseri
Dist. Kannur, Kerala – 670 591
Phone: 0497 278 6556

KOCHI (OFFICE ONLY)

Door No. III/835 C, Valiyara Chambers, K.K. Road
Chembumukku, Ernakulam – 682 021
Phone: 0484 242 6312/18

KOLLAM

K.P. 1/293, 294, 295, 296, Najeem Cashew Industry Building
T.K.M.C., P.O. Karikode, Dist. Kollam – 691 005
Phone: 0474 270 7063/68/770

KOTTAYAM

Vijayapuram Panchayath, Door No. XI/12A, At 47/4, Block – 23
Vijayapuram Village, Manganam Kara, Kottayam – 686 010
Phone: 0481 257 6481/82

MANGALORE

Plot No - 409 & 410, Industrial Area
Baikampady, Mangalore – 575 011
Mobile: 09243182073

MYSORE

145/A, Belagola Industrial Area, Near Wipro Ltd.
Metagalli, Mysore – 570 016
Phone: 0821 249 6633/77

THRISSUR

Building No. XVI 564 B, 564 C, 564 D, Ponganamkad Centre
P.O. Kurichikkara, Thrissur – 680 028
Phone: 0487 269 5003/5001
Fax: 0487 269 5003

THRISSUR**

Building No. XVI 564 E, 564 F, 564 G, 564 H, Ponganamkad
Centre, P.O. Kurichikkara, Thrissur – 680 028
Phone : 0487 269 5001/5003/7800
Fax : 0487 269 5003

TRIVANDRUM

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

WEST – 1

AURANGABAD

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

BHIWANDI**

Gala No. 63/66, Indian Corporation, Opposite Gajanand Petrol
Pump, Mankoli Naka, Dapode, Dist. Bhiwandi, Thane – 421 302
Mobile: 09272235567/09223310818

BHIWANDI

Gala No. 64/65, Indian Corporation, Opposite Gajanand Petrol
Pump, Mankoli Naka, Dapode, Dist. Bhiwandi, Thane – 421 302
Phone : 0252 265 0211/0212
Moile: 09223310818

GHATKOPAR

Pattanwala Glass Works, Chirag Nagar, LBS Marg
Ghatkopar (West), Mumbai – 400 086
Phone : 022 2516 8355/7398/9414
Fax : 022 2516 6406

GOA

Intelcon-S1, Rhea-Estate, NH – 17, Village Nuvem, Taluka Salcete
Dist. South Goa, Goa – 403 604
Phone : 0832 279 1758/1959
Fax : 0832 2791 960

KALYAN

Survey No. 202, Water Supply Road, Navi Koliwada
At Post – Kongaon, Kalyan – Bhiwandi Road
Dist. Bhiwandi, Thane – 421 301
Phone : 02522 280 607/281 145
Fax : 02522 280 667

VASAI

Shed No.4-A, Silver Compound, Waken Pada Survey No.161
Hissa No.A -1/2, Next to Vasai Phata Masjid, Village Pelhar
Pelhar H. No.8, Vasai (East), Dist. Palghar – 401 202

KOLHAPUR

345/16A, Hupari Road, Opposite Gudmudshing MSEB Power
Station, Gudmudshing, Taluka Karveer, Dist. Kolhapur – 416 119
Phone: 0231 261 5755/5855/5955

MUMBAI (OFFICE ONLY)

804, Windfall, Sahar Plaza, J. B. Nagar, Andheri Kurla Road
Andheri (East), Mumbai - 400 059
Phone : 022 2834 2001/2/3/4/5

NAGPUR

House No. – 49, Ward No. – 83, Mahadeo Nagar, Behind Jabalpur
Goods Garage, Waddhamana, Amravati Road, Nagpur – 440 023
Phone : 07104 240 740/41/42
Fax : 07104 240 743

NASHIK

Godown Nos.F-9, F-10 & F-11, Baphana Warehousing Pvt Ltd.
Gate No.103, Ambe Hill, Mumbai – Agra Road, Village Jaulke
Taluka Dindori, Dist. Nashik – 422 201
Mobile: 0927223531/32
Fax : 0255 727 9343

