



BERGER PAINTS INDIA LIMITED

ANNUAL REPORT 2010-11



*Creating
a greener tomorrow*





| INDEX | Pg No. |
|---|---------------|
| Notice | 3-11 |
| Directors' Report | 12-18 |
| Annexures to the Directors' Report | 19 |
| ▪ Corporate Governance | 20-25 |
| ▪ General Shareholders' Information | 26-28 |
| ▪ Auditors' Certificate on Corporate Governance | 29 |
| ▪ Statement u/s 217 of the Companies Act, 1956 | 30-31 |
| Report on Secretarial Audit Report & Secretarial Standards | 32 |
| Auditors' Report & Annexures | 33-37 |
| Annual Accounts | 38-56 |
| Statement regarding subsidiary companies | 57-58 |
| Consolidated Financial Statement with Auditors' Report | 59-75 |
| Financial Summaries | 76-77 |
| Depot Address | 78-80 |



Board of Directors

Kuldip Singh Dhingra
Chairman

Gurbachan Singh Dhingra
Vice Chairman

Subir Bose
Managing Director

Anil Bhalla

Gerald Kenneth Adams

Gurcharan Das

Kamal Ranjan Das

Naresh Gujral

Pulak Chandan Prasad

Abhijit Roy

Srijit Dasgupta

Rishma Kaur

(Alternate Director to Kuldip Singh Dhingra)

Kanwardip Singh Dhingra

(Alternate Director to Gurbachan Singh Dhingra)

Committees

AUDIT COMMITTEE

Anil Bhalla (Chairman) ■ Kamal Ranjan Das
■ G. S. Dhingra ■ Gerald Kenneth Adams
■ Aniruddha Sen (Secretary)

SHARE TRANSFER COMMITTEE

Subir Bose (Chairman) ■ Kamal Ranjan Das
■ Aniruddha Sen (Secretary)

INVESTORS' GRIEVANCE COMMITTEE

Kamal Ranjan Das (Chairman) ■ Subir Bose
■ Anil Bhalla ■ Aniruddha Sen (Secretary)

COMPENSATION COMMITTEE

Anil Bhalla (Chairman) ■ Kamal Ranjan Das
■ Kuldip Singh Dhingra ■ Aniruddha Sen (Secretary)

Consortium Bankers

Standard Chartered Bank

Bank of Baroda

Central Bank of India

The Royal Bank of Scotland NV

Corporation Bank

HDFC Bank Ltd.

The Hongkong & Shanghai
Banking Corporation Ltd.

ICICI Bank Ltd.

State Bank of India

Axis Bank Ltd.

ING Vysya Bank Ltd.

DBS Bank Ltd.

Sr. Vice President & Company Secretary

Aniruddha Sen

Auditors

Lovelock & Lewes

Registrars & Share Transfer Agents

**C B Management Services
Pvt. Ltd.**

Registered Office

**Berger House
129 Park Street
Kolkata 700 017**

Notice

Notice is hereby given that the Eighty-seventh Annual General Meeting of Berger Paints India Limited will be held at Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017 on Tuesday, 2nd August, 2011 at 11.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2011, the audited Balance Sheet as at 31st March, 2011, together with the Directors' and Auditors' Reports thereon.
2. To confirm payment of interim dividend and declare final dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Kuldip Singh Dhingra who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Gerald Kenneth Adams who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Naresh Gujral who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956 (“the Act”), Mr. Subir Bose (“Mr. Bose”), Managing Director, be entitled to receive equity shares and/or equity linked instruments (including options/warrants) and/or Restricted Stock Units exercisable into equity shares and/or any other instruments or securities (“Securities”) as may be deemed fit by the Board of Directors of the Company (which term shall include Compensation Committee of the Board) in accordance with Berger Paints India Limited Employee Stock Option Plan, approved by the members of the Company at the Annual General Meeting held on 29th July, 2010, in addition to the remuneration payable to Mr. Bose in accordance with the resolution approved by the members at the Annual General Meeting held on 7th August, 2009 and the agreement between Mr. Bose and the Company specifying the terms and conditions of Mr. Bose’s appointment be amended accordingly.

RESOLVED FURTHER THAT the Company shall use the intrinsic value method of valuation of the stock options granted under the ESOP Scheme to the Managing Director and to all other eligible employees to whom the shares are granted under the said Scheme.”

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

“RESOLVED THAT subject to the provisions of Sections 198, 257, 269 and 309 read with Schedule XIII of the Companies Act, 1956 (“the Act”), Mr. Abhijit Roy (“Mr. Roy”) be appointed as Director and Chief Operating Officer of the Company, not to retire by rotation.

RESOLVED FURTHER THAT such appointment shall be valid for a period of five years with effect from 11th February, 2011.

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. Roy as Additional Director and Chief Operating Officer with effect from 11th February, 2011 to the date of this Annual General Meeting and from the date of this Annual General Meeting, as set out in the agreement entered between the Company and Mr. Roy, a copy of which initialed by the Chairman for the purpose of identification is placed before the meeting, be and is hereby approved.”

9. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

“RESOLVED THAT subject to the provisions of Sections 198, 257, 269 and 309 read with Schedule XIII of the Companies Act, 1956 (“the Act”), Mr. Srijit Dasgupta (“Mr. Dasgupta”) be appointed as Director and Chief Financial Officer of the Company, not to retire by rotation.

RESOLVED FURTHER THAT such appointment shall be valid for a period of five years with effect from 11th February, 2011.

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. Dasgupta as Additional Director and Chief Financial Officer with effect from 11th February, 2011 to the date of this Annual General Meeting and from the date of this Annual General Meeting, as set out in the agreement entered between the Company and Mr. Dasgupta, a copy of which initialed by the Chairman for the purpose of identification is placed before the meeting, be and is hereby approved.”

10. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:
“RESOLVED THAT pursuant to Section 313 of the Companies Act, 1956, (“the Act”) the appointment of Mrs. Rishma Kaur (“Mrs. Kaur”), currently National Business Development Manager and wholtime employee of the Company, as Alternate Director to Mr. Kuldeep Singh Dhingra, for a period of five years with effect from 14th April, 2011, be and is hereby approved.

RESOLVED FURTHER THAT as and when Mr. Kuldeep Singh Dhingra returns to the State (the State) where the meetings of the Board are ordinarily held, Mrs. Kaur will vacate office as Alternate Director and immediately upon Mr. Kuldeep Singh Dhingra leaving the State, Mrs. Kaur shall stand re-appointed as Alternate Director in wholtime employment, to Mr. Kuldeep Singh Dhingra, on the same terms and conditions without any further act, deed or thing having to be done by the Company or the Board of Directors.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 314, Schedule XIII and Directors’ Relatives (Office or Place of Profit) Rules, 2003 and subject to the approval of the Central Government, if it becomes necessary, Mrs. Kaur’s appointment on the terms and conditions as set out in the agreement entered between the Company and Mrs. Kaur, a copy of which initialed by the Chairman for the purpose of identification is placed before the meeting, be and is hereby approved.”

11. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:
“RESOLVED THAT pursuant to Section 313 of the Companies Act, 1956, (“the Act”) the appointment of Mr. Kanwardip Singh Dhingra (“Mr. Dhingra”), currently Manager – Project Engineering and wholtime employee of the Company, as Alternate Director to Mr. Gurbachan Singh Dhingra, for a period of five years with effect from 14th April, 2011, be and is hereby approved.

RESOLVED FURTHER THAT as and when Mr. Gurbachan Singh Dhingra returns to the State (the State) where the meetings of the Board are ordinarily held, Mr. Dhingra will vacate office as Alternate Director and immediately upon Mr. Gurbachan Singh Dhingra leaving the State, Mr. Dhingra shall stand re-appointed as Alternate Director in wholtime employment, to Mr. Gurbachan Singh Dhingra, on the same terms and conditions without any further act, deed or thing having to be done by the Company or the Board of Directors.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 314, Schedule XIII and Directors’ Relatives (Office or Place of Profit) Rules, 2003 and subject to the approval of the Central Government, if it becomes necessary, Mr. Dhingra’s appointment on the terms and conditions as set out in the agreement entered between the Company and Mr. Dhingra, a copy of which initialed by the Chairman for the purpose of identification is placed before the meeting, be and is hereby approved.”

By Order of the Board

Aniruddha Sen

Sr. Vice President & Company Secretary

Kolkata

Dated : 30th May, 2011

Notes :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not later than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July, 2011 to 2nd August, 2011, both days inclusive.
3. The dividend, if declared, will be paid on 31st August, 2011 to those members entitled thereto and whose names shall appear on the Register of Members of the Company as on the conclusion of the book closure or their mandates.

4. Members are requested to notify any change in their address immediately to M/s C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata - 700 019, the Registrars and Share Transfer Agents of the Company for shares held in physical form. For those shareholders who hold their shares in dematerialized form, please lodge your requests for change of address, if any, with your respective Depository Participants.
5. Members are reminded to send their dividend warrants, which have not been encashed, to the Company for revalidation. As per the provisions of Section 205C of the Companies Act, 1956, unclaimed dividend is liable to be transferred to the Investor Education and Protection Fund of the Central Government after the expiry of seven years from the date they become due for payment.
6. As per current SEBI Regulations, dividend is required to be credited to shareholders through Electronic Clearing Service (ECS) wherever the facility is available and the requisite details / mandates have been provided by the members. Members desirous of availing this facility may send the details of their bank accounts with addresses and MICR Codes of their banks to their Depository Participants (in case of shares held in dematerialized form) or to M/s C B Management Services (P) Ltd. (in case of shares held in physical form) at the earliest.
7. Members interested in nomination in respect of shares held by them may write to M/s C B Management Services (P) Ltd. for the prescribed form.
8. As on 31st March, 2011, 1,931,826 shares remained unclaimed by 1,265 shareholders as their share certificates issued consequent upon Bonus Issue and Subdivision of Capital could not be delivered at their registered address by the postal authority for various reasons. Reminder to this effect has been sent to the concerned shareholders at their registered address.

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

SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7

The existing Employee Stock Option Plan ["ESOP"] of the Company was approved by the members at the Company's Annual General Meeting held on 29th July, 2010. In terms of the said approval, the members had authorized the Board of Directors of the Company (which includes any committee of directors) to recommend, grant and issue Stock Options to eligible employees of the Company in Management Grade.

The ESOPs are being used as tool for rewarding the Company's employees. It is considered fair that Mr. Subir Bose, Managing Director, ("Mr. Bose") be also made eligible for grant of ESOPs for his contributions to the Company, if deemed fit by the Board of Directors of the Company, which term shall include the Compensation Committee of the Board. Grant of ESOPs to Mr. Bose would require change of his terms of appointment and hence, approval of the members of the Company in accordance with the provisions of Sections 269 and Schedule XIII of the Companies Act, 1956. The proposed resolution would make Mr. Bose entitled to ESOPs granted by the Company.

The terms of remuneration approved by the members at the Annual General Meeting held on 7th August, 2009, are as under:

- (a) Salary:
 - ₹ 3,51,000 per month with an annual increment of 10% of the existing salary falling due on 1st July of each financial year thereafter.
- (b) Commission:
 - 1% of net profit of the Company, computed in the manner laid down under Section 309(5) of the Companies Act, 1956, subject, however, to a maximum of 50% of the annual salary.
- (c) Perquisites:
 - Perquisites will be as under:
 - (i) Housing – Mr. Bose is entitled to accommodation in house/flat owned/rented by the Company. The expenditure

on gas, electricity and furnishings are subject to a ceiling of 10% of the salary and is valued in accordance with the Income Tax Rules, 1962.

- (ii) Medical Reimbursement – Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years. Such expenses include medical insurance for self and family.
- (iii) Leave Travel Allowance – For self and family once in a year in accordance with the rules specified by the Company.
- (iv) Club fees – Fees of clubs subject to a maximum of two clubs. This does not include admission and life membership fees.
- (v) Personal accident insurance – The premium does not exceed ₹ 4,000 per annum.
- (vi) Company's contribution towards Provident Fund – As per rules of the Company.
- (vii) Company's contribution towards Superannuation Fund – As per rules of the Company.
(The Company's contributions under items (vi) and (vii) are limited to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961).
- (viii) Company's contribution towards Gratuity Fund – Not exceeding half a month's salary for each completed year of service, subject to a maximum as per the Company's Gratuity Rules.
- (ix) Encashment of leave at the end of the tenure.
- (x) Provision of Car and Telephone – Provision of car for use on the Company's business and telephone at residence are not considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to Mr. Bose.

In terms of a resolution adopted by the Board of Directors of the Company, the Compensation Committee of the Directors, at its meeting held on 11th February, 2011, granted 23,400 Stock Options to Mr. Bose, subject to the approval of the members to an amendment of Mr. Bose's terms of appointment, as proposed in the resolution set out at item No. 7 of the Notice.

In this connection, it may be noted that the Company shall use intrinsic value method to value the Stock Options granted. Currently Mr. Bose is not holding any equity shares in the Company.

Other than Mr. Bose, no other Director of the Company is interested or deemed to be interested in this resolution.

The above may be treated as an abstract of the terms of contract of appointment of Mr. Bose as Managing Director of the Company and a memorandum as to the nature of concern or interest of the Directors in the said appointment, as required under Section 302 of the Act.

Your Directors recommend the resolution for your approval.

Item No. 8

Subject to the approval of the members at the forthcoming Annual General Meeting, at a meeting of the Board of Directors of the Company held on 11th February, 2011, Mr. Abhijit Roy ("Mr. Roy") was appointed as Additional Director of the Company in wholetime employment and was designated as Director and Chief Operating Officer of the Company with effect from 11th February, 2011. Mr. Roy shall hold office as Additional Director up to the date of this Annual General Meeting.

A notice has been received under Section 257 of the Companies Act, 1956 ("the Act") from a member proposing appointment of Mr. Roy as a Director at the forthcoming Annual General Meeting.

Mr. Roy is a Bachelor of Engineering (Mechanical) from Jadavpur University, Kolkata and holds a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. Mr. Roy has over 19 years of experience in the paint industry. Prior to his elevation as Director, he was heading the Marketing function of the Company as Senior Vice President, Sales & Marketing. It is believed that Mr. Roy's knowledge, experience and expertise would greatly benefit the Company.

The terms of remuneration of Mr. Roy as set out in the agreement dated 11th February, 2011 entered between Mr. Roy and the Company are as under:

- a. Salary – Up to a maximum ₹ 3,00,000 per month with annual increment due on April 1 every year.

- b. Commission – As may be decided by the Board/Compensation Committee based on the performance of the Company and Mr. Roy, subject to the provisions of the Act.
- c. Perquisites – Up to ` 30 lakhs per annum including free furnished accommodation, if any.
- d. Employees Stock Option Plan – Mr. Roy will be entitled to receive equity shares and/or equity linked instruments (including options/warrants) and/or Restricted Stock Units (RSU) exercisable into equity shares and/or any other instrument or securities (“Securities”) as may be deemed fit by the Compensation Committee in accordance with Berger Paints India Limited Employee Stock Option Plan, as approved by the shareholders of the Company.
- e. Others – Company’s contribution to retirement funds, official use and expenses incurred for car, driver and communication facilities for the Company’s business.
- f. If during the currency of his tenure, the Company has no profits or its profits are inadequate in any financial year, Mr. Roy shall be entitled to maximum remuneration by way of salary and perquisites as provided in Part II of Schedule XIII of the Act.
- g. This Agreement may be terminated in accordance with the provisions of the Act or by either party giving to the other in writing, six calendar months’ notice or such shorter notice as may be mutually agreed between the Board and Mr. Roy.

