



# AITHAL ASSOCIATES

## CHARTERED ACCOUNTANTS

# 26, "JALADEV", 5th A Main, 3rd Block, Thyagaraja Nagar, Bangalore - 560 028.

Phone : 080 - 26769212, Mobile : 94480 71136

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### INDEPENDENT AUDITORS REPORT

To  
Members of Berger Hesse Wood Coatings Private limited  
No 18, Graphite Road,  
Mahadevpura Industrial Area,  
Bangalore 560 048

#### **Report on Audit of the Financial Statements:**

#### **Opinion:**

We have audited the accompanying financial statements of BergerHesse Wood Coatings Private limited (formerly known as Saboo Hesse Wood Coatings Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive Income), Statement of changes in Equity, and Statement of Cash Flow for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion:**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement.



### **Emphasis of Matter**

We draw your attention to Note-2.22 to the financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the companies operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **Information Other than the Financial Statements and Auditor's Report Thereon :**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, changes in the equity, and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern



and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, and Statement of Profit and Loss, Statement of changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".



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:

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

4. a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

5. The company has not declared or paid any dividend during the year.

For AITHAL ASSOCIATES  
CHARTERED ACCOUNTANTS,  
FRN : 007956S



Place: Bengaluru  
Date :12-05-2023

CA CHANDRASHEKHAR AITHAL B  
PROPRIETOR  
Membership No.205102  
UDIN :23205102BGTDQB2051

**'ANNEXURE – A' to the Auditors Report**  
**Report under CARO-2020, for the year ended 31<sup>st</sup> March 2023.**

To the best of our information and according to the explanation provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

**1. Fixed Asset:**

- The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- The title deeds of immovable properties are held in the name of the company.

**2. Inventory:**

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In addition we have verified the same as on 31<sup>st</sup> March 2023. There were no material discrepancy was noticed on physical verification of stocks as compared to book records.

**3. Loans, Guarantee and Advances given:**

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.

**4. Loans, Guarantee and Advances to Director of Company:**

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, guarantee and advances, to Directors of the Company. Accordingly, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the company.

**5. Deposits:**

The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013. According to information and explanation provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

**6. Maintenance of costing records:**

As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.



## **7. Deposit of statutory liabilities:**

- According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, Custom Duty, and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March 2023 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

## **8. Un recorded Income::**

There were no transaction relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act 1961.

## **9. Funds raised and utilisation:**

- a) The Company has not taken any loans or other borrowings from any lender.
- b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year
- d) On overall examination of the financial statements of the company , funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the company.
- e) On overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The company has not raised any loan during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

## **10. Initial Public Offer**

Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer (including debt instruments) or preferential allotment or private placement of shares or convertible debentures during the year.



**11. Fraud and whistle-blower complaints:**

According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

**12. Nidhi Company:**

The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.

**13. Related Party Transactions:**

According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

**14. Internal Audit:**

The Company is not required to appoint internal auditor in terms of section 138 read with Rule 13. Therefore, reporting on clause 3(xiv) of the Order is not applicable.

**15. Non Cash Transactions:**

The company has not entered into non-cash transactions with directors or persons connected with him.

**16. Registration under RBI act:**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**17. Cash Losses:**

The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

**18. Resignation of Statutory Auditors:**

There has been no instance of any resignation of the statutory auditors occurred during the year

**19. Material uncertainty on meeting liabilities:**

On the basis of the financial ratios, aging and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our





attention, which causes to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**20. Transfer to fund specified under Schedule VII of Companies Act, 2013**

The company is not required to spend any amount on CSR activity as the same is not applicable to the Company. Therefore, clause (xx) of the Order is not applicable to the company.

For AITHAL ASSOCIATES  
CHARTERED ACCOUNTANTS,  
FRN: 007956S



Place : Bengaluru  
Date: 12-05-2023

CA CHANDRASHEKHAR AITHAL B  
PROPRIETOR  
Membership No.205102  
UDIN: 23205102BGTDQB2051

## **Annexure - B to the Auditors' Report**

### **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 Hesse Wood Coatings Private limited (formerly known as Saboo Hesse Wood Coatings Private limited) ("the Company") as of 31 March 2023 in conjunction with our audit of the 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, 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 AITHAL ASSOCIATES  
CHARTERED ACCOUNTANTS,  
FRN : 007956S**



Place: Bengaluru  
Date : 12-05-2023

**A CHANDRASHEKHAR AITHAL B  
PROPRIETOR  
Membership No.205102  
UDIN : 23205102BGTDQB2051**

**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
**(erstwhile SABOO HESSE WOOD COATINGS PRIVATE LIMITED)**  
**CIN: U24220KA2009PTC048821**  
**Balance sheet as at 31 March 2023**

	Note	Amount in INR Lakh	
		As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	29.09	17.75
Intangible assets	4	0.26	0.43
Financial Assets			
- Other financial assets	5	11.72	7.50
Deferred tax assets (net)	6	10.55	24.39
<b>Total non-current assets</b>		<b>51.62</b>	<b>50.07</b>
<b>Current assets</b>			
Inventories	7	628.66	497.22
Financial assets			
- Trade receivables	8	463.83	475.93
- Cash and cash equivalents	9	21.30	39.58
Current Tax Assets (Net)	10	6.77	-
Other current assets	11	39.72	32.62
<b>Total current assets</b>		<b>1,160.27</b>	<b>1,045.35</b>
<b>Total assets</b>		<b>1,211.89</b>	<b>1,095.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	202.03	202.03
Other equity	13	(98.73)	(155.20)
<b>Total equity</b>		<b>103.30</b>	<b>46.83</b>
<b>Non-current liabilities</b>			
Provisions	14	27.06	18.10
<b>Total non-current liabilities</b>		<b>27.06</b>	<b>18.10</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	15	147.55	148.84
- Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		7.98	8.12
Total outstanding dues of creditors other than micro enterprises and small enterprises		882.04	825.76
- Other Financial liabilities	17	35.10	36.33
Provisions	18	5.02	3.50
Current Tax Liabilities			
Other current liabilities	19	3.85	7.95
<b>Total current liabilities</b>		<b>1,081.53</b>	<b>1,030.50</b>
<b>Total equity and liabilities</b>		<b>1,211.89</b>	<b>1,095.42</b>