PUNE

C/o. Khutwad Warehouse, Sr. No. 164, Fursungi Village Road
Fursungi, Taluka Haveli, Dist. Pune – 412 308
Phone : 020 6478 4010 to 25
Fax : 020 2698 0338

THANE**

C/o Total Logistics Pvt. Ltd., F7, Shree Rajlaxmi Logistics Park
Bhiwandi – Nasik Highway, (Opposite Vadpe Police Chowki)
Vadpe Village, Dist. Thane, Bhiwandi – 421 302

SOLAPUR*

Lonawat Arcade, Gate No.301/2B, Pune Road, At Post – Kondi
Taluka – North Solapur, Solapur – Pune Highway
Dist: Solapur – 413 006

WEST – 2

AHMEDABAD

Survey No.298 and 300, Near Khodiyar Mata Temple
(Landmark – Concept Jeep Workshop), Sanathal Cross
Road, SP Ring Road, Village Sanathal, Taluka - Sanand
Dist: Ahmedabad – 382 210

RAJKOT

Plot No.9, 10, 11, Survey No.112/1, Ruda Transport Nagar
Anandpar, Navagam, Rajkot – 360 003
Phone: 0281 270 2563/64

SURAT

Survey No. 94/5, Opposite Gas Bottling Plant, Behind Manav Daya
Hospital, Kadodara Road, Saroli, Surat – 394 210
Phone : 0261 264 6440/8614

VADODARA

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

NORTH – 1

BHATINDA

MCB – Z-8/02464, Gill Complex, Mansa Road
Near ITI Chowk, Bhatinda – 151 001
Phone : 0164 224 0239/1239

CHANDIGARH

Plot No. 823, Industrial Area, Phase-II, Chandigarh - 160 002
Phone : 0172 263 7181/467 0401

JALLANDHAR

Vakiya Abadi, Near Nakodar Road, Village – Khambra
Dist. Jalandhar – 144 026
Phone : 0181 279 1466/1467

JAMMU

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

JAMMU**

C/o. Savraj Enterprises, SIDCO Industrial Complex
IGC, Samba, Jammu.

LUDHIANA

Plot. No. 658, Industrial Area – A, Shiv Chowk, G. T. Road
Ludhiana – 141 008
Phone : 0161 458 7658/438 1231

MOHALI

Plot No. 421, Industrial Area, Phase – IX, Mohali
Punjab – 160 059
Phone : 0172 509 5105/06

PARWANOO

Plot No.9, Sector –1, Parwanoo, Himachal Pradesh – 173 220
Phone : 01792 234 164/235164

SRINAGAR

Sutho Kathair Bagh, Tehsil-Chadoora, Dist. - Budgam, Srinagar - 15
Phone : 0194 231 5050/5051

NORTH – 2

AMBALA

Kharsa No.18/18, 24, 28/4/1, Kuldeep Nagar
Opposite Asa Ram Public School, Village – Shahpur
Dist. & Tehsil – Ambala, Haryana – 133 004
Phone : 0171 261 1060/80/653 0142

BIKANER

C/o. Mamta Woollen Mills, G –1, Karni Industrial Area
Bikaner – 334 004, Rajasthan,
Phone : 0151 297 0034/37
Fax : 0151 211 1913

FARIDABAD

Plot No.40, Sector – 6, Faridabad

GURGAON

Kataria Complex, Khasra No.10947/7283/2918/1 & 2
Daultabad Road, Industrial Area, Gurgaon - 122 001
Phone : 0124 225 5471/72/73

JAIPUR*

Plot. No. 114A – 115A, Jhotwara Industrial Area
Jhotwara, Jaipur – 302 012
Phone : 0141 234 4054/4213/4162
Fax : 0141 234 4054

* Shop only

** Raw Material Godown

*** Regional Distribution Centre

* Home Decor Centre

***Raw Material & Depot

Proposed New Depots

JODHPUR

Plot No. G –121, (A, E & F), M. I. A. Basni II Phase
Near Poorva Hospital, Jodhpur – 342 003
Phone : 0291 274 4262/4792/0499