The agreement also sets out the mutual rights and obligations of the parties and other administrative details.

The appointment of Mr. Roy on the terms and conditions proposed satisfies the provisions contained in Parts I and II of Schedule XIII of the Act and hence no prior approval of the Central Government under Section 269 of the Act is necessary.

A copy of the Agreement referred to in the resolution will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the meeting during usual business hours and will also be available at the Meeting.

Mr. Roy is not holding directorship of any other Company.

Currently Mr. Roy holds 2,400 equity shares of the Company.

Other than Mr. Roy, no other Director of the Company is interested or deemed to be interested in this resolution.

The above may be treated as an abstract of the terms of contract of appointment of Mr. Roy as Director in wholetime employment of the Company and a memorandum as to the nature of concern or interest of the Directors in the said appointment, as required under Section 302 of the Act.

Your Directors recommend the resolution for your approval.

Item No. 9

Subject to the approval of the members at the forthcoming Annual General Meeting, at a meeting of the Board of Directors of the Company held on 11th February, 2011, Mr. Srijit Dasgupta (“Mr. Dasgupta”) was appointed as Additional Director of the Company in wholetime employment and was designated as Director and Chief Financial Officer of the Company with effect from 11th February, 2011. Mr. Dasgupta shall hold office as Additional Director up to the date of this Annual General Meeting.

A notice has been received under Section 257 of the Companies Act, 1956 from a member proposing appointment of Mr. Dasgupta as a Director at the forthcoming Annual General Meeting.

Mr. Dasgupta is a B.Sc. (Chemistry Hons.) from Calcutta University, an associate member of the Institute of Cost & Works Accountants of India and has passed the final examination conducted by the Institute of Company Secretaries of India. Mr. Dasgupta has over 27 years of work experience in all the areas of Finance and Accounts. Prior to his elevation as Director, he was heading the Finance function of the Company as Senior Vice President, Finance and Accounts. It is believed that Mr. Dasgupta’s knowledge, experience and expertise would greatly benefit the Company.

The terms of remuneration of Mr. Dasgupta as set out in the agreement dated 11th February, 2011 entered between Mr. Dasgupta and the Company are as under:

- a. Salary – Up to a maximum ` 3,00,000 per month with annual increment due on April 1 every year.
- b. Commission – As may be decided by the Compensation Committee based on the performance of the Company and Mr. Dasgupta, subject to the provisions of the Companies Act, 1956 (“the Act”).

- c. Perquisites – Up to ` 30 lakhs per annum including free furnished accommodation, if any.
- d. Employees Stock Option Plan – Mr. Dasgupta will be entitled to receive equity shares and/or equity linked instruments (including options/warrants) and/or Restricted Stock Units (RSU) exercisable into equity shares and/or any other instrument or securities (“Securities”) as may be deemed fit by the Compensation Committee in accordance with Berger Paints India Limited Employee Stock Option Plan, as approved by the shareholders of the Company.
- e. Others – Company’s contribution to retirement funds, official use and expenses incurred for car, driver and communication facilities for the Company’s business.
- f. If during the currency of his tenure, the Company has no profits or its profits are inadequate in any financial year, Mr. Dasgupta shall be entitled to maximum remuneration by way of salary and perquisites as provided in Part II of Schedule XIII of the Act.
- g. This Agreement may be terminated in accordance with the provisions of the Act or by either party giving to the other in writing, six calendar months’ notice or such shorter notice as may be mutually agreed between the Board and Mr. Dasgupta.

The agreement also sets out the mutual rights and obligations of the parties and other administrative details.

The appointment of Mr. Dasgupta on the terms and conditions proposed satisfies the provisions contained in Parts I and II of Schedule XIII of the Act and hence no prior approval of the Central Government under Section 269 of the Act is necessary.

A copy of the Agreement referred to in the resolution will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the meeting during usual business hours and will also be available at the Meeting.

Mr. Dasgupta is a director of Bolix, S.A., Poland.

Currently Mr. Dasgupta holds 5,160 equity shares of the Company.

Other than Mr. Dasgupta, no other Director of the Company is interested or deemed to be interested in this resolution.

The above may be treated as an abstract of the terms of contract of appointment of Mr. Dasgupta as Director in wholtime employment of the Company and a memorandum as to the nature of concern or interest of the Directors in the said appointment, as required under Section 302 of the Act.

Your Directors recommend the resolution for your approval.

Item No. 10

Subject to the approval of the members at the forthcoming Annual General Meeting and pursuant to Section 313 of the Companies Act, 1956, (“the Act”), at a meeting of the Board of Directors of the Company held on 14th April, 2011, Mrs. Rishma Kaur (“Mrs. Kaur”), National Business Development Manager and wholtime employee of the Company, was appointed Alternate Director to Mr. Kuldip Singh Dhingra, Chairman of the Board of Directors of the Company, for a period of five years. This is a part of the Company’s plans for ensuring succession and continuity of affairs of the Company.

It has also been proposed that as and when Mr. Kuldip Singh Dhingra returns to the State (the State) where the meetings of the Board are ordinarily held, Mrs. Kaur would vacate office as Alternate Director and immediately upon Mr. Kuldip Singh Dhingra leaving the State, Mrs. Kaur would stand re-appointed as Alternate Director in wholtime employment, to Mr. Kuldip Singh Dhingra, on the same terms and conditions without any further act, deed or thing having to be done by the Company or the Board of Directors.

Mrs. Kaur is the daughter of Mr. Kuldip Singh Dhingra. Hence her holding the office of National Business Development Manager in the Company may be deemed to be holding of office or place of profit by a relative of a director as envisaged in Section 314 of the Act. Further, being in wholtime employment, appointment and payment of remuneration to Mrs. Kaur needs approval of the Members. Hence the resolution set out at item No. 10 of the Notice requires approval of the Members of the Company in accordance with Section 314 as well as Section 269 read with Schedule XIII of the Act. In case Mrs. Kaur’s salary requires the approval of the Central Government in terms of the provisions of Section 314 read with Directors’ Relatives (Office or Place of Profit) Rules, 2003, the same will be sought by the Board of Directors of the Company at an appropriate time.

Mrs. Kaur holds a Degree in Bachelor of Science (Hons.) in Business Studies from University of Buckingham, United Kingdom. Mrs. Kaur has also studied German Language in an Exchange Programme from the University of Augsburg, Bavaria, Germany. Mrs. Kaur has vast experience and was associated with Cementone Beaver Limited, Buckingham, U. K., S C Johnson, Birmingham, U. K., Deutsche Bank, New Delhi, UK Paints (India) Private Limited, New Delhi, CAPEXIL (Chemical & Allied Products Export Promotion Council), India and Malibu Estates Private Limited.

The terms of remuneration of Mrs. Kaur as an Alternate Director in wholetime employment and as an employee, as set out in the agreement entered between Mrs. Kaur and the Company are subject to a maximum ` 1,40,000 per month with a maximum increase of 40% per annum subject to the provisions of Section 314 of the Act read with Directors' Relatives (Office or Place of Profit) Rules, 2003 and are as under:

- a. Salary – ` 48,000 per month, subject to such increment every year as may be decided by the Compensation Committee.
- b. Annual Performance Bonus – As may be decided by the Compensation Committee.
- c. Perquisites – ` 68,200 per month, subject to such revisions as may be determined by the Compensation Committee.
- d. Others – Company's contribution to retirement funds.
- e. Expenses incurred for car and driver for official use and communication facilities for the Company's business will not be considered as part of remuneration.
- f. If during the currency of her tenure, the Company has no profits or its profits are inadequate in any financial year, Mrs. Kaur shall be entitled to maximum remuneration by way of salary and perquisites as provided in Part II of Schedule XIII of the Act.
- g. This Agreement may be terminated in accordance with the provisions of the Act or by either party giving to the other in writing six calendar months' notice or such shorter notice as may be mutually agreed between the Board and Mrs. Kaur.

The agreement also sets out the mutual rights and obligations of the parties and other administrative details.

The appointment of Mrs. Kaur on the terms and conditions proposed satisfies the provisions contained in Parts I and II of Schedule XIII of the Act and hence no prior approval of the Central Government under Section 269 of the Act is necessary.

A copy of the Agreement referred to in the resolution will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the meeting during usual business hours and will also be available at the Meeting.

Mrs. Kaur is a director of U. K. Paints (India) Private Limited and Seaward Packaging Private Limited.

Other than Mr. Kuldip Singh Dhingra, Chairman and Mrs. Kaur, no other Director of the Company is interested or deemed to be interested in this resolution.

The above may be treated as an abstract of the terms of contract of appointment of Mrs. Kaur as Alternate Director in wholetime employment of the Company and a memorandum as to the nature of concern or interest of the Directors in the said appointment, as required under Section 302 of the Act.

Your Directors recommend the resolution for your approval.

Item No. 11

Subject to the approval of the members at the forthcoming Annual General Meeting and pursuant to Section 313 of the Companies Act, 1956, ("the Act"), at a meeting of the Board of Directors of the Company held on 14th April, 2011, Mr. Kanwardip Singh Dhingra ("Mr. Dhingra"), Manager - Project Engineering and wholetime employee of the Company, was appointed Alternate Director to Mr. Gurbachan Singh Dhingra, Vice Chairman of the Board of Directors of the Company, for a period of five years. This is a part of the Company's plans for ensuring succession and continuity of affairs of the Company.

It has also been resolved that as and when Mr. Gurbachan Singh Dhingra returns to the State (the State) where the meetings of the Board are ordinarily held, Mr. Dhingra would vacate office as Alternate Director and immediately upon Mr Gurbachan Singh Dhingra leaving the State, Mr. Dhingra would stand re-appointed as Alternate Director in wholetime employment, to Mr. Gurbachan Singh Dhingra, on the same terms and conditions without any further act, deed or thing having to be done by the Company or the Board of Directors.



Mr. Dhingra is the son of Mr. Gurbachan Singh Dhingra. Hence his holding the office of Manager - Project Engineering in the Company may be deemed to be holding of office or place of profit by a relative of a director as envisaged in Section 314 of the Act. Further, being in wholtime employment, appointment and payment of remuneration to Mr. Dhingra needs approval of the Members. Hence the resolution set out at item No. 11 of the Notice requires approval of the Members of the Company in accordance with Section 314 as well as Section 269 read with Schedule XIII of the Act. In case Mr. Dhingra's salary requires the approval of the Central Government in terms of the provisions of Section 314 read with Directors' Relatives (Office or Place of Profit) Rules, 2003, the same will be sought by the Board of Directors of the Company, at the appropriate time.

Mr. Dhingra holds a Bachelor's Degree in Chemical Engineering from University of Akron, Ohio, USA with specialization in Polymer Engineering and Minor in Chemistry. He has working experience in Process Engineering with Rohm and Haas Company, Texas, USA and has also worked with Sherwin – Williams Company, Ohio, USA.

The terms of remuneration of Mr. Dhingra as an Alternate Director in wholtime employment and as an employee, as set out in the agreement entered between Mr. Dhingra and the Company are subject to a maximum ` 52,000 per month with a maximum increase of 40% per annum subject to the provisions of Section 314 of the Act read with Directors' Relatives (Office or Place of Profit) Rules, 2003 and are as under:

- a. Salary – Up to ` 24,000 per month, subject to such increment every year as may be decided by the Compensation Committee.
- b. Annual Performance Bonus – As may be decided by the Compensation Committee.
- c. Perquisites – Up to ` 17,100 per month, subject to such revisions as may be determined by the Compensation Committee.
- d. Others – Company's contribution to retirement funds.
- e. Expenses incurred for car and driver for official use and communication facilities for the Company's business will not be considered as part of remuneration.
- f. If during the currency of his tenure, the Company has no profits or its profits are inadequate in any financial year, Mr. Dhingra shall be entitled to maximum remuneration by way of salary and perquisites as provided in Part II of Schedule XIII of the Act.
- g. This Agreement may be terminated in accordance with the provisions of the Act or by either party giving to the other in writing six calendar months' notice or such shorter notice as may be mutually agreed between the Board and Mr. Dhingra.

The agreement also sets out the mutual rights and obligations of the parties and other administrative details.

The appointment of Mr. Dhingra on the terms and conditions proposed satisfies the provisions contained in Parts I and II of Schedule XIII of the Act and hence no prior approval of the Central Government under Section 269 of the Act is necessary.

A copy of the Agreement referred to in the resolution will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the meeting during usual business hours and will also be available at the Meeting.

Mr. Dhingra is a director of U. K. Paints (India) Private Limited and Seaward Packaging Private Limited.

Except Mr. Gurbachan Singh Dhingra, Vice Chairman and Mr. Dhingra, no other Director of the Company is interested or deemed to be interested in this resolution.

The above may be treated as an abstract of the terms of contract of appointment of Mr. Dhingra as Alternate Director in wholtime employment of the Company and a memorandum as to the nature of concern or interest of the Directors in the said appointment, as required under Section 302 of the Act.

Your Directors recommend the resolution for your approval.

By Order of the Board

Aniruddha Sen

Sr. Vice President & Company Secretary

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



| Name of Director | Item No. 3 | Item No. 4 | Item No. 5 | Item No. 8 | Item No. 9 | Item No. 10 | Item No. 11 |
|--|--|--|--|--|---|--|--|
| Mr. Kuldip Singh Dhingra | 2nd September, 1947 | Mr. Gerald Kenneth Adams 17th June, 1953 | Mr. Naresh Gujral 19th May, 1948 | Mr. Abhijit Roy 12th July, 1965 | Mr. Srijit Dasgupta 21st July, 1961 | Mrs. Rishma Kaur 1st September, 1972 | Mr. Kanwardip Singh Dhingra 28th October, 1982 |
| Date of Birth | 17th July, 1991 | 30th January, 2008 | 12th February, 2003 | 11th February, 2011 | 11th February, 2011 | 14th April, 2011 | 14th April, 2011 |
| Date of Appointment | Graduate | <ul style="list-style-type: none"> B.A. Magna Cum Laude, Phi Beta Kappa, University of Washington (Seattle, Washington) MBA with distinction, Harvard Business School (Cambridge, Mass) | <ul style="list-style-type: none"> Fellow member of the Institute of Chartered Accountants of India. | <ul style="list-style-type: none"> BE (Mechanical), Jadavpur University & Post Graduate Diploma in Management, from Indian Institute of Management, Bangalore | <ul style="list-style-type: none"> B. Sc. (Chemistry Hons.), Calcutta University, Associate Member of the Institute of Cost and Works Accountants of India and qualified the final exams of Institute of Company Secretaries of India. | <ul style="list-style-type: none"> B. Sc. (Hons.) in Business Studies, University of Buckingham, U.K. Studied German Language, University of Augsburg, Bavaria, Germany. | <ul style="list-style-type: none"> Bachelor's Degree in Chemical Engineering from University of Akron, Ohio, USA with specialization in Polymer Engineering and Minor in Chemistry. |
| Qualification | <ul style="list-style-type: none"> Mr. Dhingra is an industrialist and has vast and rich business experience and is on the Board of a number of companies. Has a long and varied experience in paint industry. | <ul style="list-style-type: none"> Founder / Managing Director of Jerry Adams Consulting Pty. Ltd., a company specializing in strategy and business development. Ongoing consulting for PPG Industries (Australia and USA) and the State of South Australia. Previous senior positions in Axiom Energy Ltd.; Vita Life Sciences Ltd.; Orica Ltd. Previous executive roles on Rexam Ltd.; Box USA; Ancor Ltd.; Kraft Inc.; FMC Corp., Boston Consulting Group; Airbone Freight Corp. | <ul style="list-style-type: none"> Mr. Gujral is an industrialist. Mr. Gujral is the founder of Span India Group, one of the leading exporters of high - end fashion garments to Europe from India and is on the Board of a number of companies. | <ul style="list-style-type: none"> Vast experience in Marketing & Sales functions. | <ul style="list-style-type: none"> Vast experience in Finance & Accounts. | <ul style="list-style-type: none"> Vast experience and knowledge in paint industry. | <ul style="list-style-type: none"> Vast experience in Process Engineering. |
| Expertise in specific functional areas | <ul style="list-style-type: none"> Citiland Commercial Credit Limited | <ul style="list-style-type: none"> Mr. Adams does not hold any committee position in the companies in which he is a Director, other than those of the Company. | <ul style="list-style-type: none"> Mr. Adams does not hold any committee position in the companies in which he is a Director, other than those of the Company. | <ul style="list-style-type: none"> Mr. Adams does not hold any committee position in the companies in which he is a Director, other than those of the Company. | <ul style="list-style-type: none"> Mr. Adams does not hold any committee position in the companies in which he is a Director, other than those of the Company. | <ul style="list-style-type: none"> Mr. Adams does not hold any committee position in the companies in which he is a Director, other than those of the Company. | <ul style="list-style-type: none"> Mr. Adams does not hold any committee position in the companies in which he is a Director, other than those of the Company. |
| List of public companies in which outside directorship is held as on 31st March, 2011 | 8,64,000 | — | — | 2,400 | 5,160 | 89,760 | 19,200 |
| Chairman / Member of Committees of the Board of the Companies on which he is a Director as on 31st March, 2011 | Brother of Mr. G S Dhingra, Vice Chairman | — | — | — | — | — | Son of Mr. Gurbachan Singh Dhingra, Vice Chairman |
| Shareholding in the Company | — | — | — | — | — | — | — |
| Inter se relationship between Directors | — | — | — | — | — | — | — |