**Significant accounting policies**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **AITHAL ASSOCIATES**

Chartered Accountants

Firm registration number : 007956S

CA Chandrashekhara Aithal B

Proprietor

Membership Number : 205102

Place: Bangalore

Date: 12-May-2023



for and on behalf of the Board of Directors of  
**For Berger Hesse Wood Coatings Pvt. Ltd., Berger Hesse Wood Coatings Pvt. Ltd.**

Director **Rajagopalan Nair**

Director  
DIN :08355746  
Place: Bangalore  
Date: 12-May-2023

Director **Vinod Varjakshan Menon**  
Director  
DIN: 00524282  
Place: Bangalore  
Date: 12-May-2023

**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
**(erstwhile SABOO HESSE WOOD COATINGS PRIVATE LIMITED)**  
**CIN: U24220KA2009PTC048821**

**Statement of profit and loss for the year ended 31 March 2023**

**Amount in INR Lakh**

	Note	For the year ended 31 March 2023	For the year ended 31 Mar 2022
<b>Income</b>			
Revenue from operations	20	2,067.05	1,688.62
Other income	21	2.24	17.58
<b>Total Income</b>		<b>2,069.28</b>	<b>1,706.20</b>
<b>Expenses</b>			
Cost of materials consumed	22	1,559.68	1,282.55
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(0.06)	4.61
Employee benefits expense	24	233.09	191.51
Finance costs	25	11.63	10.93
Depreciation and amortization expense	26	6.54	5.10
Other expenses	27	173.12	132.99
<b>Total expenses</b>		<b>1,984.00</b>	<b>1,627.69</b>
<b>Profit/(loss) before tax</b>		<b>85.28</b>	<b>78.51</b>
Tax expense:			
- Current tax	28	29.01	-
- Deferred tax	28	(2.16)	2.27
<b>Profit/(loss) for the year</b>		<b>58.43</b>	<b>76.23</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of defined benefit plan actuarial (gains)/ losses		2.65	2.71
Income tax relating to items that will not be reclassified to profit or loss		(0.69)	(0.71)
<b>Items that will be reclassified to profit or loss</b>			
Others		-	-
<b>Other comprehensive income for the period</b>		<b>1.96</b>	<b>2.01</b>
<b>Total Comprehensive Income for the period</b>		<b>56.47</b>	<b>74.23</b>
<b>Earnings per equity share</b>			
- Basic		0.29	0.38
- Diluted		0.29	0.38

**Significant accounting policies**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For AITHAL ASSOCIATES**

Chartered Accountants

Firm registration number : 007956S

**CA Chandrashekhara Aithal B**

Proprietor

Membership Number : 205102

Place: Bangalore

Date: 12-May-2023



for and on behalf of the Board of Directors of

**For Berger Hesse Wood Coatings Private Limited**

**For Berger Hesse Wood Coatings Pvt. Ltd.**

**Sudhir Rajaguru**  
Director

DIN :08355746

Place: Bangalore

Date: 12-May-2023

**Vinod Varadachandran Menon**  
Director

DIN: 00524282

Place: Bangalore

Date: 12-May-2023

<b>BERGER HESSE WOOD COATINGS PRIVATE LIMITED</b>			
<b>CASH FLOW STATEMENT</b>			
		Amount in INR Lakh	
	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
		Rupees	Rupees
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit before Tax & Extra ordinary items	85.28	78.51
	Add : Depreciation & Amorisation	6.54	5.10
	Interest Expenses	11.63	10.93
	<b>Operating Profit before working capital changes</b>	<b>103.44</b>	<b>94.54</b>
	Movement in Working Capital :		
	(Increase) / Decrease in Trade receivable	12.11	(118.74)
	(Increase) / Decrease in Inventories	(131.44)	(129.66)
	(Increase) / Decrease in Other Current Assets	(7.10)	(11.21)
	(Increase) / Decrease in Loans & Advances	(4.22)	(0.02)
	(Increase) / Decrease in Other current financial asset	-	3.36
	(Decrease) / Increase in trade payable	56.13	177.51
	(Decrease) / Increase in Other Financial liabilities	(1.23)	-
	(Decrease) / Increase in Other Current Liabilities	(4.10)	8.95
	(Decrease) / Increase in Provisions	7.84	2.25
	<b>Cash generated from / (used in) operations</b>	<b>31.43</b>	<b>26.99</b>
	Net Tax (paid) / refunds and others	(19.09)	-
	<b>Net Cash from Operating Activities</b>	<b>12.33</b>	<b>26.99</b>
<b>B</b>	<b><u>CASH FLOW FROM INVESTMENT ACTIVITIES</u></b>		
	Purchase of Fixed Assets including CWIP	(17.70)	(5.17)
	Proceeds from / (Repayment of) Current Investment	-	-
	<b>Net Cash from Investing Activities</b>	<b>(17.70)</b>	<b>(5.17)</b>
<b>C</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Repayment of Loan	(1.29)	-
	Proceeds from Loan	-	0.01
	Interest Paid	(11.63)	10.93
	<b>Net Cash from Financing Activities</b>	<b>(12.91)</b>	<b>(10.92)</b>
<b>D</b>	<b><u>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</u></b>	<b>(18.28)</b>	<b>10.89</b>
	Opening Cash & Cash Equivalents	39.58	28.69
<b>E</b>	<b><u>CASH OR CASH EQUIVALENTS AT THE END OF THE YEAR</u></b>	<b>21.30</b>	<b>39.58</b>