KOTA

A – 263(C), Indraprastha Industrial Area, Kota, Rajasthan
Phone : 0744 2490168

UDAIPUR

Plot No.–1, NH – 8, Near Amberi Flyover
Amberi, Udaipur – 313 004
Phone : 0294 244 1790/0506

CENTRAL – 1

ASAF ALI

12/3, Asaf Ali Road, New Delhi –110 002
Phone : 011 2325 3494/3515

DELHI (OFFICE ONLY)

Office No. 29, 1st floor, “C” Block, DDA Market
Yojana Vihar, Delhi – 110 092
Phone : 011 2215 9010/11/25

JANAKPURI

Plot No.B –2 & B – 3, A – 1B Market, Block A –1
Pankha Road, Janakpuri, New Delhi – 110 058
Phone : 011 2562 3741/3742
Fax : 011 2554 8654

MANDOLI

Godown No. JR –2 & JR –10, JR Complex,
Gate No.1, Sewadham Road, Mandoli, Delhi – 110 093
Phone : 011 2234 1422/2255

MUNDKA INDUSTRIAL

Khasra No. 87/22, Opposite Metro Pillar, No. 617, Vodafone
Gali No.12, Near Hiran Kudna Mode, Mundka, New Delhi -110 041
Mobile: 09212407446/09212403585

MUNDKA**

Khasra No.36/22, 36/19/1, Behind Mirage Garden, Mundka
Village, New Rohtak Road, Delhi – 110 041
Phone: 011 2834 5623

OKHLA*

A-99/3, Okhla Industrial Area, Phase-II, New Delhi – 110 020
Phone: 011 2638 4714/4796/7256
Fax: 011 2638 5644
D-14/2, Okhla Industrial Area, Phase-II, New Delhi – 110 020
Phone: 011 2638 3772/6008/3258

PUNJABI BAGH

102 & 103 DDA Transport Centre, New Rohtak Road, Punjabi
Bagh, New Delhi – 110 035
Phone: 011 2831 2460/2461/6922/6933
Fax: 011 2831 3880

RITHALA

Khasra No.915-916, Guleria Complex
Rithala Village, New Delhi – 110 085
Phone: 011 2705 6582/584/585

CENTRAL – 2

AGRA

Near Canara Bank, Salasar Cold Store Compound
Gulab Nagar, Hathras Road
Agra – 282 006
Phone: 0562 699 0640-47

BAREILLY

Clutter Buck Ganj, Opp. GTI 7th Km. Stone
Bareilly – 243 502, Uttar Pradesh
Phone: 0581 256 0340/0940

DEVLA**

Village – Devla, P.O. Surajpur, Noida – Dadri Road
Greater Noida, Tehsil Dadri, District Gautam Budh Nagar
Uttar Pradesh – 201 306
Phone : 0120 256 9561/1380/1381
*(Proposed to be shifted to: Khasra No.09, Gulistanpur; Surajpur
Dadri Road / I.C.D. Dadri Gulistanpur Road,
Near IOC Petrol Pump, Devla, Greater Noida)*

GHAZIABAD

Cloud – 9 Resort, Opposite Uttam Toyota Meerut Road
Ghaziabad – 201 003
Phone: 0120 640 2043/44

MORADABAD

Lakri Fazalpur Industrial Area, Delhi Mini Bye Pass
Gata # 2485/2, Lakri Fazalpur, Moradabad
Phone: 09568003094/95/96

NOIDA

C – 43, Phase – 2, Sector – 81, Noida – 201 301
Phone: 0120 640 2311-25

CENTRAL – 3

ALLAHABAD

Khasra No.54, Chakrana Tiwari, Arail, Tehsil – Karchana
Near Chaka Block Hospital, CO Road, Allahabad – 211 008
Mobile: 07523084888

DEHRADUN

Khasra No.891, Vill. Majra, Opp. Transport Nagar,
Near Himalayan Drugs Factory, Dehradun – 248 001
Phone: 0135 654 5014/15/17

GORAKHPUR

Behind Essar Petrol Pump, Ekdanga, Vill. Harraya
P.O. Balrampur, Dist. Gorakhpur, Uttar Pradesh – 273 016
Phone: 0551 232 0027/52/69/71