Report of the Directors & Management Discussion and Analysis

Your Directors have pleasure in presenting the Annual Report of the Company, together with the audited accounts for the financial year ended on 31st March, 2011.

FINANCIAL RESULTS & APPROPRIATIONS

(` in million)

| Particulars | BPIL | | Consolidated | |
|---|---------|---------|--------------|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Profit before Depreciation, Interest, Exceptional Items and Tax | 2,533 | 2,006 | 2,800 | 2,250 |
| Less: | | | | |
| Depreciation | 300 | 264 | 401 | 358 |
| Interest | 122 | 48 | 238 | 172 |
| Exceptional Items | — | — | — | — |
| Profit Before Tax | 2,111 | 1,694 | 2,161 | 1,720 |
| Less: | | | | |
| Provision for Taxation | 628 | 493 | 660 | 516 |
| Profit After Taxation | 1,483 | 1,201 | 1,501 | 1,204 |
| Add: | | | | |
| Profit brought forward from the previous year | 2,104 | 1,467 | 2,057 | 1,417 |
| Available for appropriation | 3,587 | 2,668 | 3,558 | 2,621 |
| Appropriations: | | | | |
| Transfer to General Reserve | 148 | 120 | 148 | 120 |
| Dividend | | | | |
| - Interim | 173 | — | 173 | — |
| - Final (Proposed) | 277 | 381 | 277 | 381 |
| Tax on dividend | 74 | 63 | 74 | 63 |
| Balance carried to Balance Sheet | 2,915 | 2,104 | 2,886 | 2,057 |
| | 3,587 | 2,668 | 3,558 | 2,621 |

FINANCIAL PERFORMANCE

During the financial year ended 31st March, 2011, the Company achieved net consolidated sales of ` 23,281 million as against ` 18,913 million in the previous year registering a growth of 23%. The profit before depreciation, interest and exceptional items was ` 2,800 million as against ` 2,250 million in the previous year, recording an improvement of 24%. The profit before tax was ` 2,161 million (2009 - 10 : ` 1,720 million) and the profit after tax was ` 1,501 million (2009 - 10 : ` 1,204 million), representing increases of 26% and 25% respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Paint Industry Structure And Development

The Indian paint industry witnessed positive growth in 2010-11, bolstered by the high GDP growth rate of 8.6%. The paint market is dominated by decorative paints, which accounts for nearly 70% of the total demand. The balance 30% belongs to industrial paints - comprising automotive and industrial, protective, powder, coil and marine coatings.

The decorative paints market is throwing up opportunities for premium products which are technically superior. Higher purchasing power, backed by higher income levels, increased urbanization, rising construction activity in the housing segment and easy availability of housing loans are boosting growth in this segment. This is helped by the spread of audio-visual media, internet and communication facilities. Better living conditions and aesthetics now fetch a definite value. Considering the low levels of per capita consumption of paints per annum (0.5 kg in India compared to 6.4 kgs in China and 15 kgs in the USA compared to a global average of 10-13 kgs), your Company feels that there is still much potential in this sector.

Growing awareness among retail consumers with respect to brand and attendant quality is attracting them towards the organized sector. There is marked tilt towards eco-friendly products which are not harmful to human beings as well as the environment.

Performance of the Protective and the Automotive and Industrial paints segments will continue to be dependent on the overall economic development and these have major growth potential in the wake of continuing upsurge in consumer industries.

It is estimated that in India a loss of ` 36,000 crores occurs every year due to sheer corrosion. Much of this can be avoided by timely and intelligent application of paints. The fact that paints serve a useful purpose of protection of national assets, both public and private, such as buildings, steel and iron, wood, etc., other than enhancing artistic value, is expected to gain further ground in the future.

Company's Operation

During the year, your Company introduced Weathercoat Allguard - premium plus exterior emulsion. It is the first Exterior Coating in India which is fortified with silicone that repels water and improves weatherability.

Another important addition to the Company's product portfolio was WeatherCoat Kool 'n' Seal. As the name suggests, it delivers a 2 in 1 advantage of sealing terrace cracks and also cooling the interiors by reflecting heat. It keeps the interiors cool vis-à-vis the ambient temperature. Also introduced were Water Based Wood Coatings which do not emanate offensive smell.

As a continuation of Corporate "Green Policy" (Green Horizon), the Company offers Breathe Easy Emulsion (for interior walls) and Breathe Easy Enamel (for doors and windows) under the brand umbrella - "Breathe Easy". This has low volatile organic chemicals (VOC), no unpleasant odour, reduced carbon and ammonia emissions. Breathe Easy is the first green paint in India to receive global certification.

As part of Green Horizon, the Company ensures that none of its decorative formulations carries any unhealthy dosage of harmful chemicals like lead and mercury.

In the Protective Coatings Business, the Company launched three new products during the year. Some of these products are odourless and have unique corrosion and heat resistance properties. Your Company continues to be the leader in this field and supplies to all sectors of national importance such as infrastructure, power, oil and gas.

The automotive and general industrial businesses also performed well in view of recovery in key market segments. New products were developed for two wheelers, their plastic components and exhaust pipes.

The Company's factories performed well and produced as per market requirements. It has been reported in the previous year's Directors' Report that the Company's Puducherry (formerly Pondicherry) factory, which had ceased operations on 26th November, 2008, resumed on 3rd May, 2010.

The Enterprise Resource Planning System, launched in the year 2009, is now fully functional covering all offices, depots and factories of the Berger Division. The same system will now be extended to the British Paints Division of your Company. Your Company has now set up several Regional Distribution Centres in important locations for the purpose of higher storage capacity and quicker market response.

The Company, on a stand alone basis, has only one segment of activity - paints, in accordance with the definition of "segment" as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The productwise performance has been discussed in this report.

Focus And Outlook For 2011-12

The financial year 2011-12 commenced with high inflation exacerbated by rising commodity prices and soaring prices of crude. There have been obvious measures such as increases in lending rates. Despite this, the paint industry is bullish about repeating the growth momentum of 2010-11 in the financial year 2011-12 as well. The industrial sector including construction, automobile and petroleum products segments are expected to post positive growth in 2011-12. The rising level of consumption alongwith investments is bound to push forward industrial production thereby creating a positive impact on the paints sector. Your Company shall take suitable steps to seize every opportunity to further consolidate its position in the paints sector in the forthcoming years.

The focus of your Company for the year 2011-12 is on developing the premium exterior and interior emulsion category which has grown significantly in the last few years and making technological advances to offer better products with varied uses in the industrial and protective coatings sectors. In order to generate demand, your Company will continue to concentrate on improving the Company's share of project business. There is enough scope in the country to expand distribution networks across all markets both in terms of width and depth. Considering the significance of improving service to dealers, state-of-the-art systems related measures have been initiated, which will enhance the Company's distribution and operational efficiencies.

Projects

- 1) The capacity of the Hindupur plant to come up in Andhra Pradesh, in the region bordering the States of Karnataka and Andhra Pradesh, has been revised to 320,000 KL /MT per annum for Water Base paints and 100,000 KL / MT per annum for Emulsions. This will be implemented in phases. The entire plant will be automated. The approval of the Ministry of Environment and Forests, Government of India, is expected soon. Meantime, preparatory engineering tasks have been completed.



- 2) The resin plant at Goa with a capacity of 6,000 KL per annum has now been commissioned.
- 3) Expansion of capacity of Water Base paint plant at Goa from 28,800 KL / MT per annum to 88,800 KL / MT per annum is going on and the first phase of the Project is expected to be commissioned by October 2011.
- 4) The Rishra Water Base capacity is also being expanded from 18,000 KL / MT per annum to 78,000 KL / MT per annum and, likewise, the first phase is expected to be commissioned in the third quarter of 2011-12.
- 5) The Jammu Powder Coating Plant capacity enhancement by 1,000 MT per annum has been completed.
- 6) The Company has planned to set up manufacturing facility for Auto GI - 18,000 KL per annum, Protective Coatings - 12,000 KL per annum and Solvent Base Decorative Paints - 24,000 KL per annum at Jejuri near Pune. The Plant layout has been finalized. The Plant is likely to be commissioned in 2013.

Opportunities And Threats

The manufacturing sector recorded growth of 8.8% in 2010-11 and is expected to perform well in 2011-12 as well. If the environment continues to be favourable, higher manufacturing activity, coupled with the increased government spending in infrastructure will uplift the fortunes of the paint industry. Against this economic backdrop, the future of the paint industry seems to be promising.

A positive economic environment is an essential pre-condition for business growth. Other factors include better comprehension of market conditions, constant renovation of products to match the expectations of consumers and continuous improvement of operational efficiency. Your Company has been able to address these issues in the year under review and will institutionalize its learning in the future. There are perceptible changes in consumption patterns and consumer preferences across regions and within smaller boundaries of States. These have shaped the demand developments and your Company will attempt to utilize the resulting opportunities through improved product mix, quicker response time and better logistics and distribution systems.

In the current year, the paint industry will need to watch out for consumer reaction to rising inflation and increasing paint prices arising out of soaring input prices. Moreover, the decorative paints segment which accounts for nearly 65-70% of the Indian paint industry, is seasonal in nature. The demand for decorative paints rises during festive season. A less than normal monsoon affects the paint industry. However, your Company, with a variety of products, is equipped to face these multifarious challenges in the coming years.

Another threat to the paint industry is presence of counterfeit paint products which is on the increasing trend. Low quality, fake paints not only lead to crucial downtime for consumers but also tarnish the brand value. Efforts are made by the Company to educate the dealers, customers and to arrest the menace as much as possible. Among the major paint producers in India, only two, including your Company, are held by a majority of Indians. Efforts are being made by international players to gain inroads in the promising market.

Risks And Concerns

The paint industry is raw material intensive. Raw Materials and packaging costs constitute nearly 65% of the total cost of production. The year witnessed significant price rises in costs of key inputs. There are trends of further price increases of rutile and some other major raw materials. Crude based raw material prices are subject to fluctuations in prices of crude oil and any hike therein will lead to escalating raw material price. There has been also a degree of uncertainty in availability of some raw materials, affecting the industry.

Internal Control Systems And Their Adequacy

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

The Audit Committee met 7 times during the year under review, extensively covering operational matters in addition to statutory and governance related matters. There is a Risk Assessment and Minimization Committee dealing with risks faced by the Company and providing specific recommendations.

EMPLOYEE STOCK OPTION SCHEME

Your Company has framed Employee Stock Option Scheme (hereinafter "ESOP Scheme") for its employees and some of its Directors. The Board has formulated the ESOP Scheme in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The shareholders have approved the ESOP Scheme at the Annual General Meeting held on 29th July, 2010 for issue of shares not exceeding 5% of the paid up capital of the Company as on 31st March, 2010. Pursuant to the aforesaid scheme, the Compensation Committee of the Board of Directors at its meeting held on 19th July, 2010 has approved the grant of 288,750 options convertible into equity shares to 91 employees and at its meeting held on 11th February, 2011 has approved grant of 23,400 and 3,750 options convertible into equity shares to the Managing Director and another employee. The grant of options to the Managing Director is subject to approval of the terms of remuneration of the Managing Director by the members at the ensuing Annual General Meeting.

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

HUMAN RESOURCES

The number of people employed as on 31st March, 2011 was 2446 (31st March, 2010: 2315). The Industrial Relations were satisfactory during the year.

The Company recognizes that its human resource is its key driver of success and accordingly, it continues to keep it at the top of its list of priorities which require continuous attention and monitoring. It has developed systems in order to improve recruitment of the right people in the right functions, drawing up retention policies, identification of high performers, rewarding performance (of which grant of ESOPs is a component) and providing training to hone necessary skills. Getting best out of existing people not only improves performance but also motivates a person to contribute towards the goal.

Your Company values its culture and the climate of camaraderie which has helped it to place itself among the top producers. This includes its cherished and chosen core values, honesty and integrity being the most important of them, which are systematically nurtured and cultivated. The Human Resource Management Systems and Processes of your Company are directed towards creating a proactive and market-oriented attitude that enhances the value of the Company's brand name.

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

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of local communities and society at large.

As a part of the commitment, the Company has already drawn up an approach towards fulfillment of corporate social responsibility for the benefit of the society. Different programmes have been implemented across various regions which include celebration of Environment Day, plantation and awareness activities, donations to charitable institutions and social welfare organizations and forging tie-ups with major NGOs/organizations and working on a partnership basis in the areas of health, education and promoting sporting activities. The Company has recently sponsored free education for children at SOS Children's Villages of India and eradication of polio through Pulse Polio Immunisation Programme.

DIVIDEND

The Company paid an interim dividend of ` 0.50 per share i.e. @ 25% for the year under review on 31st March, 2011.

Your Directors recommend a final dividend of ` 0.80 per share i.e. @ 40% for the year under review. Together with the interim dividend, this would mean a total dividend of ` 1.30 per share i.e. 65% for the financial year 2010 -11. This, if approved, will absorb an amount of ` 450 million (compared to ` 381 million paid in the previous year) net of Dividend Distribution Tax, and will be paid to those members whose names appear in the Register of Members as on the conclusion of book closure date on 2nd August, 2011.

In terms of the provisions of Section 205C of the Companies Act, 1956, your Company transferred an amount of ` 125,000 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, 2004.