**Significant accounting policies**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For AITHAL ASSOCIATES**

Chartered Accountants

Firm registration number : 007956S

**CA Chandrashekhar Aithal B**

Proprietor

Membership Number : 205102

Place: Bangalore

Date: 12-May-2023



for and on behalf of the Board of Directors of  
Berger Hesse Wood Coatings Private Limited  
For Berger Hesse Wood Coatings Pvt. Ltd

**Sudhis Rajagopalan Nair**

Director

DIN :08355746

Place: Bangalore

Date: 12-May-2023

**Vinod Varijakkannanan**

Director

DIN: 00524282

Place: Bangalore

Date: 12-May-2023

**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
Statement of changes in equity for the year ended 31 March 2023

**a Equity share capital**

	Amount in INR Lakh	
	As at 31 March 2023	As at 31 March 2022
<i>Equity shares of Rs 1 each issued, subscribed and fully paid</i>		
Balance at the beginning of the reporting period	202.03	202.03
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting period</b>	<b>202.03</b>	<b>202.03</b>

**b Other Equity**

Particulars	Amount in INR Lakh					
	Reserves and Surplus			Other items of OCI		
	Capital Reserve	Securities Premium	Debiture redemption reserve	Retained Earnings	Capital redemption reserve	Remeasurements of defined benefit plan actuarial gains/ (losses)
Balance as at 1 April 2022	-	-	-	(142.05)	-	(13.15)
Profit or (loss) during the year	-	-	-	58.43	-	-
Other comprehensive income	-	-	-	-	-	(1.96)
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83.62)</b>	<b>-</b>	<b>(15.11)</b>

Particulars	Amount in INR Lakh					
	Reserves and Surplus			Other items of OCI		
	Capital Reserve	Securities Premium	Debiture redemption reserve	Retained Earnings	Capital redemption reserve	Remeasurements of defined benefit plan actuarial gains/ (losses)
Balance as at 1 April 2021	-	-	-	(218.29)	-	(11.14)
Profit or (loss) during the year	-	-	-	76.23	-	-
Other comprehensive income	-	-	-	-	-	(2.01)
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(142.05)</b>	<b>-</b>	<b>(13.15)</b>



BERGER HESSE WOOD COATINGS PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2023

Particulars	Amount in INR Lakh										
	Buildings	Plant and equipment	Lab Equipments	Office equipment	Furniture and fixtures	Computers	Vehicles	Electrical Installations and Equipment	Total		
<b>Cost or deemed cost:</b>											
Balance as at 1 April 2021	1.53	17.23	13.49	35.98	9.28	5.26	9.09	4.21	96.07		
Additions	-	0.44	3.59	0.02	1.03	0.09	-	-	5.17		
Deletions	-	-	-	-	-	-	-	-	-		
Balance as at 31 March 2022	1.53	17.67	17.07	36.00	10.31	5.36	9.09	4.21	101.24		
Balance as at 1 April 2022	1.53	17.67	17.07	36.00	10.31	5.36	9.09	4.21	101.24		
Addition for the year	-	6.97	6.28	0.04	0.60	3.82	-	-	17.70		
Disposals	-	-	-	-	-	-	-	-	-		
Balance as at 31 March 2023	1.53	24.64	23.36	36.04	10.90	9.18	9.09	4.21	118.94		
<b>Accumulated depreciation</b>											
Balance as at 1 April 2021	0.50	12.43	9.01	33.86	7.76	4.84	8.64	1.63	78.67		
Charge for the year	0.10	0.71	1.48	0.96	0.46	0.30	0.14	0.67	4.82		
Disposals	-	-	-	-	-	-	-	-	-		
Balance as at 31 March 2022	0.60	13.14	10.49	34.82	8.22	5.14	8.78	2.30	83.49		
Balance as at 1 April 2022	0.60	13.14	10.49	34.82	8.22	5.14	8.78	2.30	83.49		
Charge for the year	0.09	1.29	1.91	0.54	0.68	1.27	0.10	0.50	6.37		
Disposals	-	-	-	-	-	-	-	-	-		
Balance as at 31 March 2023	0.69	14.43	12.40	35.36	8.90	6.41	8.88	2.79	89.86		
<b>Carrying amount:</b>											
As at 31 March 2022	0.93	4.53	6.58	1.18	2.09	0.22	0.31	1.91	17.75		
As at 31 March 2023	0.84	10.21	10.96	0.68	2.00	2.77	0.21	1.42	29.09		

(ii) Title deeds of immovable properties set out in Note 4(a) above, are in the name of the Company except those mentioned below which is transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

Relevant line item in the Balance sheet	Description of item of property	Gross Carrying Amount in Lakhs		Title Deeds filed in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
		As at 31st March, 2023	As at 31st March, 2022				
Property, Plant and Equipment	Building Material	0.84	0.93	Berger Hesse Wood Coatings Pvt	No		NA
Property, Plant and Equipment	Plant and equipment	NA	NA	Berger Hesse Wood Coatings Pvt			
<b>Total</b>		<b>0.84</b>	<b>0.93</b>				