HALDWANI

Motinagar, Bareilly Road, Haldwani – 263 139
Phone: 05946 232 011-14

HARIDWAR

Kharsa No.11,Village Sultanpur Majri
Bahadradab, Haridwar - 249 402
Mobile: 07060005163/07060007153

KANPUR

84/1-B, Fazalganj Industrial Area, Kanpur – 208 012
Phone: 0512 224 2259/60/61
*(Proposed to be shifted to : Gram Rampur, Bhimsen Tehsil
Kanpur Nagar)*

LUCKNOW

C – 518 & C – 519 Transport Nagar
Opposite Parking No.9, Lucknow – 226 012
Phone: 0522 232 0431/34/428/419/243 1052/9790

LUCKNOW (OFFICE ONLY)

Ground,1st & 2nd floor, B-22, Sector-B, Aliganj
Lucknow – 226 024
Phone: 0522 232 0431/434/419

VARANASI

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

CENTRAL – 4

BHOPAL

Khasra No 111/1/1/2/5, Landmark – Reshumrao Hotel
PH No 21, RI No 2, Village Aadampur Chawni
Gram – Aadampur, Tehsil Huzar
Dist – Bhopal – 462 021, Madhya Pradesh
Mobile: 09926011445/07869929587

GWALIOR

Survey No. 1610, Beside Saroj Fuel Shoppe (BPCL Petrol
Pump), Near Vicky Factory Cross Road
Jhansi Road, Gwalior – 474 001
Mobile: 7354881101/9235600341

INDORE

Sunidhi Warehouse,
Near New Sunidhi Petrol Pump, Nemawar Road
Palda, Indore, Madhya Pradesh - 452 020
Phone: 073 165 5210/06/07

JABALPUR

C/o Shiv Smriti Marketing, Matani Warehouse
Patan Bypass, Chouraha, Patan Road, Gram Sukha
Jabalpur – 482 002, Madhya Pradesh
Phone: 07869001276/72

* Shop only

** Raw Material Godown

** Regional Distribution Centre

* Home Decor Centre

***Raw Material & Depot

Proposed New Depots

BRITISH PAINTS DIVISION SALES DEPOTS

WEST DELHI

Plot No. 62/1, Rama Road, Industrial Area
New Delhi – 110 015
Phone: 011 2591 3379/3380
Mobile: 9015554160

CENTRAL DELHI

3976/80 Ajmeri Gate Corner, Ajmeri Gate
Delhi – 110 006
Phone: 011 2321 6792
Mobile: 9015554108
Email: centraldelhi@britishpaints.in

SOUTH DELHI

365-400 Yards, Mehurali Gurgaon Road
Sultanpur, New Delhi – 110 030
Phone: 011 2680 2293
Mobile: 9015554164
Email: southdelhi@britishpaints.in

MANDOLI

Godown No. MJ-11, J.R. Complex
Mandoli, Delhi – 110 093
Email: eastdelhi@britishpaints.in

GHAZIABAD

C-213, Site-1, Lal Quian, Opposite Sliver City
Cinema, Ghaziabad, Uttar Pradesh
Phone: 0120 416 4110/429 5722
Mobile: 9313307815
Email: ghaziabad@britishpaints.in

NOIDA

H-102 & 103 Sec-9, Noida – 201 301
Phone: 0120 2532251
Mobile: 9015554437
Email: noida@britishpaints.in

KANPUR

117/O/505, Geeta Nagar, Rawatpur
G.T. Road, Kanpur – 208025
Phone: 0512 250 0974/0610
Mobile: 07668074913
Email: kanpur@britishpaints.in

ALLAHABAD

623-624, Transport Nagar, Allahabad – 211 011
Phone: 0512 2230 014
Mobile: 07668074987
Email: allahabad@britishpaints.in

AGRA

Khasra No. 1294, Village Baipur, Near Sabzi
Mandi, Sikandra, Agra – 282 007, Uttar Pradesh
Phone: 888 184 8830
Email: agra@britishpaints.in

GORAKHPUR

Hariya (Nausad), Near Gaurav Petrol Pump
Khajini Road, Bahrapur
Gorakhpur – 273 001, Uttar Pradesh
Phone: 766 8074844
Email: gorakhpur@britishpaints.in