SUBSIDIARY AND JOINT VENTURES

The Statement of the holding Company's interest in the Subsidiary companies namely Beepee Coatings Pvt. Limited ("Beepee Coatings"), Berger Jenson & Nicholson (Nepal) Private Limited ("BJN - Nepal"), Berger Paints (Cyprus) Limited ("Berger Cyprus"), Cyprus, subsidiary of its subsidiary company Berger Cyprus - namely, Berger Paints Overseas Limited ("BPOL"), Russia, Lusako Trading Limited (Lusako), Cyprus, and subsidiary of its subsidiary company Lusako - namely Bolix S.A., Poland and Build - Trade sp. z.o.o., Poland, a subsidiary of Bolix S.A., as specified in Sub-section (3) of Section 212 of the Companies Act, 1956 ('the Act') is attached to the Report and Accounts of the Company.

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



There were severe winter conditions in the first quarter of 2010 in Poland. The performance of Bolix for financial year 2010 showed marginal improvement over 2009 against this backdrop. The building construction industry continued to be sluggish in financial year 2010 though there are signs that the demand for External Insulation Finishing Systems (EIFS) products is improving gradually in the first quarter of 2011. Bolix has launched its new premium HD (Heavy Duty) range of EIFS products in the first quarter of financial year 2011 as well as exciting retrofitting renovation and repair solutions which have been received well in the market and will help to reinforce Bolix's technology player platform. On 20th October, 2010, Build - Trade sp. z.o.o. (BT) was incorporated as a wholly owned subsidiary of Bolix S.A. for the purpose of trading in certain third party products relating to EIFS. Consequently, BT has become a wholly owned subsidiary of your Company. BT did not carry out any business in the financial year ended on 31st December, 2010.

Results of BJV-Nepal, a wholly owned subsidiary of the Company, showed substantial improvement. During the year under review, BJV-Nepal achieved a turnover of ` 450.6 million and Profit Before Tax of ` 74.6 million.

Beepee Coatings Private Limited, a wholly owned subsidiary of the Company, with its entire manufacturing facilities dedicated to processing the Company's products, achieved an increase in the processing income from ` 101.6 million to ` 110 million. The erection of the emulsion plant under the aegis of Beepee Coatings has been completed and will start operations in the current year.

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

Berger Paints Overseas Limited in Russia, in spite of improvement in sales by 47.10%, posted a loss of ` 13.5 million during the year on account of sustained pressures on margins arising out of increases in material cost.

Berger Becker Coatings Limited, the Company's joint venture with Becker Industriefarg, Sweden is a preferred supplier in the coil coatings market and during the year under review, it posted a profit before tax of ` 57.7 million.

BNB Coatings Limited, the Company's joint venture with Nippon Bee Chemicals Company Limited, Japan substantially improved its business with a 46% increase in revenue and posted a net profit of ` 12 million in its third year of operations.

Pursuant to an agreement with Punjab National Bank and Pnb Principal Insurance Broking Private Limited on 23rd June, 2010, the Company sold its entire holding of 125,000 equity shares of ` 100 each, in Pnb Principal Insurance Broking Private Limited, originally purchased at face value, at a consideration of ` 50,138,750 on 12th January, 2011.

CONSOLIDATED FINANCIAL STATEMENTS

The duly audited Consolidated Financial Statement as required under the Accounting Standards 21 and 27 and provisions of Clause 32 of the Listing Agreement has been prepared after considering the audited financial statements of your Company's subsidiaries and appear in the Annual Report of the Company for the year 2010-11.

CORPORATE GOVERNANCE

Your Company re-affirms its commitment to the standards of corporate governance. This Annual Report carries a Section on Corporate Governance and benchmarks your Company with the provisions of Clause 49 of the Listing Agreement (Annexures I & II).

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

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

TECHNICAL LICENSE AGREEMENT

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

FOREIGN EXCHANGE

Your Company earned foreign exchange of ` 8.98 million from export of paints and consultancy fees/royalty. Details of Foreign Exchange outgo and earnings appear in items (v) to (viii) of Schedule 21 of the Accounts for the year under review.

FIXED DEPOSIT

There is no outstanding public deposit in the Company as on 31st March, 2011, except those lying unclaimed. The Company had earlier discontinued acceptance of fresh deposits and renewal of deposits. Deposits amounting to ` 0.137 million which had matured for repayments are lying unclaimed, for which your Company has sent out reminders. Out of the aforesaid unclaimed deposit, an amount of ` 125,000 has been transferred to the Investor Education and Protection Fund.

INFORMATION PURSUANT TO SECTION 217 OF THE ACT

A. Conservation Of Energy & Technology Absorption

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31st March, 2011 are given in Annexure III to the Report.

B. Particulars Of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, particulars of a certain category of employees have been set out in Annexure IV of this report.

C. Directors' Responsibility Statement

Your Directors wish to inform that the Audited Accounts containing Financial Statements for the financial year ended 31st March, 2011 are in full conformity with the requirements of the Companies Act, 1956. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present your Company's financial condition and results of operations.

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

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

DIRECTORS

At a meeting of the Board of Directors held on 11th February, 2011, Mr. Abhijit Roy ("Mr. Roy") and Mr. Srijit Dasgupta ("Mr. Dasgupta") were appointed Additional Directors in whole time employment and were designated Director and Chief Operating Officer and Director and Chief Financial Officer respectively. The aforesaid appointments have been made subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Mr. Roy is a Bachelor of Engineering (Mechanical) from Jadavpur University, Kolkata and holds Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. Mr. Roy has over 19 years of experience in paint industry. Prior to his elevation as Director, he was heading the Marketing function of the Company as Senior Vice President, Sales and Marketing. Mr. Roy will succeed Mr. Subir Bose as the Managing Director of the Company, upon Mr. Bose's retirement on 30th June, 2012.

Mr. Dasgupta is a B.Sc. (Chemistry Hons.) from Calcutta University, an associate member of the Institute of Cost & Works Accountants of India and has passed the final examination conducted by the Institute of Company Secretaries of India. Mr. Dasgupta has over 27 years of work experience in all the areas of Finance and Accounts. Prior to his elevation as Director, he was heading the Finance function of the Company as Senior Vice President, Finance and Accounts.

It is believed that the knowledge, experience and expertise of Messrs Roy and Dasgupta would greatly benefit the Board.

Both Mr. Roy and Mr. Dasgupta hold office till the forthcoming Annual General Meeting. Notices have been received from members under Section 257 of the Companies Act, 1956 signifying their intentions to propose the candidatures of Mr. Roy and Mr. Dasgupta for the office of Director. The notice for the forthcoming Annual General Meeting includes ordinary resolutions for appointment of Mr. Roy and Mr. Dasgupta as Directors of your Company.

At a meeting of the Board of Directors of the Company held on 14th April, 2011, Mrs. Rishma Kaur ("Mrs. Kaur"), National Business Development Manager and wholtime employee of the Company, was appointed Alternate Director to Mr. Kuldeep Singh Dhingra, Chairman of the Board of Directors of the Company, for a period of five years. Mrs. Kaur is the daughter of Mr. Kuldeep Singh Dhingra.

Mrs. Kaur holds a Degree in Bachelor of Science (Hons.) in Business Studies from University of Buckingham, United Kingdom. Mrs. Kaur has also studied German Language in an Exchange Programme from the University of Augsburg, Bavaria, Germany. Mrs. Kaur has vast experience and was associated with Cementone Beaver Limited, Buckingham, UK, S C Johnson, Birmingham, UK, Deutsche Bank, New Delhi, U K Paints (India) Private Limited, New Delhi, CAPEXIL (Chemical & Allied Products Export Promotion Council), India and Malibu Estates Private Limited.



At the meeting of the Board of Directors of the Company held on 14th April, 2011, Mr. Kanwardip Singh Dhingra (“Mr. Dhingra”), Manager - Project Engineering and wholetime employee of the Company, was appointed Alternate Director to Mr. Gurbachan Singh Dhingra, Vice Chairman of the Board of Directors of the Company, for a period of five years. Mr. Dhingra is the son of Mr. Gurbachan Singh Dhingra.

Mr. Dhingra holds a Bachelors Degree in Chemical Engineering from the University of Akron, Ohio, USA with specialization in Polymer Engineering and Minor in Chemistry. He has working experience in Process Engineering with Rohm and Haas Company, Texas, USA and has also worked with Sherwin - Williams Company, Ohio, USA.

As mentioned earlier, your Company provides great importance to Human Resource Development issues and believes that succession planning is a vital ingredient of successful operations in a going concern. Appointments of Mr. Abhijit Roy, Mr. Srijit Dasgupta, Mrs. Rishma Kaur and Mr. Kanwardip Singh Dhingra are parts of the Company's continuous efforts to ensure succession and continuity.

Pursuant to Article 112 of the Articles of Association of the Company, Mr. Kuldip Singh Dhingra, Mr. Gerald Kenneth Adams and Mr. Naresh Gujral retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Kuldip Singh Dhingra is an industrialist and promoter of the Company. He has over 40 years of experience in paint and related industries. Mr. Dhingra is a science graduate from Hindu College, University of Delhi and a recipient of Distinguished Alumni Award for Excellence in Business and Industry.

Mr. Gerald Kenneth Adams has done his MBA from the Harvard Business School and thereafter was awarded a Bachelors Degree in Arts, Magna Cum Laude, Phi Beta Kappa by the University of Washington. Mr. Adams was the Managing Director of Orica Consumer Products (Dulux Paints) and held senior positions in Box USA, Amcor Limited and the Boston Consulting Group.

Mr. Naresh Gujral is a fellow member of the Institute of Chartered Accountants of India and is the founder of Span India Group, which is one of the leading exporters of high-end fashion garments to Europe from India. He is an eminent industrialist.

RELATED PARTY TRANSACTIONS

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

LISTING WITH STOCK EXCHANGES

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

COST AUDITORS

The Board of Directors have re-appointed M/s N. Radhakrishnan & Co., Kolkata, Mr. Gopalakrishnan, Puducherry and M/s Shome & Banerjee & Co., Kolkata, as the Cost Auditors of the Company under Section 233B of the Companies Act, 1956, for its various factories across the country, subject to the approval of the Central Government for the year 2011-12. The Cost Auditors' Reports will be forwarded to the Central Government as required under law.

AUDITORS

The Auditors, Messrs Lovelock & Lewes, retire at the conclusion of the ensuing Annual General Meeting and, being eligible under Section 224(1B) of the Companies Act, 1956, offer themselves for re-appointment.

APPRECIATION

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

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

On behalf of the Board of Directors

Gurbachan Singh Dhingra — Vice Chairman

Subir Bose — Managing Director

Anil Bhalla — Director & Chairman,
Audit Committee

Annexure-A

Information Regarding Employee Stock Option Scheme

(as on 31-03-2011)

| | |
|--|---|
| (A) Number of Stock Options granted | 315,900 |
| (B) Pricing formula | Face value @ ` 2 each |
| (C) Number of Options vested | Nil |
| (D) Number of Options exercised | Nil |
| (E) The total number of shares arising as a result of exercise of option | Nil |
| (F) Number of Options lapsed | 17,250 |
| (G) Variation of terms of option | Nil |
| (H) Money realized by exercise of options | N.A. |
| (I) Total number of options in force | 298,650 |
| (J) Employee wise details of options granted to :- | Year 2010-11 |
| (i) Senior Managerial Personnel | |
| - Mr. Abhijit Roy – Director and Chief Operating Officer (w.e.f. 11th February, 2011) | 6,000 |
| - Mr. Srijit Dasgupta – Director and Chief Financial Officer (w.e.f. 11th February, 2011) | 6,000 |
| - Mr. Aniruddha Sen – Senior Vice President and Company Secretary | 6,000 |
| - Mr. Sandip Mitra – Vice President – Protecton | 6,000 |
| - Mr. Subhashish Das – Vice President – Corporate HR and Personnel | 6,000 |
| - Dr. Prosanta Kumar Ghosh – Vice President – Manufacturing | 6,000 |
| (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year | Mr Subir Bose– Managing Director |
| (iii) Employees who were granted option, 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 |
| (K) Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20 – ‘Earnings per share’. | ` 4.28 |
| (L) The Company has used intrinsic value method for calculating the employee compensation cost with respect to the stock options. The intrinsic value for each ESOP works out to ` 75.70 for options granted on 01.08.2010 and ` 75.65 for options granted on 11.02.2011. The fair value of each ESOP is determined at ` 71.96 for options granted on 01.08.2010 and ` 72.05 for options granted on 11.02.2011. Had the employee compensation cost for the ESOP been determined in a manner consistent with the fair value approach, the stock option compensation expense would have been lower by ` 1.11 million. Consequently, profit after tax would have been higher by ` 1.11 million and the EPS of the Company would have been ` 4.29 per share (higher by ` Nil per share). | |
| (M) Weighted average exercise price of the options granted during the year | ` 2 |
| (N) Weighted average fair value of the options granted during the year | ` 71.97 |
| (O) A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information:- | |
| (i) risk free interest rate | 6.60% for options granted on 01.08.2010 and 7.28% for options granted on 11.02.2011 |
| (ii) expected life | 3.50 years |
| (iii) expected volatility | 42.10% for options granted on 01.08.2010 and 43.91% for options granted on 11.02.2011 |
| (iv) expected dividends | ` 1.24 |
| (v) the price of the underlying share in market at the time of option grant | ` 77.70 for options granted on 01.08.2010 and ` 77.65 for options granted on 11.02.2011 |



Annexure-I Corporate Governance

FOR THE YEAR ENDED 31ST MARCH, 2011

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

I. COMPANY'S PHILOSOPHY

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

II. BOARD OF DIRECTORS

The Board comprises 11 Directors, out of which 3 are Executive Directors, 2 are Non-executive Promoter Directors and 6 Non-executive Independent Directors.

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

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

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

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

| Name of Director | Position | Directorships in other companies incorporated in India* | Membership / Chairmanship across all other companies in which the person is a director |
|------------------------------|--|---|--|
| Mr. Kuldip Singh Dhingra # | Non-executive Chairman / Promoter | 50 | Nil |
| Mr. Gurbachan Singh Dhingra# | Non-executive Vice Chairman / Promoter | 34 | 1 (Chairman - Audit Committee) |
| Mr. Subir Bose | Managing Director / Executive | 3 | Nil |
| Mr. Anil Bhalla | Non-executive / Independent Director | 4 | Nil |
| Mr. Kamal Ranjan Das | Non-executive / Independent Director | 3 | Nil |
| Mr. Gurcharan Das | Non-executive / Independent Director | 6 | Nil |
| Mr. Naresh Gujral | Non-executive / Independent Director | 9 | Nil |
| Mr. Gerald Kenneth Adams | Non-executive / Independent Director | Nil | Nil |
| Mr. Pulak Chandan Prasad | Non-executive / Independent Director | 2 | 1 (Member- Audit Committee) |
| Mr. Abhijit Roy † | Director & Chief Operating Officer/Executive | Nil | Nil |
| Mr. Srijit Dasgupta † | Director & Chief Financial Officer/Executive | Nil | Nil |

* Includes directorship in Private Companies also.

#Mr. Kuldip Singh Dhingra and Mr. Gurbachan Singh Dhingra are brothers.