**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2023**

**4 Intangible assets**

Particulars	Amount in INR Lakh	
	Computer Software	
Cost or deemed cost:		
<b>Balance as at 1 April 2021</b>		<b>5.61</b>
Additions		-
Deletions		-
<b>Balance as at 31 March 2022</b>		<b>5.61</b>
<b>Balance as at 1 April 2022</b>		<b>5.61</b>
Additions		-
Deletions		-
<b>Balance as at 31 March 2023</b>		<b>5.61</b>
<b>Accumulated amortisation</b>		
<b>Balance as at 1 April 2021</b>		<b>4.89</b>
Charge for the year		0.28
Impairment		-
Disposals		-
<b>Balance as at 31 March 2022</b>		<b>5.17</b>
<b>Balance as at 1 April 2022</b>		<b>5.17</b>
Charge for the year		0.17
Impairment		-
Disposals		-
<b>Balance as at 31 March 2023</b>		<b>5.34</b>
<b>Carrying amount:</b>		
<b>As at 31 March 2022</b>		<b>0.43</b>
<b>As at 31 March 2023</b>		<b>0.26</b>



**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
Notes to the financial statements for the year ended 31 March 2023

**5 Other financial assets**

Particulars	Amount in INR Lakh	
	As at 31 March 2023	As at 31 March 2022
<i>Unsecured, considered good</i>		
Security deposit	11.72	7.50
	11.72	7.50

**6 Deferred tax assets, net**

Particulars	As at	
	31 March 2023	31 March 2022
Deferred tax on temporary difference of fixed asset	2.21	2.09
Remeasurement of defined benefit liability/ (assets)	8.34	5.61
MAT Credit entitlement	-	16.69
	10.55	24.39

**7 Inventories**

Particulars	As at	
	31 March 2023	31 March 2022
Raw materials	616.66	489.93
Packing material	9.57	4.91
Finished goods	2.43	2.37
	628.66	497.22

\* Inventories pledged as security for cash credit taken by the company

**8 (i) Trade receivables**

Particulars	As at	
	31 March 2023	31 March 2022
<i>Unsecured, considered good</i>		
Trade receivables	463.83	472.00
Receivables from related parties	-	3.93
	463.83	475.93
	463.83	475.93
Current	463.83	475.93
Non-current	-	-

\* Trade receivables pledged as security for cash credit taken by the company.

**(ii) Trade receivables Ageing Schedule**

Rs. in Lakhs

	Current but not due	As at 31 March 2023					Total
		Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	389.29	14.34	9.81	3.25	3.07	419.76
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	2.26	22.53	19.27	44.06
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
		389.29	14.34	12.07	25.78	22.34	463.83



**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
Notes to the financial statements for the year ended 31 March 2023

Rs. in Lakhs

As at 31 March 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	390.38	35.70	5.24	-	-	431.32
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	22.53	5.27	16.81	44.61
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>0.00</b>	<b>390.38</b>	<b>35.70</b>	<b>27.77</b>	<b>5.27</b>	<b>16.81</b>	<b>475.93</b>

**9 Cash and cash equivalents**

Particulars	Amount in INR Lakh	
	As at	As at
	31 March 2023	31 March 2022
Balances with banks		
- in current accounts	21.05	39.25
Cash on hand	0.24	0.33
	21.30	39.58

**10 Current Tax Assets (Net)**

Particulars	As at	As at
	31 March 2023	31 March 2022
	Advance payment of income tax	6.77
[net of provision for tax of INR 12.32 Lakh (March 31, 2022 - Nil)]	6.77	-

**11 Other current assets**

Particulars	As at	As at
	31 March 2023	31 March 2022
	<i>Unsecured, considered good</i>	
Statutory dues recoverable	24.50	20.73
Staff advances	5.05	4.72
Prepaid expenses	7.41	6.13
Advance to vendors	2.76	1.03
	39.72	32.62



**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
Notes to the financial statements for the year ended 31 March 2023

**12 Share capital**

(a) Particulars	Amount in INR Lakh	
	As at 31 March 2023	As at 31 March 2022
<b>Authorised</b>		
40,000,000 Equity Shares of Re 1 each	400.00	400.00
	<b>400.00</b>	<b>400.00</b>
<b>Issued, subscribed and fully paid up</b>		
20,203,100 Equity Shares of Re 1 each fully paid up	202.03	202.03
	<b>202.03</b>	<b>202.03</b>

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

	Amount in INR Lakh (except share data)		
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
Number of shares at the beginning of the year	No of shares	Amount	No of shares
Add: Shares issued/converted during the year	2,02,03,100	202.03	2,02,03,100
Number of shares outstanding at the end of the year	2,02,03,100	202.03	2,02,03,100

(c) **The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:**

The Company has one class of equity shares having a par value of Re 1 per share. Each shareholder is eligible for one vote per share held. 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

(d) **Particulars of each class of shares held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company**

Particulars	As at	
	31 March 2023	31 March 2022
Berger Paints India Limited	103.04	103.04
Hesse Shares GMBH	99.00	99.00



(e) Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the year is as given below:-

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	% of holding	No of shares	% of holding	No of shares
Berger Paints India Limited	51.00%	103.04	51.00%	103.04
Hesse Shares GMBH	49.00%	99.00	49.00%	99.00

(f) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

(g) Details of shares held by promoters

Promoter Name (Equity shares of Re 1 each fully paid up)	As at 31st March 2023				% change during the year
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	
Berger Paints India Limited	1,03,03,580	-	1,03,03,580	51.00%	0.00%
Hesse Shares GMBH	98,99,520	-	98,99,520	49.00%	0.00%