VARANASI

Pama Complex, Near Vishal Auto Agency
Lahartara Dlw Road, Lahartara
Varanasi – 221103, Uttar Pradesh
Phone: 0542-2372278/7668074578
Email: varanasi@britishpaints.in

FARIDABAD

SSI Plot No.20, NH-5 NIT Faridabad –121 001
Phone: 0129-4037440/2426440
Email: faridabad@britishpaints.in

GURGAON

2nd Milestone, Killa No, 6/25, Basai Road
Krishan Nagar, Gurgaon –122 001, Haryana
Phone: 0124-3295330 / 2300061
Email: gurgaon@britishpaints.in

PANIPAT

New Risalu Road, Behind M.J.R. Public
School adjoining Annapurna Banquet Hall
Plot No. 02, Panipat – 132 103, Haryana
Phone: 9541209805/8199000961
Email: panipat@britishpaints.in

HALDWANI

Opposite Kattha Factory, Devalchaur Kham
Rampur Road, Haldwani – 263 139
Dist. Nainital, Uttarakhand
Phone: 05946 234126
Email: haldwani@britishpaints.in

DEHRADUN

238-Mohabewala Saharanpur Road
Near Sai Baba Mandir, Dehradun – 248 001
Phone: 766913 8409
Email: dehradun@britishpaints.in

ZIRAKPUR

Khata No. 205 /208, Khasra No. 15/2/1
Hadbast No. 234, Chandigarh Zirakpur
Highway, Opposite Jai Mata Marble Zirakpur
Near Ramada Hotel, Tehsil: Dera Bassi
Dist. S.A.S. Nagar, Mohali – 140 603
Office No. 01762-527112-13-14
Email: mohali@britishpaints.in

AMRITSAR

Khasra No. 1301, Opposite Chatwal Petrol
Pump, G.T Road, Sultanwind, Near Tarawala
Pull, Amritsar
Phone: 9569360416
Email: amritsar@britishpaints.in

LUDHIANA

B-23-2581/10, Industrial Area-A, R.K. Road
Ludhiana – 141 003
Phone: 0161 2220270, 95697 54425
Email: ludhiana@britishpaints.in

JALANDHAR

Asiatic Compound, Usha Dharma Kanda
Basti Bawa Khel, Kpt Road, Jalandhar
Phone: 0181 265 1096
Mobile: 9569652492
Email: jalandhar@britishpaints.in

JAMMU

55/1, M.B.S College Road, Ajit Nagar
P.O Gangyal, Jammu – 180 010
Phone: 01912263896
Email: jammu@britishpaints.in

SRINAGAR

Ground Floor, Khasra No.1578, Khevat
No 44, Shiekh Complex, Opposite Shuhul
Automobiles, Pharoo Road, NR-NH-1A
Nowgam Bye Pass, Srinagar – 190 015
Phone: 0194-2315258-60
Email: srinagar@britishpaints.in

GUWAHATI

C/O: Skyworld Developers
Opposite Bharat Petroleum Petrol Pump
N.H.37, P.O : Saukuchi Lokhra
Guwahati – 781034
Phone: 08811081316
Email: guwahati@britishpaints.in

AGARTALA

Dhaleswar Road No – 1
Agartala, Tripura (W) – 799 007
Phone: 0381 230 2244
Mobile: 9862028281
Email: agartala@britishpaints.in

PATNA

Gandhi Setu Road, Opposite Samrat Petrol
Pump, Near Sun Motors, Jakaripur, Choti
Pahari, Patna – 800007
Phone: 9999116827 & 9999116830
patna@britishpaints.in

RANCHI

Road No. A-1, Hawai Nagar, Near Birsha Chowk
Khunti Road, Ranchi - 834003, Jharkhand
Phone: 0651 225 3746/7061384653
Mobile: 9304173252
Email: ranchi@britishpaints.in

PUNE

Gate no.1100, Near Vatika ashram Pune Saswad
Road Vadki, Pune – 412308
Phone: 7620653711 Mobile: 9325181849
Email: pune@britishpaints.in

SOLAPUR

Gate No 301/2B Lonawat Arcade, A/P Kondi
Solapur Pune Highway, Solapur – 413 006
Phone: 0217 235 7213/7620653712
Email: solapur@britishpaints.in