† Appointed as Additional and Wholetime Director at the meeting of the Board of Directors held on 11th February, 2011. The aforesaid appointment has been made subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Board of Directors at their meeting held on 14th April, 2011 have appointed Mrs. Rishma Kaur and Mr. Kanwardip Singh Dhingra as Alternate Directors in wholetime employment to Mr. Kuldip Singh Dhingra and Mr. Gurbachan Singh Dhingra respectively subject to the approval of the members at the ensuing Annual General Meeting.

The number of Board Meetings and the attendance of Directors as well as their attendance at the last AGM during the financial year 2010-11 are as mentioned below :-

| Name of Directors | No. of Meetings Attended | Attendance at the last AGM held on 29th July, 2010 |
|-----------------------------|--------------------------|--|
| Mr. Kuldip Singh Dhingra | 7 | 3 |
| Mr. Gurbachan Singh Dhingra | 7 | 3 |
| Mr. Subir Bose | 8 | 3 |
| Mr. Anil Bhalla | 7 | 3 |
| Mr. Kamal Ranjan Das | 6 | X |

| Name of Directors | No. of Meetings Attended | Attendance at the last AGM held on 29th July, 2010 |
|--------------------------|--------------------------|--|
| Mr. Gurcharan Das | 3 | X |
| Mr. Naresh Gujral | 1 | X |
| Mr. Gerald Kenneth Adams | 5 | 3 |
| Mr. Pulak Chandan Prasad | 4 | 3 |
| Mr. Abhijit Roy | 1 | N/A |
| Mr. Srijit Dasgupta | 1 | N/A |

Eight Board Meetings were held during the year 2010-11 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

1. April 13, 2010
2. May 15, 2010
3. June 18, 2010
4. July 29, 2010
5. September 9, 2010
6. November 2, 2010
7. February 11, 2011
8. March 3, 2011.

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

Necessary quorum was present at all these meetings.

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

The minutes of the subsidiary companies are placed before the Board, except in case of Overseas Subsidiaries.

III. COMMITTEE OF DIRECTORS

A. AUDIT COMMITTEE

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

The responsibilities of the Audit Committee include, *inter-alia*, overseeing the financial reporting process, disclosure of financial statements, recommending appointment / removal of external auditors and fixing their remuneration, reviewing the quarterly and annual financial statements before submission to the Board, reviewing the adequacy of the internal audit function including the structure and staffing of the internal audit department, ensuring adequacy of the internal control system, reviewing findings of internal investigations, discussing the scope of audit with external auditors, reviewing the Company's financial and risk management policies and looking into reasons for substantial defaults, if any, of non-payment to stakeholders.

The composition of the Audit Committee as on 31st March, 2011 is as follows:

Mr. Anil Bhalla - Chairman

Mr. Kamal Ranjan Das

Mr. Gerald Kenneth Adams

Mr. Gurbachan Singh Dhingra

Mr. Aniruddha Sen - Secretary

In 2010-11, the composition of the Audit Committee and details of meetings attended by the members thereof were as follows:

| Name of directors | Status | No. of Meetings attended |
|-----------------------------|----------|--------------------------|
| Mr. Anil Bhalla | Chairman | 7 |
| Mr. Kamal Ranjan Das | Member | 5 |
| Mr. Gurbachan Singh Dhingra | Member | 7 |
| Mr. Gerald Kenneth Adams | Member | 5 |

Seven Audit Committee Meetings were held during the year 2010-11 and the dates on which the Audit Committee Meetings were held are as follows:

1. May 15, 2010
2. June 18, 2010

3. July 29, 2010
4. August 27, 2010
5. November 2, 2010
6. December 29, 2010
7. February 11, 2011.

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

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

B. REMUNERATION COMMITTEE

The Company has not set up any Remuneration Committee in particular since currently the remuneration packages for the Executive Directors are being determined by the Compensation Committee. The Company has only three Executive Directors and all other Directors are Non-executive Directors, who receive -

1. Commission, which does not exceed one percent of the net profit of the Company for the financial year subject to maximum of ` 40.00 Lakhs distributed among them in accordance with resolution adopted by the members at the Annual General Meeting held on 31st July, 2007 and
2. Sitting fees for attending Board and Committee meetings and do not receive any other fees or remuneration.

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

C. COMPENSATION COMMITTEE

The composition of the Compensation Committee as on 31st March, 2011 was as follows:

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

During the year 2010-11, the composition of the Compensation Committee and details of meetings attended by the members thereof were as follows:

| Name of directors | Status | No. of Meetings attended |
|--------------------------|----------|--------------------------|
| Mr. Anil Bhalla | Chairman | 2 |
| Mr. Kamal Ranjan Das | Member | 2 |
| Mr. Kuldip Singh Dhingra | Member | 2 |

Two Compensation Committee Meetings were held during the year 2010-11 and the dates on which the Compensation Committee Meetings were held are as follows:

1. July 19, 2010
2. February 11, 2011

The Company has framed an ESOP Scheme for the purpose of issuing equity shares of the Company to certain category of employees, pursuant to Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The aforesaid scheme was approved by the Board of Directors at its meeting held on 18th June, 2010 and subsequently was approved by the shareholders at the Annual General Meeting held on 29th July, 2010. Pursuant to the said scheme, the Compensation Committee at its meeting held on 19th July, 2010 has approved grant of 288,750 stock options convertible into equity shares to 91 employees and at its meeting held on 11th February, 2011 has approved grant of 23,400 and 3,750 stock options convertible into equity shares to the Managing Director and one employee, respectively.

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

Necessary quorum was present at all the Compensation Committee meetings.

D. SHAREHOLDERS' COMMITTEES

1. The Composition of the Shareholders' Committees are as follows:

- | | |
|--|--|
| <p>(a) Share Transfer Committee Mr. Subir Bose (Chairman) Mr. Kamal Ranjan Das Mr. Aniruddha Sen - Secretary</p> | <p>(b) Investors' Grievance Committee Mr. Kamal Ranjan Das (Chairman) Mr. Subir Bose Mr. Anil Bhalla Mr. Aniruddha Sen - Secretary</p> |
|--|--|

2. Number of Meetings of the above Committees and the attendance of Directors during the financial year 2010-11 were as follows: -

a. SHARE TRANSFER COMMITTEE MEETING (held every fortnight)

| Name of Directors | Status | No. of Meetings Attended |
|----------------------|----------|--------------------------|
| Mr. Subir Bose | Chairman | 24 |
| Mr. Kamal Ranjan Das | Member | 10 |

Twenty-Four Share Transfer Committee Meetings were held during the year 2010-11.

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

| Name of Directors | Status | No. of Meetings Attended |
|----------------------|----------|--------------------------|
| Mr. Kamal Ranjan Das | Chairman | 3 |
| Mr. Subir Bose | Member | 4 |
| Mr. Anil Bhalla | Member | 4 |

Four Investors' Grievance Committee meetings were held during the year 2010-11 and the dates on which such meetings were held are as follows:

- 1) April 14, 2010
- 2) July 29, 2010
- 3) November 1, 2010
- 4) February 10, 2011

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

Necessary quorum was present at all these meetings.

3. Shareholder complaints received during the year (2010-11) :

| | | |
|---|---|-----|
| Number of complaints received | : | 6 |
| Number of complaints attended to | : | 6 |
| Number of pending complaints as at 31st March, 2011 | : | Nil |

IV. GENERAL BODY MEETINGS

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

| F.Y. ended | Date | Time | Venue | If Special Resolution Passed |
|----------------|----------|------------|---|------------------------------|
| March 31, 2008 | 30.07.08 | 11.00 a.m. | Kalamandir Auditorium, 48, Shakespeare Sarani, Kolkata 700 017 | No |
| March 31, 2009 | 07.08.09 | 11.00 a.m. | Kalamandir Auditorium, 48, Shakespeare Sarani, Kolkata - 700 017 | Yes |
| March 31, 2010 | 29.07.10 | 11.00 a.m. | Kalamandir Auditorium, 48, Shakespeare Sarani, Kolkata - 700 017 | Yes |

Postal Ballot:

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

V. DISCLOSURES

- a) The Company has not entered into any materially significant related party transaction that may have potential conflict with the interest of the Company at large.

- b) The Company has complied with all the requirements of the Listing Agreement entered into with the Stock Exchanges and SEBI Regulations and Guidelines. No penalties were imposed or strictures were passed against the Company with regard to the Capital market.
- c) The Company does not have a formal whistle blower policy. However, no person has been denied access to the Audit Committee.
- d) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and complied with the following non-mandatory requirements:
 - The Non-executive Chairman is entitled to maintain a Chairman's office and allowed reimbursement of expenses incurred in performance of his duties.
 - The Company attempts to move towards a regime of unqualified financial statement.

VI. MEANS OF COMMUNICATION

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

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

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

The Company has also introduced a toll free number - 1800 345 2200 which the shareholders can use to make any query relating to their shareholding on any working day (between Monday and Friday) between 14:00 hrs and 16:00 hrs.

VII. CODE OF CONDUCT

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

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

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

| Name of the Non-executive Director | Number of shares held |
|------------------------------------|-----------------------|
| Mr. Kuldip Singh Dhingra | 8,64,000 |
| Mr. Gurbachan Singh Dhingra | 8,64,960 |
| Mr. Anil Bhalla | 55,200 |
| Mr. Kamal Ranjan Das | 33,312 |
| Mr. Gurcharan Das | — |
| Mr. Naresh Gujral | — |
| Mr. Gerald Kenneth Adams | — |
| Mr. Pulak Chandan Prasad | — |

IX. REMUNERATION POLICY AND REMUNERATION TO DIRECTORS

(A) Executive Directors

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

The remuneration consists of salary, commission, housing, medical reimbursement, leave travel concession, club fees, personal accident insurance, provision of car and telephone and encashment of leave at the end of tenure and the Company's contribution towards provident fund, superannuation fund and gratuity fund. The Company had entered into an agreement with the Managing Director to this effect. The agreement took effect from 1st July, 2009 and is valid up to 30th June, 2012. The agreement may terminate on occurrence of certain events specified therein. The Managing Director is not paid sitting fees for attending the meetings of the Board of Directors or committees thereof.

The Board of Directors in its meeting held on 11th February, 2011 have modified the aforesaid agreement and have decided to grant stock options to the Managing Director, subject to the approval of members at the forthcoming Annual General Meeting. Pursuant to the said modification, the Compensation Committee at its meeting held on 11th February, 2011 has approved grant of 23,400 stock options convertible into equity shares to the Managing Director.

The Managing Director was re-appointed with effect from 1st July, 2009 for a period of 3 years from the date of appointment.

The Executive Directors other than the Managing Director are entitled to receive remuneration as recommended by the Compensation Committee and approved by the Board of Directors subject to the approval of the members at the next Annual

General Meeting. The Company has entered into agreements with the Executive Directors to this effect. The agreements are effective from 11th February, 2011 and are valid for five years. The agreements may terminate on occurrence of certain events specified therein.

The remuneration paid to Executive Directors comprise basic salary, commission, perquisites, provision for car and telephone, retirement benefits and stock options. The Executive Directors are not paid sitting fees for attending the meetings of the Board of Directors or Committees thereof.

(B) Non - Executive Directors

The Non-Executive Directors were paid commission during the year limited to one percent of the net profits approved earlier by the general body of the shareholders subject to maximum of ₹ 40.00 Lakhs distributed among them based on time devoted, advice rendered and expertise lent to the Company.

The details of remuneration (including perquisites and allowances) paid during the year ended on 31st March, 2011 are as follows:

(a) Executive Director (Managing Director):

| | |
|--|-------------|
| Fixed Components | |
| Salary | 45,27,900 |
| Company's contribution to Provident, Gratuity and Superannuation Funds | 12,22,533 |
| Allowances and estimated benefits in kind | 22,47,545 |
| Variable Component | |
| Commission | 22,63,950 |
| Total : | 1,02,61,928 |

(b) Executive Director (Others):

(1) Director and Chief Operating Officer

| | |
|--|----------|
| Fixed Components | |
| Salary | 4,65,203 |
| Company's contribution to Provident, Gratuity & Superannuation Funds | 47,745 |
| Allowances and estimated benefits in kind | 3,23,142 |
| Total (from 11th February, 2011 to 31st March, 2011) : | 8,36,090 |

(2) Director and Chief Financial Officer

| | |
|--|----------|
| Fixed Components | |
| Salary | 4,81,313 |
| Company's contribution to Provident, Gratuity & Superannuation Funds | 52,813 |
| Allowances and estimated benefits in kind | 3,70,653 |
| Total (from 11th February, 2011 to 31st March, 2011) : | 9,04,779 |

(c) Non-Executive Directors:

| | |
|---------------------------|-----------|
| (Commission only - Total) | 34,70,000 |
|---------------------------|-----------|

On behalf of the Board of Directors

Gurbachan Singh Dhingra — Vice Chairman

Subir Bose — Managing Director

Anil Bhalla — Director & Chairman,
Audit Committee

Kolkata

Dated : 30th May, 2011

Appendix

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

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2011. The said Code of Conduct has also been uploaded by the Company in its website www.bergerpaints.com.

Kolkata

Dated: 30th May, 2011

Subir Bose
Managing Director



Annexure e-II

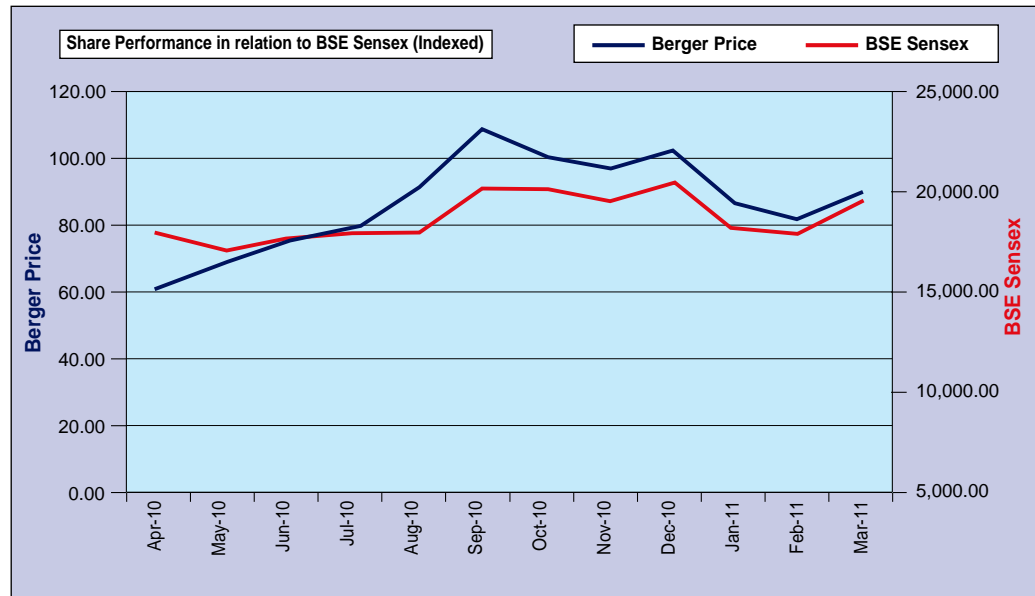
[Annexure to Corporate Governance Report]