Promoter Name (Equity shares of Re 1 each fully paid up)	As at 31st March 2022				% change during the year
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	
Berger Paints India Limited	1,03,03,580	-	1,03,03,580	51.00%	0.00%
Hesse Shares GMBH	98,99,520	-	98,99,520	49.00%	0.00%

13 Other equity

Particulars	Amount in INR Lakh	
	As at 31 March 2023	As at 31 March 2022
<b>Retained earnings</b>		
At the commencement of the year	(142.05)	(218.29)
Add: Net profit for the year	58.43	76.23
At the end of the year	<b>(83.62)</b>	<b>(142.05)</b>
<b>Other items of OCI Remeasurements of defined benefit plan actuarial gains/ (losses) including deferred tax thereon</b>		
At the commencement of the year	(13.15)	(11.14)
Add: Addition during the year	(1.96)	(2.01)
At the end of the year	<b>(15.11)</b>	<b>(13.15)</b>
	<b>(98.73)</b>	<b>(155.20)</b>



**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
Notes to the financial statements for the year ended 31 March 2023

**14 Non-current provisions**

Particulars	Amount in INR Lakh	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (refer note no. 34)		
- Leave obligation	10.07	6.95
- Gratuity	16.99	11.14
	27.06	18.10

**15 Current borrowings**

Particulars	Amount in INR Lakh	
	As at 31 March 2023	As at 31 March 2022
<b>Secured:</b>		
<b>Loan repayable on demand</b>		
- from banks		
- Cash credit *	147.55	148.84
- Credit card payable	-	-
	147.55	148.84

**Notes:**

\* Cash credit is obtained for the purpose of working capital, facility carries interest rate of 3M MCLR (currently 8.80%), payable on monthly intervals and repayable on demand.  
Security for the above facility is exclusive charge on the entire current assets of the company.  
Facility allows company to draw an amount equal to Rs.1.5 Crores.

**16 (i) Trade payables**

Particulars	Amount in INR Lakh	
	As at 31 March 2023	As at 31 March 2022
Trade payables	316.15	370.78
Trade payables to related parties	573.87	463.10
	890.01	833.88

**(ii) Trade Payables Ageing Schedule**

	As at 31 March 2023						Rs. in Lakhs
	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	7.98	-	-	-	7.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	186.97	510.82	-	0.06	184.18	882.04
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	0.00	186.97		0.00	0.06	184.18	890.01



As at 31 March 2022							
							Rs. in Lakhs
Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	8.12	-	-	-	8.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	47.03	593.93	0.05	0.57	184.18	825.76
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	0.00	47.03	602.05	0.05	0.57	184.18	833.88

**17 Current financial liabilities - other financial liabilities**

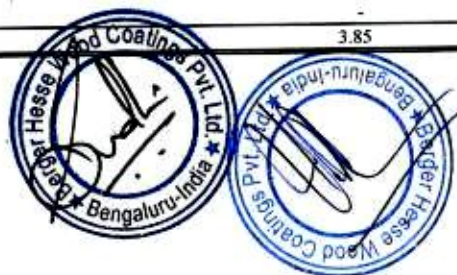
Particulars	Amount in INR Lakh	
	As at	As at
	31 March 2023	31 March 2022
other payables		
- Accrued expenses	24.92	24.47
- Employee Dues	10.18	11.86
	35.10	36.33

**18 Current provisions**

Particulars	Amount in INR Lakh	
	As at	As at
	31 March 2023	31 March 2022
Provision for employee benefits (refer note no. 34)		
- Leave obligation	2.59	1.90
- Gratuity	2.43	1.59
	5.02	3.50

**19 Other current liabilities**

Particulars	Amount in INR Lakh	
	As at	As at
	31 March 2023	31 March 2022
Statutory dues	3.85	6.78
Others		1.17
- Advance from customers	3.85	7.95



**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
Notes to the financial statements for the year ended 31 March 2023

**20 Revenue from operations**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	2,067.05	1,688.62
Sales	2,072.27	1,691.77
Less: Discounts & Rebates	5.22	3.16
	2,067.05	1,688.62
Other operating revenue		
- Others	-	-
	2,067.05	1,688.62

**20.1 Disaggregation of revenue from contracts with customers**

The Company derives revenue from sale of products from following major segments:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>1) Revenue from contracts with customers:</b>		
Sale of products (Transferred at point in time)		
Manufacturing		
India	2,072.27	1,691.77
	A	1,691.77
Trading		
India	-	-
	B	-
C= A+B	2,072.27	1,691.77
<b>2) Other Operating Revenue</b>		
Sale of Scrap	-	-
Others	-	-
	D	-
Total Revenue	C+D	1,691.77
	2,072.27	
<b>Major Product Line</b>		
Paints	2,072.27	1,691.77
<b>Sales by performance obligations</b>		
Upon shipment	-	-
Upon delivery	2,072.27	1,691.77
	2,072.27	1,691.77
<b>Reconciliation of revenue from contract with customer:</b>		
Revenue from contracts with customer as per the contract price	2,072.27	1,691.77
<b>Adjustments made to contract price on account of:</b>		
a) Discounts/Rebates/Incentives	5.22	3.16
b) Other Operating Revenue	-	-
Revenue from contracts with customer as per the contract price		
Standalone Statement of Profit and Loss	2,067.05	1,688.62





**21 Other income**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
- Foreign exchange gain, net	-	17.12
- Others	2.24	0.46
	2.24	17.58

**22 Cost of materials consumed**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Raw Materials Consumed</b>		
Opening Stock	489.93	354.90
Purchases	1,666.25	1,402.95
Closing stock	616.66	489.93
	1,539.52	1,267.92
<b>Packing Material Consumed</b>		
Opening Stock	4.91	5.67
Purchases	19.07	10.40
Closing stock	9.57	4.91
	14.41	11.16
<b>Other Direct Expenses</b>		
Direct Expenses	5.74	3.47
	1,559.68	1,282.55