MUMBAI

Plot No – A 88 TTC Industrial Area
Khairane Village, Thane Belapur Road
Navi Mumbai – 400 705
Phone: 022-27781610 & 9320933850
Email: mumbai@britishpaints.in

GOA

NO: 56/C, Vivenda Gaurish Nirboga
Camurlin Village, P.O : Loutulim
Salcette, Goa – 403718
Phone: 0832-2858815 /2858550
Email: goa@britishpaints.in

AHMEDABAD

Godown No.7, Jamnagar Estate, Behind Alfa
Hotel, N.H.No.8, Aslali, Ahmedabad – 382 427
Phone: 8347816350/9376857169

BARODA

Industrial Casting Block No.4/26, BIDD
Industrial Estate, Gorwa Road, Baroda– 390 016
Phone: 0265-2282050/2282044 &
Mobile: 09377985634
Email: baroda@britishpaints.in

SURAT

Plot No.182,183, Road No.6F, New Function
Estate, Udhna Udhayog Nagar, Surat-394 210
Phone: 0261 2272734
Email: surat@britishpaints.in

INDORE

Dewas Naka, Behind Agarwal Tolkata
Lasudia Mori, Indore – 452 010
Phone: 0731 4088473
Email: indore@britishpaints.in

BHOPAL

C/o Adhish Industries, 11A J.K Road
Industrial Area, Govindpura, Bhopal – 462 021
Madhya Pradesh
Phone: 0755-4083274/7060317060
Email: bhopal@britishpaints.in

RAIPUR

GD Wearhousing, Ring Road No.2, Opposite
Reliance Petrol Pump, Gondwara
Raipur – 493 221, Chhattisgarh
Phone: 0771 400 0640/0641
Email: raipur@britishpaints.in

HYDERABAD

Door no 14/1/96, Road No 01
Beside Kingfisher Godown (UBL), IDA
Nacharam, Hyderabad – 500076.

TIRUPATI

11-15, 3rd Main Road Extension, Industrial
Estate, Opposite CRS Gate, Renigunta – 517 506
Phone: 08772237249
Email: tirupati@britishpaints.in

VIJAYWADA

Plot No.77, Jawajar Auto Nagar
Vijayawada – 520 007, Andhra Pradesh
Phone: 0866 2544355
Email: vijaywada@britishpaints.in

COCHIN

3/569/ B&C, VKA Tower, Kalamassery
P.O: South Kalamassery, Cochin – 683 104
Phone: 0484 253 2464/8590059083
Mobile: 9349270295
Email: cochin@britishpaints.in

THRISSUR

3/165/1, Wheels Real Estate, Moosepet Road
Chelakkotukara, Thrissur, Kerala – 680 005
Phone: 9999116832/0487 243 0172
Email: thrissur@britishpaints.in

CALICUT

Building No.17/678 (Old No.9/156 /D)
Olavanna Bazar, P.O. Olavanna
Calicut – 673 019
Phone: 0495 2430492/8590059084
Email: calicut@britishpaints.in

BANGLORE

NO.114/16, Patel Puttaih Industrial Estate
Mysore Road, Bengaluru – 560026, Karnataka
Phone: 8088640704
Email: blore@britishpaints.in

HUBLI

Shine Industries, Plot No. N /13, II nd Cross
Industrial Estate, Gokul Road
Hubballi – 580 030
Phone: 0836 2200855
Email: hubli@britishpaints.in

JAIPUR

A-145, Jagdamba Nagar, Behind Herapura
Power House, Near Dasshera Maidan
Jaipur – 302 021
Phone: 0141 3153943
Email: jaipur@britishpaints.in

KOTA

H-39 Opposite Multimetal Chamble
Industrial Area, Kota, Rajasthan
Phone: 0744 2480106/9024431493
Email: kota@britishpaints.in

SILCHAR

C/O: Kay Dee Cold Storage Pvt. Ltd
Ramnagar, Opposite ISBT, Silchar, Cachar
Assam – 788003
Phone: 03842 268 268
Email: silchar@britishpaints.in

Notes

Notes



SILK GLAMOR

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