GENERAL SHAREHOLDERS' INFORMATION

| | | | |
|--|--|------------|--|
| Annual General Meeting | : Date | Time | Venue |
| | 2nd August, 2011 | 11.00 a.m. | Kalamandir, 48, Shakespeare Sarani, Kolkata – 700 017 |
| Financial Year | : The accounting year covers the period from 1st April, 2010 to 31st March, 2011. | | |
| | Financial Reporting for the quarters ending on :- | | |
| | 30th June, 2011 (unaudited) | | — By 14th August, 2011 |
| | 30th September, 2011 (unaudited) | | — By 14th November, 2011 |
| | 31st December, 2011 (unaudited) | | — By 14th February, 2012 |
| | 31st March, 2012 (audited) | | — By 30th May, 2012 |
| | Note : The above calendar is indicative in nature. | | |
| Book Closure | : 22nd July, 2011 to 2nd August, 2011 (both days inclusive) | | |
| Dividend Payment Date | : On 31st August, 2011 | | |
| Listing on Stock Exchanges | : The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata - 700 001 | | Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 |
| | National Stock Exchange of India Limited, “Exchange Plaza”, 5th floor, Plot no. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400 051 | | |
| Stock Codes | : 12529 (CSE) 509480 (BSE) | | BERGEPAIN (NSE) |
| Depositories | : The National Securities Depository Limited, 4th floor, Trade World, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 | | Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 17th floor, Dalal Street, Mumbai-400 001 |
| ISIN | : INE463A01020 | | |
| Market Price (High & Low) at BSE during each month of the Financial Year 2010-2011 | : | | |

| Month | High (₹) | Low (₹) |
|----------------|----------|---------|
| April 2010 | 64.70 | 58.00 |
| May 2010 | 69.40 | 56.90 |
| June 2010 | 81.90 | 67.10 |
| July 2010 | 82.85 | 73.00 |
| August 2010 | 95.50 | 75.65 |
| September 2010 | 123.00 | 90.00 |
| October 2010 | 115.75 | 98.05 |
| November 2010 | 106.80 | 80.80 |
| December 2010 | 112.40 | 88.55 |
| January 2011 | 105.00 | 83.25 |
| February 2011 | 89.55 | 74.00 |
| March 2011 | 94.50 | 81.00 |

Share Performance in Relation to BSE Sensex (Indexed) :



Number of Shareholders : 41,213
 (As at 31st March, 2011)

Shareholding Pattern :
 (As at 31st March, 2011)

| Status | Holding (%) |
|--|---------------|
| Promoters | 75.59 |
| Non Resident Individuals/Companies | 7.64 |
| Financial Institutions/Insurance Companies | 3.81 |
| Others (Resident Individuals & Clearing Members) | 10.78 |
| Domestic Companies | 1.99 |
| Nationalized Banks & Mutual Funds | 0.19 |
| TOTAL | 100.00 |

Distribution of Shareholding :
 (As at 31st March, 2011)

| Share holding of nominal value | Share Amount | | Shareholder | |
|--------------------------------|--------------------|---------------|---------------|---------------|
| | | % to total | Number | % to total |
| 1-5000 | 30,949,152 | 4.47 | 37,580 | 91.18 |
| 5001-10000 | 16,525,008 | 2.39 | 2,107 | 5.11 |
| 10001-20000 | 13,892,264 | 2.00 | 1,020 | 2.48 |
| 20001-30000 | 6,103,684 | 0.88 | 248 | 0.60 |
| 30001-40000 | 2,812,052 | 0.41 | 79 | 0.19 |
| 40001-50000 | 2,275,166 | 0.33 | 50 | 0.12 |
| 50001-100000 | 4,490,440 | 0.65 | 64 | 0.16 |
| 100001 & above | 615,097,162 | 88.87 | 65 | 0.16 |
| TOTAL | 692,144,928 | 100.00 | 41,213 | 100.00 |



- Share Transfer System : Shares sent for physical transfer are effected within 15 working days of lodgment. The Share Transfer Committee meets every fortnight. The total number of shares transferred in physical form during the year 2010-11 was 118,460 as compared to 113,156 shares during 2009-10.
- Dematerialization of Shares & Liquidity : 96.54% of the Company's shares are held in electronic form.
- Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : There are no Outstanding GDRs /ADRs / Warrants or convertible instruments.
- Plant Location [Including British Paints Division (Formerly Rajdoot Division)] :
- * Howrah
14 & 15 Swarnamoyee Road
Shibpur, Howrah - 711103
Phone: 033-2668 4706 (4 lines)
Fax: 033-2668 2956
 - * Pudukcherry
53-56 Pandasozhanallur Village
Nettapakkam Commune, Pudukcherry - 605106
Phone: 0413-269 9574/171
Fax: 0413-2699171
 - * Goa
316-317 Kundaim Industrial Estate
Kundaim, North Goa
Phone: 0832-239 5610/6407
Fax: 0832-239 5663/239 5610
 - * Surajpur Factory
D-20, Site-B, Surajpur Industrial Area,
Greater Noida, Distt. Gautam Budh Nagar
Phone : 0120-2561320, 2560621, 2561321
 - * Sikandrabad
38A, Industrial Area
Bulandshar Road, Sikandrabad (U.P.)
Phone: 05735-222384,
222249
 - * Jammu
SIDCO Industrial Growth
Centre, Sambha, Distt. Jammu
Jammu & Kashmir - 184121
Phone: 09123-246451/58/59
 - * Rishra
103, G.T. Road
Rishra
Hooghly - 712248
Phone: 033-2672 0641/42
- Registrars and Share Transfer Agents and Address for Correspondence : M/s C B Management Services (P) Ltd.
P-22 Bondel Road, Kolkata - 700 019
Phone: 033-40116700
Email: rta@cbmsl.com
- Compliance Officer : Mr. Aniruddha Sen
- For query relating to your shareholding, please send your query/email at : (1) Berger Paints India Limited, Secretarial Department
Berger House, 129 Park Street, Kolkata - 700 017
Phone: 033-22299724/28, 22499754-57
Email: consumerfeedback@bergerindia.com
(2) C B Management Services (P) Ltd.
P-22 Bondel Road, Kolkata - 700 019
Phone: 033-40116700
Email: rta@cbmsl.com, dasg@cbmsl.com
- Non-Mandatory requirement : A Chairman's office with requisite facilities is provided and maintained at the Company's expense for use by its Non-executive Chairman. All expenses incurred in furtherance of the Company's business interest are reimbursed by the Company.
- Compliance Certificate from Auditors of the Company : As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an Appendix to the Report on Corporate Governance.

On behalf of the Board of Directors

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Berger Paints India Limited.

We have examined the compliance of conditions of Corporate Governance by Berger Paints India Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Kolkata
Dated : 30th May, 2011

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340



Annexure-III TO DIRECTORS' REPORT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31ST MARCH, 2011

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

| (A) Power and Fuel Consumption | Current Year | Previous Year |
|---|------------------------------|----------------|
| 1) Electricity : | | |
| (a) Purchased units | 1,58,13,730 | 1,24,53,177 |
| Total Amount | ` 7,70,51,307 | ` 5,77,17,523 |
| Rate / Unit | ` 4.87 | ` 4.63 |
| (b) Own Generation | | |
| (i) Through Diesel Generator | | |
| Units | 27,39,127 | 28,43,553 |
| Units per litre of Diesel Oil | 2.17 | 3.32 |
| Cost / Unit | ` 11.99 | ` 9.92 |
| (ii) Through Steam Turbine / Generator : | Not Applicable | Not Applicable |
| Units | | |
| Units per litre of Fuel Oil / Gas | | |
| Cost / Unit | | |
| 2) Coal : | Not Applicable | Not Applicable |
| Quantity | | |
| Total Cost | | |
| Average Rate | | |
| 3) Furnace Oil : | | |
| Quantity (KL) | 388 | 323 |
| Total Cost | ` 1,02,29,643 | ` 77,54,022 |
| Average Rate / KL | ` 26,365 | ` 24,037 |
| 4) Others : | | |
| Quantity (LDO, HSD & FO for Resin Production) in KL | 2,191 | 1,968 |
| Total Cost in | ` 8,15,68,145 | ` 6,54,29,233 |
| Rate / Unit (Per KL) | ` 37,229 | ` 33,250 |
| (B) Consumption per unit of Production | | |
| Products | Standard | |
| Paints, Varnishes & Enamels (KL) | No Specific Standard as the | |
| Resin (KL) for Captive Consumption | consumption per unit depends | |
| | on the product mix | |
| Unit / KL | | |
| Electricity | 97.56 | 98.89 |
| Furnace Oil | Not Applicable | Not Applicable |
| Coal (specific quantity) | Not Applicable | Not Applicable |
| Others (LDO for Resin Production) | 0.06 | 0.06 |
| (LDO KL / RESIN KL) | | |

On behalf of the Board of Directors

Gurbachan Singh Dhingra — Vice Chairman

Subir Bose — Managing Director

Anil Bhalla — Director & Chairman,

Audit Committee

Annexure-III TO DIRECTORS' REPORT (Contd.)

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company:

- 1 Development of new products
- 1 Upgradation of existing products
- 1 Cost reduction without affecting quality
- 1 Development of low VOC products
- 1 Adaptation and reproduction of Collaborator's Technology
- 1 OEM specific products
- 1 Lead free products

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

- 1 Development of new Decorative products
 - Improved Premium Interior Emulsion Paint
 - "Kool & Seal" Roof Coating
 - 2-Pack Polyurethane (2:1) Top Coat & Sealer for Wood
- 1 Development of new Protective Coating products
 - Water Based Epoxy Primer & Finish for Metal
 - 2-Pack Polyurethane Paint for Railway
 - 2-Pack Heat & Corrosion Resistant Paint (Surface Tolerant)
 - Low Cost Mastic
- 1 Development of new Automotive & General Industrial products.
 - Thermosetting Acrylic System for Commercial Vehicle Chassis (Multi-surface)
 - 2-Coat Polyurethane Black for Motorcycle Painting
 - E-10 Petrol Resistant Paint System for Motorcycle Painting
 - Consolidation of Product Range for Construction Equipment Section
 - Clear over Base Metallic System for Commercial Vehicle
 - Powder Hammertone Finish

3. Future Plan of action:

- 1 New products for retail market (both Interior & Exterior) e.g., Texture Coating (Acrylic Plaster, Mosaic & Quartz Plaster)
- 1 Cost Reduction & Product Upgradation.
- 1 Low VOC Paint
- 1 Process Optimization

- 1 New Protective Coating products like
 - Anti-graffiti Polyurethane Paint for Railway
 - High Solid Polysiloxane Paint
 - High Solid PU Top Coats
 - DTM Polyaspartic Coatings (A/c. Power & Infrastructure)
- 1 New Automotive & General Industrial products like
 - 3C1B Paint System for 2-Wheeler
 - 2-Coat Heat Resistant Paint for Automotive Application
 - Development of new products in GI Segment

4. Expenditure on R&D (` in Million)

| | |
|---|-------|
| (a) Capital | 2.99 |
| (b) Recurring | 24.93 |
| (c) Total | 27.92 |
| (d) Total R&D expenditure as a Percentage of total turnover | 0.12% |

5. Technology Absorption, Adaptation and Innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
 - 1 New products for specific OEM customer through collaborators' technology.
 - 1 Products of Powder Coating offered to General Industrial & other specific customer through absorption of collaborators' technology.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.
 - 1 Introduction of several new products in the area of Automotive, Powder Coating & Protective Coating.

3. Technology Imported during the last 5 years:

| Technology Imported | Year of Import | Absorption of Technology |
|---------------------|----------------|--------------------------|
| Powder Coating | 2005 | Fully absorbed |
| Automotive Coating | 2005 | Fully absorbed |

On behalf of the Board of Directors

Gurbachan Singh Dhingra — Vice Chairman

Subir Bose — Managing Director

Anil Bhalla — Director & Chairman,

Audit Committee

Kolkata

Dated : 30th May, 2011

Annexure-IV TO DIRECTORS' REPORT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31ST MARCH, 2011

| Name | Designation / Nature of duties | Gross Remuneration | Qualification | Experience (Years) | Date of commencement of employment in the Company | Age | Previous Employment/ Position held |
|------|--------------------------------|--------------------|---------------|--------------------|---|-----|------------------------------------|
|------|--------------------------------|--------------------|---------------|--------------------|---|-----|------------------------------------|

A. EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING ` 60,00,000/- OR MORE

| | | | | | | | |
|----------------|-------------------|--------------|------------------------|----|------------|----|--|
| Mr. Subir Bose | Managing Director | ` 10,261,928 | B. Tech (Chem.), PGDBA | 40 | 09.07.1984 | 61 | Abucon Nigeria Ltd./ Marketing Manager |
|----------------|-------------------|--------------|------------------------|----|------------|----|--|

B. EMPLOYED FOR A PART OF THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING ` 5,00,000/- OR MORE PER MONTH : NIL

Notes:

1. Gross remuneration includes salary, commission, value of perquisites, medical benefits and Company's contribution to Provident, Superannuation and Gratuity Funds.
2. The employee does not hold by himself or alongwith his spouse and dependent children, 2% or more of the Equity Shares in the Company.

On behalf of the Board of Directors

Gurbachan Singh Dhingra — Vice Chairman

Subir Bose — Managing Director

Anil Bhalla — Director & Chairman,

Audit Committee

Place: Kolkata

Date: 30th May, 2011



To
The Board of Directors
Berger Paints India Limited

Subject : SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

Dear Sir(s),

We have conducted the Secretarial Audit of your company for the Financial Year ended 31st March, 2011. Your company has voluntarily opted for the Secretarial Audit with the objective to get an independent professional view of the corporate law compliance system of the Company.

We have covered the following areas in this audit;

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

This audit is based on the documents and information available with the Company and its agents as shown and furnished to us by the officers and agents of the Company. We have also accessed the information filed by the Company, from time to time, with the respective regulators, pursuant to different provisions of law as may be applicable for the time being and as available for public inspection.

Based on the registers, books, documents and other records shown to us and based on the information and explanation provided to us by the officers and agents of the Company, as per our understanding, we confirm that the Company, its directors and officers have substantially complied, with the provisions of the aforesaid acts read with rules, regulations and guidelines, applicable to such acts, during the year ended 31st March, 2011.

For ANJAN KUMAR ROY & CO.
Company Secretaries

CS ANJAN KUMAR ROY
FCS 5684
CP 4557

Place : Kolkata
Date : 30th May, 2011

To
The Board of Directors
Berger Paints India Limited

Subject : REPORT ON SECRETARIAL STANDARDS FOR THE YEAR ENDED 31ST MARCH, 2011

Dear Sir(s),

This is to confirm that Berger Paints India Limited has adopted the Secretarial Standards on Meeting of Board of directors, General Meetings, Dividend, Registers and Records, Minutes, Transmission of shares, Passing Resolutions by Circulation, Affixing Common Seal and Board's Report and has followed these standards, as far as practicable and applicable during the year ended 31st March, 2011.

For ANJAN KUMAR ROY & CO.
Company Secretaries

CS ANJAN KUMAR ROY
FCS 5684
CP 4557

Place : Kolkata
Date : 30th May, 2011

Auditors' Report

TO THE MEMBERS OF
BERGER PAINTS INDIA LIMITED

1. We have audited the attached Balance Sheet of Berger Paints India Limited (the "Company") as at 31st March, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the 'Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Kolkata
30th May, 2011

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Berger Paints India Limited on the financial statements for the year ended 31st March, 2011]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company in its possession and also those in the custody of third parties are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding material in transit) has been physically verified by the management during the year. Stocks in transit as at 31st March, 2011 have been verified with reference to subsequent receipt of goods or other relevant documents. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
3. The Company has not taken or granted any loans, secured or unsecured, from or to companies, firms or other parties covered in the register maintained under Section 301 of the Act. As such clauses 4 (iii) (b), (c), (d), (f) and (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

Annexure to Auditors' Report (Contd.)