**23 Changes in inventories of finished goods and work-in-progress**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Opening stock		
Finished goods	2.37	6.98
Work-in-progress	-	-
(b) Closing stock		
Finished goods	2.43	2.37
Work-in-progress	-	-
	(0.06)	4.61

**24 Employee benefits expense**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	199.95	170.77
Contribution to provident and other funds	11.40	4.91
Gratuity Expense	4.04	2.84
Compensated absence	8.26	5.56
Staff welfare expenses	9.45	7.42
	233.09	191.51



**25 Finance costs**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense	11.63	10.93
	11.63	10.93

**26 Depreciation and amortization expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Depreciation of property, plant and equipment (refer note 3)	6.37
Amortization of intangible assets (note 4)	0.17	0.28
	6.54	5.10

**27 Other expenses**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Rent	30.78
Freight and handling charges	35.39	21.46
Travelling and conveyance	26.39	14.60
Business promotion expenses	21.56	17.89
Legal, professional and consultancy charges	7.69	12.27
Office maintenance and utilities	14.61	10.85
Foreign exchange loss, net	11.90	-
Sample	6.18	3.33
Rates and taxes	1.57	1.74
Repairs and maintenance - others	2.81	3.43
Payment to auditors	1.78	1.55
Communication expenses	3.26	3.18
Subscription Charges	3.71	2.50
Insurance	2.00	1.23
Bad debts written off	1.84	1.61
Bank Charges	0.73	1.88
Miscellaneous expenses	0.93	8.58
	173.12	132.99



**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2023**

**28 Income tax**

**(a) Major components of income tax expense for the years ended 31 Mar 2023 and 31 March 2022:**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Current income tax:</b>		
Current income tax charge	24.34	-
Adjustments in respect of current income tax of previous year	4.68	-
	<b>29.01</b>	<b>-</b>
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(2.16)	(0.71)
Recognition of tax losses of current year	-	2.98
	<b>(2.16)</b>	<b>2.27</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>26.85</b>	<b>2.27</b>

**(b) Deferred tax related to items recognised in OCI during in the year:**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Remeasurement of defined benefit liability/ (assets)	(0.69)	(0.71)
<b>Income tax charged to OCI</b>	<b>(0.69)</b>	<b>(0.71)</b>



**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
Notes to the financial statements for the year ended 31 March 2023

**29 Contingent liabilities, commitments and contingent assets**

Particulars	Amount in INR Lakh	
	As at	As at
	31 March 2023	31 March 2022
<b>Contingent liabilities:</b>		
Claims against the Group not acknowledged as debt	0.31	0.31
Guarantees excluding financial guarantees	-	-
Other money for which the company is contingently liable	-	-
<b>Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-
Uncalled liability on shares and other investments partly paid	-	-
Other commitments:	-	-

**30 Auditor's remuneration**

Particulars	Amount in INR Lakh	
	For the year ended	For the year ended
	31 March 2023	31 March 2022
As auditor		
- for statutory audit	0.98	0.86
- for taxation matters	0.81	0.69
Reimbursement of expenses	-	-
	1.78	1.55

**31 Earnings per share (EPS)**

**(i) Reconciliation of earnings used in calculating earnings per share:**

Particulars	Amount in INR Lakh	
	For the year ended	For the year ended
	31 March 2023	31 March 2022
Profit/ (loss) after taxation as per statement of profit and loss	58.43	76.23
<i>Less:</i>		
Dividend on cumulative preference shares (including tax attributable thereto)	-	-
<b>Net profit/ (loss) for basic earnings per share</b>	<b>58.43</b>	<b>76.23</b>
<i>Add:</i>		
Interest savings on convertible debentures	-	-
<b>Net profit/ (loss) for diluted earnings per share</b>	<b>58.43</b>	<b>76.23</b>

**(ii) Reconciliation of basic and diluted shares used in computing earnings per share -**

Particulars	Amount in INR Lakh (except share data)	
	For the year ended	For the year ended
	31 March 2023	31 March 2022
Number of equity shares at the beginning of the year	2,02,03,100	2,02,03,100
<i>Add:</i>		
Weighted average number of equity shares issued during the year	-	-
<b>Number of weighted average equity shares considered for calculation of basic earnings per share</b>	<b>2,02,03,100</b>	<b>2,02,03,100</b>
<i>Add:</i>		
Dilutive effect of convertible debentures	-	-
Dilutive effect of convertible preference shares	-	-
<b>Number of weighted average equity shares considered for calculation of diluted earnings per share</b>	<b>2,02,03,100</b>	<b>2,02,03,100</b>

**(iii) Earnings per share:**

From continuing operations		
- Basic	0.29	0.38
- Diluted	0.29	0.38



Amount in INR Lakh

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.07	1.01	6%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.73	0.74	-1%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	5.59	7.44	-185%	Due to decrease in Net profit during FY22-23. Last year Net profit after taxes was Rs.76.23 compared to FY-22-23 Profit of Rs.58.43 Lakhs, driven by tax expense in FY22-23 of 26.85Lakh . Interest on Cash Credit Account in FY-21-22 was Rs.10.93 Lakhs & in FY-22-23 is Rs.11.63 Lakhs
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.17	0.38	-21%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.77	2.98	-21%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	4.40	4.05	35%	Driven by increase in Turnover during the FY22-23. in FY-21-22, Net Credit Sales was Rs.1,688.62 and in FY-22-23 Net Credit Sales is Rs.2,067.05 Lakhs. In FY-21-22, Average Trade Receivable was Rs.416.57 Lakhs & in FY-22-23 Average Trade Receivables is Rs.469.88 Lakhs
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.96	1.90	6%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	26.25	113.69	-8744%	Due to increase in working capital requirement during FY22-23 driven by higher sales. closing inventory, in FY21-22, closing stock is Rs. 497.22 Lakhs and in FY22-23 - 628.66 Lakhs. Sales during FY21-22 is Rs.1,688.62 and in FY22-23 is Rs.2,067.05
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.03	0.05	-2%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.39	0.35	4%	
Return on Investment	Interest (Finance Income)	Investment				



