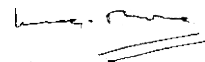


It also makes me very happy to announce that the most recent ranking by the Coatings World has put the Berger India Group as one of the top 25 in the world, 6th largest in Asia and, very importantly, one of the top 15 among the decorative paint companies in the world.

I have earlier spoken about investment in infrastructure. Apart from development of infrastructure facilities in existing cities/towns, increased focus is expected on infrastructure development in new townships/rural areas. During the last 10 years, consumption growth averaged 15% to 17% every year. This decade-long expansion in consumption was led by rural and urban markets, where aspirations grew in tandem with rising incomes. NREGA had a positive side effect: it set a floor to farm wages. But the real boost to rural wages came from diversion of labour to non-farm activities, chiefly construction, pushing the share of the workforce engaged in farming below 50% for the first time in 2011. Thus, for nearly a decade, the country saw the highest growth of rural wages ever seen in India. Landowners benefitted from rising minimum support prices (MSP) for state-procured grains. FMCG companies were quick on the uptake. Substantial rise in rural infrastructure development, which will provide further impetus to economic growth in rural areas, in turn resulting in significant reduction in poverty, is expected soon. Increased investment in rural infrastructure will benefit the rural population through higher income, rise in employment opportunities, and lower cost of basic goods due to improvement in transportation facilities. Nonetheless, improvement in rural infrastructure will need to be properly targeted to benefit the rural poor and this will be a challenge.

In the near term, there are positive news from all fronts. The Iran deal is expected to lower oil prices. The Greece bailout programme may help to restore confidence. Closer home, monsoon, so far, has been good – though excess rainfall in some parts may disrupt transportation. The inflation, particularly the wholesale index, is in control and even independent agencies opine that India's growth will be faster than that of China in 2016. I am sure that the management will take all necessary actions to capitalize on this opportunity.

Thanking you.



Kuldip Singh Dhingra
Chairman

Place: Kolkata

Date: 3rd August, 2015

BERGER PAINTS INDIA LIMITED

(CIN : L51434WB1923PLC004793)

Berger House, 129 Park Street, Kolkata - 700 017

Phone : 91-33-2229 9724-28, Fax : 033-2249 9009

www.bergerpaints.com, e-mail : consumerfeedback@bergerindia.com



Chairman's Speech

91st Annual General Meeting

BERGER PAINTS INDIA LIMITED



Dear Shareholders,

I welcome you to the 91st Annual General Meeting of Berger Paints India Limited.

I trust all of you have received your copies of the annual report. You have observed that this year, the Company's sales, on a stand-alone basis, have grown by 12.5% to touch ₹ 3,807 crores. The Company's profit before tax has increased by 21% to ₹ 396 crores. The Company's growth in net profit is not comparable with that of the previous year since the income tax holiday period at two of the Company's units in Jammu expired on 31st March, 2014, leading to increase in effective tax rate from about 28% to about 33%. On a consolidated basis, the Company's turnover crossed ₹ 4,000 crores mark to reach ₹ 4,300 crores. This year too, your Company had the strongest growth in the decorative paint business. It was the best among all paint producers. The growth in sales was achieved at a time when fast-moving consumer good sales, net of inflation, which declined from 8.3% to 5.1%, was 2.4% in 2014-15. You will agree with me that your Company's performance, in the face of this scenario is indeed commendable.

The Company achieved this by continuously expanding its market – both in terms of depth - where new customers were developed in areas where the Company had an existing business and in terms of width - where the Company moved to new geographies and in new products and services. The Company's three premium advertised products namely, Silk, Easy Clean and WeatherCoat All Guard performed well.

You may have seen in the Annual Report that the Company has launched Express Painting services. It gives me a sense of déjà vu as the Company had earlier been the first paint producer in India to launch Illusions range of products, Décor Service and to satisfactorily implement installation of tinting machines. They are all well-known now. Express Painting, similarly, is a first in India and the Company is the pioneer in bringing this hassle free, fast and clean solution for painting of houses. In-house research has indicated that households defer painting of homes, scared by the troubles of cleaning, rearranging, coping with dust generated, time taken and overall disturbance in day-to-day activities. Express painting, by deployment of special equipment and trained personnel, shortens the time taken by more than 50% and absorbs the dust in an efficient manner. In the process, the painting work also becomes more efficient, less costly to consumers and more remunerative to painters and dealers who can execute more projects in the same time. Of course, the Company has to invest a lot of time and effort on dealers, contractors and painters to acquaint and train them on this innovation and at the end, offer a faster, cleaner and better experience for the customers.

The General Industrial and Automotive Business also performed well during the year. You will recall that at the previous Annual General Meeting, I had expressed my optimism about this Business. This has now fructified

through relentless focus on development of new products and customers. Your Company continues to be a leader in the protective coatings segment. It is expected that the Government will soon turn its attention to the long due investments in infrastructure and once that takes place, the protective coatings business will definitely gain. In fact, increase in infrastructure investment is expected to be one of the crucial factors for sustaining strong growth during the current period. Rising demand for infrastructure facilities, given the rapid growth in urbanization, setting up of 100 smart cities, bulging of the middle class and an increasing working-age population, would engender substantial increase in infrastructure investments during the current decade. It is currently estimated that infrastructure investment will surge to 12.1% of GDP by FY20. While significant investment in physical infrastructure will also lead to employment generation, increased production efficiency, reduction in cost of doing business and improved standard of living, this will bring about greater demand of paints and particularly that of protective coatings.

The performance of the Company's subsidiary Berger Jenson & Nicholson (Nepal) Private Limited in Nepal, continues to be impressive. Its turnover was ₹ 96.3 crores and profit after tax, ₹ 14.1 crores. Nepal was badly impacted by severe earthquakes and our subsidiary stood by its people at the time of the tragedy. Nepal is now climbing back to normalcy and I salute the resilience of its people. The Company's 100% Polish subsidiary Bolix S.A., continues to do well in a depressed European market with a turnover of ₹ 165.7 crores and a profit after tax of ₹ 0.68 crores. BJN Paints India Limited recorded a turnover of ₹ 99.4 crores and is expected to record profit in the current year. Performances of the Company's joint ventures – the Indo-Swedish JV, Berger Becker Coatings Limited and the Indo-Japanese JV, BNB Coatings Limited have been extremely encouraging.

Last year, at the time of Annual General Meeting of the Company, the Company's share price was hovering around ₹ 290 for a share of a face value of ₹ 2/- with BSE Sensex at 25,500. At the time of this writing, the Company's share, with face value of Re 1, is ruling at ₹ 220 with Sensex at 28,400. Thus, there has been a 52% appreciation in share value for an 11% rise in Sensex within a year. The rise in share value is 750% in five years. The basic earnings per share in the last one year have improved from ₹ 3.38 to ₹ 3.84. The Company has paid a consistent dividend and for 2014-15, the Board has recommended a dividend of ₹ 1.25 i.e. 125% on each equity share. I am sure that you, like me, will feel happy about the returns that the Company has given to its shareholders on all fronts.

In recognition of that achievement, I am proud to see that the Company finds its rightful place in the Forbes India's first-ever Super 50 list based on the parameters of performance in the stock market, growth in revenues, returns on equity and consistency, evaluated over a period of three years from FY13 to FY15. I congratulate all responsible for this.