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2011 which have not been deposited on account of a dispute, are as follows -

| Name of the statute | Nature of dues | Amount (`) | Period to which the amount relates | Forum where the dispute is pending |
|--|---------------------------|--------------|--|--|
| Central Excise Act / Finance Act, 1994 | Excise duty / Service tax | 83,234,649 | 1998-1999 2001-2009 | Customs, Excise and Service Tax Appellate Tribunal |
| | | 262,934,940 | 2000-2006 2003-2010 | Commissioner of Central Excise |
| | | 13,751,151 | 1989-1990 2003-2007 2001-2002 | Commissioner of Central Excise (Appeal) |
| | | 3,757,678 | 1997-1998 2005-2008 2009-2010 | Assistant Commissioner |
| | | 6,707,061 | 2003-2009 | Deputy Commissioner |
| | | 1,782,825 | 2006-2007 2008-2009 | Joint Commissioner |
| | | 12,009,634 | 2003-2008 2005-2010 | Additional Commissioner |
| Central Sales Tax Act | Sales Tax | 4,009,121 | 2005-2006 2007-2009 | Assistant Commissioner |
| | | 12,297,276 | 1983-1984 1986-1987 1989-1990 1999-2000 2001-2008 | Assistant Commissioner (Appeal) |
| | | 1,664,520 | 2003-2006 | Additional Commissioner (Appeal) |
| | | 1,199,991 | 1995-1996 1999-2000 2002-2008 | Deputy Commissioner (Appeal) |
| | | 6,220,473 | 1987-1988 1990-1991 1992-1993 1994-1996 2002-2003 2004-2005 | Joint Commissioner (Appeal) |
| | | 53,899,219 | 1996-1997 1999-2002 2003-2007 | Revision Board |

Annexure to Auditors' Report (Contd.)

| Name of the statute | Nature of dues | Amount (₹) | Period to which the amount relates | Forum where the dispute is pending | |
|----------------------|----------------|-------------|--|--------------------------------------|------------------------|
| | | 2,016,116 | 1999-2000 2001-2002 2004-2005 2007-2008 | Appellate Tribunal | |
| State Sales Tax Act | Sales Tax | 9,443,170 | 1994-1995 1996-2002 2004-2005 2009-2010 | Tax Appellate Tribunal | |
| | | 29,704,054 | 1984-1985 1988-1990 1991-1992 1993-1994 1997-1998 2001-2009 | Assistant Commissioner (Appeal) | |
| | | 2,758,514 | 2004-2006 | Additional Commissioner (Appeal) | |
| | | 113,476 | 2005-2007 | Deputy Commissioner | |
| | | 238,413 | 2001-2002 | Deputy Commissioner (VAT Assessment) | |
| | | 9,312,815 | 1995-1996 1999-2008 | Deputy Commissioner (Appeal) | |
| | | 18,045,479 | 1986-1987 1992-1993 1994-1997 2002-2005 | Joint Commissioner (Appeal) | |
| | | 103,559,236 | 1996-1997 1998-2002 | Revision Board | |
| | | 17,301,742 | 2001-2002 | West Bengal TT | |
| | | Entry Tax | Entry Tax | 26,030 | 1998-1999 2003-2005 |
| | 236,064 | | | 1998-1999 2001-2002 2003-2004 | Appellate Tribunal |
| | 19,067 | | | 2002-2005 | Deputy Commissioner |
| Income Tax Act, 1961 | Income Tax | 6,284,986 | 2006-2007 2007-2008 | Commissioner of Income Tax (Appeal) | |

Annexure to Auditors' Report (Contd.)

10. The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year and no debentures are outstanding at the year end.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Kolkata
Dated : 30th May, 2011

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340



Balance Sheet

AS AT 31ST MARCH, 2011

| | Schedule | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|---|----------|-------------------------------|-------------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 692,145 | 692,145 |
| Employee Stock Options | 1A | 8,809 | — |
| Reserves and Surplus | 2 | 6,529,184 | 5,570,134 |
| | | <u>7,230,138</u> | <u>6,262,279</u> |
| Loan Funds | | | |
| Secured Loans | 3 | 785,314 | 244,130 |
| Unsecured Loans | 4 | 323 | 488 |
| | | <u>785,637</u> | <u>244,618</u> |
| Deferred Taxation | 5 | 89,990 | 90,317 |
| TOTAL | | <u>8,105,765</u> | <u>6,597,214</u> |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | 6 | | |
| Gross Block | | 4,194,927 | 3,717,408 |
| Less : Depreciation / Amortization | | 2,153,325 | 1,861,488 |
| Net Block | | <u>2,041,602</u> | <u>1,855,920</u> |
| Capital Work-in-Progress – at Cost | | 767,927 | 315,968 |
| | | <u>2,809,529</u> | <u>2,171,888</u> |
| Investments | 7 | 1,175,926 | 1,701,990 |
| Current Assets, Loans and Advances | | | |
| Inventories | 8 | 4,039,186 | 2,993,270 |
| Sundry Debtors | 9 | 2,402,882 | 2,047,298 |
| Cash & Bank Balances | 10 | 1,229,233 | 375,641 |
| Loans and Advances | 11 | 531,927 | 483,929 |
| | | <u>8,203,228</u> | <u>5,900,138</u> |
| Less : Current Liabilities and Provisions | | | |
| Liabilities | 12 | 3,642,855 | 2,650,950 |
| Provisions | 13 | 440,063 | 525,852 |
| | | <u>4,082,918</u> | <u>3,176,802</u> |
| Net Current Assets | | <u>4,120,310</u> | <u>2,723,336</u> |
| TOTAL | | <u>8,105,765</u> | <u>6,597,214</u> |
| Notes on the Balance Sheet | 14 | | |

NOTES : Schedules 1 to 14 & 21 (i) form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

On behalf of the Board of Directors

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee
Aniruddha Sen — Sr. Vice President &
Company Secretary

Profit and Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule | For the year ended 31st March, 2011 ` '000 | For the year ended 31st March, 2010 ` '000 |
|-----------------------------------|----------|---|---|
| INCOME | | | |
| Gross Turnover | | 22,882,124 | 18,222,796 |
| Less: Excise Duty | | 1,919,881 | 1,381,127 |
| Net Turnover | | 20,962,243 | 16,841,669 |
| Other Income | 15 | 404,691 | 243,738 |
| | | <u>21,366,934</u> | <u>17,085,407</u> |
| EXPENDITURE | | | |
| Materials Consumed | 16 | 13,388,785 | 10,774,747 |
| Expenses | 17 | 5,445,445 | 4,305,124 |
| Interest | 18 | 121,784 | 47,520 |
| Depreciation / Amortization | | 299,772 | 264,070 |
| | | <u>19,255,786</u> | <u>15,391,461</u> |
| PROFIT BEFORE TAXATION | | 2,111,148 | 1,693,946 |
| Provision for Taxation | | | |
| Current Tax | 19 | 628,396 | 474,788 |
| Deferred Tax | 20 | (327) | 17,780 |
| PROFIT AFTER TAXATION | | 1,483,079 | 1,201,378 |
| Profit brought forward | | 2,104,460 | 1,467,131 |
| AVAILABLE FOR DISTRIBUTION | | 3,587,539 | 2,668,509 |
| Transfer to General Reserve | | 148,308 | 120,138 |
| Dividend | | | |
| - Interim | | 173,036 | — |
| - Final | | 276,858 | 380,680 |
| Tax on distributable profit | | 73,652 | 63,231 |
| Balance carried to Balance Sheet | | 2,915,685 | 2,104,460 |
| | | <u>3,587,539</u> | <u>2,668,509</u> |
| Earnings per share (in `) | Basic | 4.29 | 3.65 |
| | Diluted | 4.28 | 3.65 |
| Notes on Profit and Loss Account | 21 | | |

NOTES : Schedules 15 to 21 form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date.

On behalf of the Board of Directors

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee
Aniruddha Sen — Sr. Vice President &
Company Secretary

Kolkata
Dated : 30th May, 2011

Schedules

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| 1. CAPITAL - Equity | | |
| Share Capital | | |
| Authorised : | | |
| 375,000,000 (2009-10: 375,000,000) Ordinary Shares of ` 2 each | 750,000 | 750,000 |
| Issued : | | |
| 346,118,204 (2009-10: 346,118,204) Ordinary Shares of ` 2 each | 692,236 | 692,236 |
| Subscribed : | | |
| 346,072,464 (2009-10: 346,072,464) Ordinary Shares of ` 2 each fully paid-up | 692,145 | 692,145 |
| | <u>692,145</u> | <u>692,145</u> |

Notes : Of the above Equity Shares -

- (a) 3,151,187 shares of ` 10/- each allotted as fully paid-up pursuant to a contract without payment being received in cash.
- (b) 257,660 shares of ` 10/- each allotted as fully paid-up pursuant to a contract in full redemption of Mortgage Debentures.
- (c) 26,972,214 shares of ` 10/- each allotted as fully paid Bonus Shares by capitalisation of General Reserve and Share Premium.
- (d) The authorised and paid up face value of the Company's Ordinary (Equity) Shares of ` 10/- each were subdivided into authorised and paid up face value of ` 2/- per share with effect from 1st September, 2004.
- (e) 119,577,174 shares of ` 2/- each allotted as fully paid Bonus Shares by capitalization of Share Premium and General Reserve.

1A. EMPLOYEE STOCK OPTIONS

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| Employee stock options outstanding | 21,622 * | — |
| Less: Retained in deferred employee compensation | 12,813 | — |
| | <u>8,809</u> | <u>—</u> |

* Under Employee Stock Option Scheme, the Company has granted 298,650 options during the year which have been accounted at an intrinsic value of ` 72.40 per option.

2. RESERVES AND SURPLUS

| | Balance at 31st March, 2010 ` '000 | Additions ` '000 | Deductions ` '000 | Balance at 31st March, 2011 ` '000 |
|----------------------------|---|---------------------|----------------------|---|
| Revaluation Reserve | 9,764 | — | 483 * | 9,281 |
| General Reserve | 2,155,991 | 148,308 | — | 2,304,299 |
| Share Premium | 1,299,311 | — | — | 1,299,311 |
| Profit and Loss Account | 2,104,460 | 2,915,685 | 2,104,460 | 2,915,685 |
| Capital Reserve | 200 | — | — | 200 |
| Capital Redemption Reserve | 408 | — | — | 408 |
| | <u>5,570,134</u> | <u>3,063,993</u> | <u>2,104,943</u> | <u>6,529,184</u> |

* Refer to note (ii)(a) in Schedule 21

3. SECURED LOANS

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--------------------------------|-------------------------------|-------------------------------|
| Loans from Banks - Cash Credit | 785,314 | 244,130 |
| | <u>785,314</u> | <u>244,130</u> |

Note :

Loans from Banks - Cash Credit are secured by hypothecation of stock-in-trade and book debts.

Schedules

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| 4. UNSECURED LOANS | | |
| Fixed Deposits * (including interest accrued and due) | 323 | 488 |
| | <u>323</u> | <u>488</u> |
| * Includes unclaimed matured fixed deposits | 137 | 302 |
| ** Maximum amount outstanding on account of Commercial Paper during the year | 1,650,000 | — |
| 5. DEFERRED TAXATION | | |
| Liability | | |
| Depreciation | 114,266 | 112,193 |
| | <u>114,266</u> | <u>112,193</u> |
| Less: Asset | | |
| Amortisation of expenses allowed as per Income Tax Act | 172 | 390 |
| Others | 24,104 | 21,486 |
| | <u>24,276</u> | <u>21,876</u> |
| | <u>89,990</u> | <u>90,317</u> |

6. FIXED ASSETS

| | Gross Block | | | Depreciation / Amortisation | | | | Net Block | | |
|----------------------------------|--|---------------------|---------------------|---|---------------------------------------|-------------------------------|---|---------------------------------------|---|---|
| | Original Cost/ Professional Valuation at 31st March, 2010*** ` '000 | Additions ` '000 | Deletions ` '000 | Original Cost/ Professional Valuation at 31st March, 2011 ` '000 | Upto 31st March, 2010 ` '000 | For the Year *** ` '000 | On deletions (Accumulated upto the date of sale) ` '000 | Upto 31st March, 2011 ` '000 | Net Book value at 31st March, 2011 ` '000 | Net Book value at 31st March, 2010 ` '000 |
| Tangible Assets | | | | | | | | | | |
| Land : | | | | | | | | | | |
| Freehold | 33,069 | 46,759 **** | — | 79,828 | — | — | — | — | 79,828 | 33,069 |
| Leasehold ** | 32,796 | 867 | — | 33,663 | 2,588 | 387 | — | 2,975 | 30,688 | 30,208 |
| Buildings : | | | | | | | | | | |
| Freehold * | 652,166 | 7,433 | — | 659,599 | 157,410 | 19,939 | — | 177,349 | 482,250 | 494,756 |
| Leasehold ** | 31,142 | — | — | 31,142 | 7,053 | 424 | — | 7,477 | 23,665 | 24,089 |
| Plant and Machinery | 2,119,290 | 323,243 | 5,179 | 2,437,354 | 1,260,181 | 193,378 | 494 | 1,453,065 | 984,289 | 859,109 |
| Furniture and Fittings | 101,952 | 13,896 | 635 | 115,213 | 41,586 | 6,526 | 388 | 47,724 | 67,489 | 60,366 |
| Equipment | 590,625 | 90,406 | 1,419 | 679,612 | 340,833 | 54,292 | 552 | 394,573 | 285,039 | 249,792 |
| Motor Cars and Other Vehicles | 81,339 | 12,314 | 11,744 | 81,909 | 36,794 | 10,251 | 6,984 | 40,061 | 41,848 | 44,545 |
| Intangible Asset | | | | | | | | | | |
| Computer Software | 75,029 | 1,578 | — | 76,607 | 15,043 | 15,058 | — | 30,101 | 46,506 | 59,986 |
| | <u>3,717,408</u> | <u>496,496</u> | <u>18,977</u> | <u>4,194,927</u> | <u>1,861,488</u> | <u>300,255</u> | <u>8,418</u> | <u>2,153,325</u> | <u>2,041,602</u> | <u>1,855,920</u> |
| Previous year | <u>3,226,759</u> | <u>501,689</u> | <u>11,040</u> | <u>3,717,408</u> | <u>1,603,723</u> | <u>265,243</u> | <u>7,478</u> | <u>1,861,488</u> | <u>1,855,920</u> | |

* Partly on Leasehold Land.

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

*** Year of Revaluation Asset Type

 1989 Leasehold Land, Freehold Building

 1985 Freehold Building

 1993 Freehold Land, Freehold Building

Refer to note (ii) (a) in Schedule 21.