**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
Notes to the financial statements for the year ended 31 March 2023

**33 Related party transactions**

**A. Parent entities:**

1. Berger Paints India Limited—Holding Company
2. Hesse Gmbh & Co KG—Holding Company

**B. Subsidiaries:**

Nil

**C. Others:**

1. Hesse - Dubai—Fellow Subsidiary

**D. Key management personnel**

1. Mr. Jens Rainer Hesse—Director
2. Mr. Sudhir Rajagopalan Nair—Director
3. Mr. Vinod Varijakshan Menon—Director

E. The following is a summary of related party transactions.

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Purchase of Goods</b>		
1. Hesse Gmbh & Co KG	631.84	538.63
2. Hesse-Duabi	6.98	10.92
3. Berger Paints India Limited	379.23	247.92
<b>Commission Income</b>		
1. Hesse Gmbh & Co KG	-	-

F. The following is a summary of balances receivable from and payable to related parties:

Particulars	Amount in rupees	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Payable</b>		
Hesse Gmbh & Co KG	492.87	479.22
Hesse Gmbh - Dubai	8.16	18.78
Berger Paints India Limited	72.83	38.43
<b>Receivable</b>		
Hesse Gmbh & Co KG	-	-
Berger Paints India Limited	-	3.93

G. Compensation of key management personnel of the Group:

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Short term employee benefits</b>		

**H. Terms and conditions**

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within the credit period allowed as per the policy. None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.



34 Employee Benefits

A Gratuity plan

**Defined contribution plan**

The following table sets out the status of the unfunded gratuity plan as required under Ind AS 19 'Employee benefits'.

**Reconciliation of the projected benefit obligations**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Change in projected benefit obligation:</b>		
Obligations at the beginning of the year	12.74	7.70
Obligation acquired on acquisition during the year	-	-
Included in profit and loss:		
- Service cost	3.15	2.34
- Interest cost	0.89	0.50
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	-	-
- Actuarial (gains)/ losses arising from changes in financial assumptions	(0.68)	(0.18)
- Actuarial (gains)/ losses arising from experience adjustments	3.32	2.89
Benefits settled	-	(0.52)
<b>Obligations at year end</b>	<b>19.42</b>	<b>12.74</b>
<b>Liability recognised in the balance sheet</b>		
<b>Non current liability</b>	<b>16.99</b>	<b>11.14</b>
<b>Current liability</b>	<b>2.43</b>	<b>1.59</b>
<b>Obligations at year end</b>	<b>19.42</b>	<b>12.74</b>

**Expense recognised in statement of profit and loss**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Gratuity cost for the year</b>		
Included in profit and loss:		
- Service cost	3.15	2.34
- Interest cost	0.89	0.50
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	-	-
- Actuarial (gains)/ losses arising from changes in financial assumptions	(0.68)	(0.18)
- Actuarial (gains)/ losses arising from experience adjustments	3.32	2.89
<b>Net gratuity cost</b>	<b>6.69</b>	<b>5.56</b>
<b>Assumptions</b>		
Interest rate	7.60%	7.00%
Expected rate of return on plan assets	0.00%	0.00%
Salary increase	7.00%	7.00%
Attrition rate	18.00%	18.00%
Mortality table	Mortality - Indian Assured Lives Mortality(2012-14) (Ultimate)	Mortality - Indian Assured Lives Mortality(2012-14) (Ultimate)

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Amount in INR Lakh			
	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	1.29	1.15	0.91	0.81
Future salary growth (100 basis points movement)	1.09	1.01	0.84	0.75
Attrition Rate (100 basis points Movement)	0.04	0.05	0.09	0.09

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



**B Compensated absence****Defined contribution plan**

The following table sets out the status of the unfunded leave encashment plan as required under Ind AS 19 'Employee benefits'.

**Reconciliation of the projected benefit obligations**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Change in projected benefit obligation:</b>		
Obligations at the beginning of the year	8.86	8.93
Obligation acquired on acquisition during the year	-	-
Included in profit and loss:		
- Service cost	8.26	1.70
- Interest cost	-	0.43
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	-	3.43
- Actuarial (gains)/ losses arising from changes in financial assumptions	-	-
- Actuarial (gains)/ losses arising from experience adjustments	-	-
Benefits settled	(4.46)	(5.63)
<b>Obligations at year end</b>	<b>12.66</b>	<b>8.86</b>
<b>Liability recognised in the balance sheet</b>		
Non current liability	10.07	6.95
Current liability	2.59	1.90
<b>Obligations at year end</b>	<b>12.66</b>	<b>8.86</b>

**Expense recognised in statement of profit and loss**

Particulars	Amount in INR Lakh	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Compensated absence cost for the year</b>		
Included in profit and loss:		
- Service cost	8.26	1.70
- Interest cost	-	0.43
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	-	3.43
- Actuarial (gains)/ losses arising from changes in financial assumptions	-	-
- Actuarial (gains)/ losses arising from experience adjustments	-	-
<b>Net Compensated absence cost</b>	<b>8.26</b>	<b>5.56</b>

**Assumptions**

Interest rate	7.60%	7.00%
Expected rate of return on plan assets	0.00%	0.00%
Salary increase	7.00%	7.00%
Attrition rate	18.00%	18.00%
Mortality table	Mortality - Indian Assured Lives Mortality(2012-14) (Ultimate)	Mortality - Indian Assured Lives Mortality(2012-14) (Ultimate)

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Amount in INR Lakh			
	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	8.39	7.41	0.60	0.53
Future salary growth (100 basis points movement)	0.74	0.67	0.53	0.47
Attrition Rate (100 basis points Movement)	0.01	0.00	0.02	0.02

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.





**BERGER HESSE WOOD COATINGS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2023**

**35 Fair Value Hierarchy**

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 or loss at March 31, 2023**

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets	-	-	-	-
Financial Liabilities	-	-	-	-

**Financial assets and liabilities measured at fair value through profit or loss at March 31, 2022**

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets	-	-	-	-
Financial Liabilities	-	-	-	-

**b) Financial instruments at amortized cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(c) During the year there has been no transfer from one level to another

**36 Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has financial assets such as trade receivables and cash & cash equivalents, which arise directly from its operations.

**Risk Management Framework**

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 oversees on financial risks and the appropriate financial risk governance framework for the Company. The Board of Directors reviews 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. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board has taken all necessary actions to mitigate the risks identified on the basis the information and situation present. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**(i) 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, investments and financial derivative

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022

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, 2023



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, 2023 and March 31, 2022.
- ▶ The sensitivity of equity is calculated as at March 31, 2023 for the effects of the assumed changes of the underlying risk.

**(ii) 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

The Company does not have any significant variable rate interest bearing liabilities as at March 31, 2023 and March 31, 2022, hence there would not be any material impact on pretax profit and pre tax equity of the Company on account of any anticipated fluctuations in interest

**(iii) Foreign currency risk**

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 through foreign currency instruments

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in 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.

	Currency	Change in USD/EURO rate(%)	Effect on profit before tax ( in Lakhs)	Effect on pre-tax equity ( in Lakhs)
March 31, 2023	Euro	5%	(15.94)	(15.94)
	Euro	-5%	15.94	15.94

	Currency	Change in USD/EURO rate(%)	Effect on profit before tax ( in Lakhs)	Effect on pre-tax equity ( in Lakhs)
March 31, 2022	Euro	5%	(15.79)	(15.79)
	Euro	-5%	15.79	15.79

**(iv) Commodity price risk**

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

**(v) 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

**(vi) 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.



The concentration of Credit Risk is limited as the customer base is large. As a practical expedient, the Company computes credit loss allowances based on a provision matrix. The provision matrix is prepared based on historically observed default rates over expected life of trade receivable and is adjusted for forward looking estimates. Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/ recoverable values.

#### Trade receivables and contract assets if any

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 Board of Directors and corrective actions taken.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments

#### (vii) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning analysis.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Particulars	Amount in INR Lakh					Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	
<b>Year ended March 31, 2023</b>						
Financial Liabilities						
Borrowings	147.55	-	-	-	-	147.55
Trade payables	890.01	-	-	-	-	890.01
Other Financial liabilities	35.10	-	-	-	-	35.10
<b>Total</b>	<b>1,072.66</b>	-	-	-	-	<b>1,072.66</b>
<b>Year ended March 31, 2022</b>						
Financial Liabilities						
Borrowings	148.84	-	-	-	-	148.84
Trade payables	833.88	-	-	-	-	833.88
Other Financial liabilities	36.33	-	-	-	-	36.33
<b>Total</b>	<b>1,019.05</b>	-	-	-	-	<b>1,019.05</b>

#### 37 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.

Particulars	Amount in INR Lakh	
	As at March 31, 2023	As at March 31, 2022
Borrowings	147.55	148.84
Less: cash and cash equivalents (Note 9)	(21.30)	(39.58)
<b>Net Debt</b>	<b>126.25</b>	<b>109.26</b>
Total capital	103.30	46.83
Capital and net debt	<b>229.55</b>	<b>156.08</b>
Gearing ratio	<b>85%</b>	<b>70%</b>



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, 2023 and March 31, 2022.

### 38 Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.

### 39 Additional regulatory information required by Schedule III to the Companies Act, 2013

(i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.  
(ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.  
(iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.  
(iv) The Company has not traded or invested in crypto currency or virtual currency during the year.  
(v) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

(vi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/entities identified in any other manner whatsoever by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and an investment of the Company in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to an overseas step-down subsidiary of the Company towards meeting their business requirements. Accordingly no further disclosures, in this matter has been given.

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) The Company does not have any transactions with companies struck off.

(ix) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

40 All figures are in Rupees Lakhs unless otherwise stated.

41 Previous year figures have been regrouped, wherever necessary, to confirm to the current years presentation

As per our report of even date attached

**For AITHAL ASSOCIATES**

Chartered Accountants

Firm registration number : 007956S

**CA Chandrashekhar Aithal B**

Proprietor

Membership Number : 205102

Place: Bangalore

Date: 12-May-2023



for and on behalf of the Board of Directors of  
**Berger Hesse Wood Coatings Private Limited**

**For Berger Hesse Wood Coatings Pvt. Ltd.**

**For Berger Hesse Wood Coatings Pvt. Ltd.**

**Sudhir Rajagopalan Nair**

Director

Cell: 08355746

Place: Bangalore

Date: 12-May-2023

**Director**

**Vinod Varjakshan Menon**

Director

DIN: 00524282

Place: Bangalore

Date: 12-May-2023

**Director**