**** Includes ` 4,727 in respect of land at Goa for which registration is pending.



Schedules

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| 7. INVESTMENTS | | |
| Long Term Investments - Unquoted | | |
| (a) In wholly owned subsidiary companies - Trade | | |
| Beepee Coatings Private Limited - at cost | | |
| 2,500,000 Equity Shares of ` 10 each fully paid-up | 25,000 | 25,000 |
| Berger Jenson & Nicholson (Nepal) Private Limited -at cost | | |
| 345,421 Equity shares of NRs. 100 each fully paid-up | 44,622 | 44,622 |
| Berger Paints (Cyprus) Limited- at cost | | |
| 1,560,009 (2009-10: 1,388,357) Equity Shares of Euro 1.71 each fully paid-up | 153,359 | 134,584 |
| Lusako Trading Limited - at cost | | |
| 3,011,011 (2009-10: 1,280,432) Equity Shares of Euro 1.71 each fully paid-up | 336,015 | 144,986 |
| (b) Other Investments | | |
| (i) Trade | | |
| Berger Becker Coatings Private Limited - at cost | | |
| 270,850 Equity shares of ` 100 each fully paid-up | 27,085 | 27,085 |
| BNB Coatings India Limited - at cost | | |
| 63,700 (2009-10: 44,100) Equity Shares of ` 1,000 each fully paid-up | 63,700 | 44,100 |
| (ii) Other Than Trade | | |
| Pnb Principal Insurance Advisory Company Private Limited - at cost | | |
| Nil (2009-10: 125,000) Equity Shares of ` 100 each fully paid-up | — | 12,500 |
| Shantikunj Apartments Limited - at cost | | |
| 1,498 Shares of ` 1 each fully paid-up | 1 | 1 |
| Rural Electrification Corporation Limited - at cost | | |
| 250 Bonds of ` 10,000 each | 2,500 | — |
| National Highways Authority of India - at cost | | |
| 250 Bonds of ` 10,000 each | 2,500 | — |
| Current Investments - Unquoted | | |
| Certificate of Deposit with United Bank Of India | | |
| 2,500 units of ` 100,000 each | 227,638 | — |
| Certificate of Deposit with Canara Bank | | |
| 3,000 units of ` 100,000 each | 293,506 | — |
| Reliance Money Manager Institutional Option- Daily Dividend Option | | |
| Nil (2009-10: 899,266.303 units of ` 1,000 each) | — | 900,289 |
| HDFC Cash Management Treasury Advantage Plan - Daily Dividend Option | | |
| Nil (2009-10: 36,766,523.622 units of ` 10 each) | — | 368,823 |
| | <u>1,175,926</u> | <u>1,701,990</u> |

Note :

The following investments were purchased and sold during the year

| Units in Mutual Fund | No. of Units | Purchase Cost ` '000 |
|---|---------------|-------------------------|
| (i) HDFC FMP 10D July 2010(1) - Dividend-Series XIII, Option-Payout | 15,000,000.00 | 150,000 |
| (ii) Reliance Quarterly Interval Fund - Series II-Institutional Dividend Plan | 29,987,105.55 | 300,000 |
| (iii) Reliance Monthly Interval Fund - Series I-Institutional Dividend Plan | 14,992,353.90 | 150,000 |
| (iv) HDFC Cash Management Fund - Treasury Advantage Plan-wholesale-Daily Dividend | 897,545.21 | 100,000 |
| (v) HDFC Cash Management Fund - Savings Plan-Daily Dividend Reinvestment | 1,504,268.36 | 16,000 |
| (vi) UTI Liquid Cash Plan Institutional - Daily Income Option-Re-investment | 9,812,416.00 | 10,000 |
| (vii) UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) | 9,997,859.00 | 10,000 |
| (viii) Reliance Liquidity Fund - Daily Dividend Reinvestment Option | 32,146,295.89 | 321,627 |
| (ix) Reliance Liquid Fund - Cash Plan- Daily Dividend Option | 49,244,323.46 | 496,809 |

Schedules

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| 8. INVENTORIES (including in transit) | | |
| Stores and Spare Parts | 44,387 | 41,132 |
| Raw Materials | 1,293,975 | 940,385 |
| Containers | 95,683 | 91,548 |
| Work-in-Process | 231,116 | 170,591 |
| Finished Goods | 2,374,025 | 1,749,614 |
| | <u>4,039,186</u> | <u>2,993,270</u> |
| 9. SUNDRY DEBTORS - Unsecured - Considered Good | | |
| Debts Outstanding - for a period exceeding six months | 89,895 | 67,028 |
| Other Debts | 2,312,987 | 1,980,270 |
| | <u>2,402,882</u> | <u>2,047,298</u> |
| 10. CASH AND BANK BALANCES | | |
| Cash and cheques in hand (including remittances in transit) | 6,542 | 9,059 |
| With Standard Chartered Bank Chittagong (at pre-1966 devaluation rate of Indian Rupees), ` 36, fully written off | — | — |
| With Scheduled Banks | | |
| On Current Accounts | 282,941 | 250,877 |
| On Fixed Deposit Account | 939,750 | 115,705 |
| | <u>1,229,233</u> | <u>375,641</u> |
| 11. LOANS AND ADVANCES - Considered Good | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| Secured | 43 | 43 |
| Unsecured * | 281,927 | 274,017 |
| | <u>281,970</u> | <u>274,060</u> |
| Advance payment of Tax [net of provision ` 628,396 (2009-10: ` 474,788)] | 512 | 11,309 |
| Balance with Customs, Central Excise etc. | | |
| Unsecured ** | 128,583 | 112,185 |
| Deposits | | |
| Unsecured | | |
| Security and Tender (including Deposits in Government Securities - Unquoted at cost - pledged with Government Authorities ` 6) | 120,862 | 86,375 |
| | <u>531,927</u> | <u>483,929</u> |
| * - Includes interest accrued on deposits and others | 8,490 | 1,172 |
| - Includes loans and advances made to subsidiaries | 35,528 | 86,313 |
| ** Includes excise duty deposited for subsidiary | 5,186 | 4,048 |
| 12. LIABILITIES | | |
| Acceptances | 523,005 | 260,008 |
| Sundry Creditors | | |
| Total outstanding dues to micro and small enterprises | 12,275* | 7,154* |
| Total outstanding dues to other creditors | 2,419,050** | 1,942,871** |
| Other Liabilities | 688,525 | 440,917 |
| | <u>3,642,855</u> | <u>2,650,950</u> |

* Refer Note III (i) in Schedule 14

** Refer Note III (ii) in Schedule 14

Schedules

| | 31st March, 2011 | 31st March, 2010 |
|---|---------------------|---------------------|
| | ` '000 | ` '000 |
| 13. PROVISIONS | | |
| Provision for Employee Benefit Plans | 89,553 | 81,941 |
| Proposed Dividend | 276,858 | 380,680 |
| Tax on distributable profit | 73,652 | 63,231 |
| | <u>440,063</u> | <u>525,852</u> |
| 14. NOTES ON THE BALANCE SHEET | | |
| I. Estimated amount of Contracts remaining to be executed on Capital Account not provided for | 153,715 | 246,153 |
| II. Claims against the Company not acknowledged as debts : | | |
| The Sales Tax, Excise & Service Tax, Income Tax and Provident Fund Authorities have made certain claims totalling ` 263,106 (2009-10: ` 246,822), ` 393,616 (2009-10: ` 221,695), ` 29,764 (2009-10: ` 23,558) and ` 865 (2009-10: ` 865) respectively in respect of earlier years. The Company has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same. | | |
| The future cash flows on account of the above cannot be determined unless the judgement/decisions are received from the ultimate judicial forums. | | |
| III. (i) Disclosure pursuant to Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006 is as follows - | | |
| Total Outstanding with Micro, Medium & Small Creditors - | | |
| Principal amount remaining unpaid at the end of the year | 10,158 | 5,712 |
| Interest due thereon remaining unpaid as at the end of the year | 2,117 | 1,442 |
| | <u>12,275</u> | <u>7,154</u> |
| Delayed Payment of Principal amount paid beyond appointed date during the entire accounting year | 27,520 | 33,036 |
| Interest actually paid under Section - 16 of the Act during the entire accounting year. | Nil | Nil |
| Amount of interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act. | Nil | Nil |
| Interest accrued and remaining unpaid at the end of the year | 675 | 478 |
| The amount of further interest remaining due and payable even in succeeding years, untill such date when the interest dues as above are actually paid to the Micro and Small Enterprises for the purpose of disallowances as deductible expenditure under Section 23 of this Act | 2,117 | 1,442 |
| (ii) Payable to a subsidiary company - ` 7,184 (2009-10 : ` 658) | | |
| IV. Secured Loans from Bank taken by wholly owned subsidiaries and outstanding as at 31st March, 2011, guaranteed by the Company. | 1,759,324 | 1,902,848 |
| V. Some of the fixed assets of the Company have been mortgaged by deposit of title deeds in favour of Standard Chartered Bank towards loan extended to its subsidiary, M/s Lusako Trading Limited. | | |
| VI. All figures are in Rupees thousands | | |
| VII. Previous Year's figures have been regrouped wherever necessary. | | |

Schedules

| | For the year ended 31st March, 2011 ` '000 | For the year ended 31st March, 2010 ` '000 |
|---|--|--|
| 15. OTHER INCOME | | |
| Discount | 82,655 | 68,219 |
| Bad Debts Recovered | 457 | 178 |
| Hire of Machinery | 1,143 | 1,143 |
| Consultancy fees | 1,383 | 1,414 |
| Profit on sale of Fixed Assets (net) | 1,620 | 917 |
| Dividend Income from Investments - Other than Trade - Current | 32,841 | 19,538 |
| Profit on sale of investments - Current | 2,390 | 447 |
| Profit on sale of investments - Long Term | 37,639 | — |
| Interest income- [Tax deducted at source 2010-11: ` 8,032 (2009-10: ` 2,065)] | 89,290 | 16,426 |
| Miscellaneous * | 155,273 | 135,456 |
| | <u>404,691</u> | <u>243,738</u> |
| * Includes net profit on contracts executed - ` 4,292 (2009-10: ` 2,079) | | |
| 16. MATERIALS CONSUMED | | |
| Opening Stocks | | |
| Raw Materials | 940,385 | 727,621 |
| Containers | 91,548 | 77,850 |
| Work - in - Process | 170,591 | 140,986 |
| Finished Goods | 1,749,614 | 1,674,686 |
| | <u>2,952,138</u> | <u>2,621,143</u> |
| Add : Purchases | | |
| Raw Materials | 11,283,813 | 8,581,505 |
| Containers | 1,918,934 | 1,476,729 |
| Finished Goods | 1,205,186 | 1,147,951 |
| | <u>14,407,933</u> | <u>11,206,185</u> |
| Less : Cost of materials sold and consumed in painting contracts [including cost of containers and others ` 11,429 (2009-10: ` 9,077)] | 87,757 | 76,920 |
| | <u>14,320,176</u> | <u>11,129,265</u> |
| Deduct : Closing Stocks | | |
| Raw Materials | 1,293,975 | 940,385 |
| Containers | 95,683 | 91,548 |
| Work - in - Process | 231,116 | 170,591 |
| Finished Goods | 2,374,025 | 1,749,614 |
| | <u>3,994,799</u> | <u>2,952,138</u> |
| | 13,277,515 | 10,798,270 |
| (Decrease) / Increase in Excise Duty on Stock of Finished Goods | 111,270 | (23,523) |
| | <u>13,388,785 **</u> | <u>10,774,747 **</u> |
| ** Includes | | |
| Raw Material Consumed | 10,853,895 | 8,300,898 |
| Others | 2,534,890 | 2,473,849 |
| Materials Consumed | <u>13,388,785</u> | <u>10,774,747</u> |

Schedules

| | For the year ended 31st March, 2011 | | For the year ended 31st March, 2010 | |
|--|--|------------------|--|------------------|
| | ` '000 | | ` '000 | |
| 17. EXPENSES | | | | |
| Salaries, Wages, Bonus and Commission | | 852,322 | | 702,326 |
| Contribution to Provident, Superannuation and Gratuity Funds * | | 114,055 | | 103,306 |
| Staff Welfare | | 109,829 | | 92,063 |
| Freight, Octroi and Delivery | | 1,169,661 | | 912,534 |
| Power & Fuel | | 226,123 | | 178,563 |
| Consumption of Stores and Spare Parts | | 45,815 | | 30,215 |
| Repairs to Buildings(a) | | 1,958 | | 1,807 |
| Repairs to Machinery(a) | | 25,985 | | 25,699 |
| Repairs to Other Assets(a) | | 28,317 | | 17,075 |
| Rent | | 153,655 | | 122,546 |
| Rates & Taxes | | 16,733 | | 13,410 |
| Travelling | | 175,634 | | 140,851 |
| Advertisement and Sales Promotion Expenses | | 1,031,981 | | 770,255 |
| Insurance | | 6,466 | | 5,515 |
| Cash Discount | | 772,051 | | 620,199 |
| Commission to Stockists, Distributors etc. | | 6,761 | | 5,566 |
| Bad Debts written off | | 19,022 | | 18,018 |
| Directors' Fees | | 164 | | 152 |
| Commission to Non-Executive Directors | | 3,470 | | 3,470 |
| Auditors' Remuneration : | 2010-11 | | 2009-10 | |
| | ` '000 | | ` '000 | |
| Audit Fee | | 2,300 | | 1,710 |
| Other Services : | | | | |
| Tax Audit | | 225 | | 225 |
| Miscellaneous Certificates and Other Matters | | 895 | | 975 |
| Reimbursement of Expenses | | 136 | 65 | 2,975 |
| Other expenses (b) | | 681,887 | | 538,579 |
| | | <u>5,445,445</u> | | <u>4,305,124</u> |
| * Refer to note (xii) in Schedule 21 | | | | |
| (a) Includes : | | | | |
| Consumption of Stores and Spare Parts | | 13,356 | | 11,619 |
| (b) Includes : | | | | |
| Processing Charges | | 252,254 | | 208,548 |
| 18. INTEREST | | | | |
| Interest expenditure: | | | | |
| On Others | 121,784 | 121,784 | 47,520 | 47,520 |
| | | <u>121,784</u> | | <u>47,520</u> |

Schedules

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|---|--|--|
| | ` '000 | ` '000 |
| 19. PROVISION FOR TAXATION | | |
| Income Tax : | | |
| Provision for the year | 628,396 | 474,788 |
| | <u>628,396</u> | <u>474,788</u> |
| 20. DEFERRED TAXATION | | |
| Liability : | | |
| Depreciation | 2,073 | 20,923 |
| | <u>2,073</u> | <u>20,923</u> |
| Less : Asset | | |
| Amortisation of expenses allowed as per Income Tax Act | (218) | (2,200) |
| Others | 2,618 | 5,343 |
| | <u>2,400</u> | <u>3,143</u> |
| | <u>(327)</u> | <u>17,780</u> |

Schedules

21 (i) SIGNIFICANT ACCOUNTING POLICIES

a) Accounting convention

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

b) Fixed Assets and Depreciation

i) Fixed Assets are carried at cost of acquisition, except in the case of certain Land and Freehold Buildings which are carried at revaluation on current cost basis less depreciation as applicable.

ii) Depreciation is provided on a straight line method as follows :

(a) In respect of assets other than motor vehicles and computers:

1. In respect of additions before 1.7.87 on the basis of specified period determined at the time of acquisition at the rates inter alia under the Income Tax Act, 1961 and Rules framed thereunder and,

2. In respect of additions on or after 1.7.87 in accordance with the provisions of Schedule XIV of the Companies Act, 1956.

(b) In respect of motor vehicles and computers at 15% and 25% respectively and,

(c) Tinting machines are depreciated at rates based on the estimated useful life varying from 60 months to 100 months, which are higher than rates specified in Schedule XIV.

In respect of revalued assets, depreciation on the amount added on revaluation is set off against Revaluation Reserve. Payments made/costs incurred in connection with acquisition of leasehold rights are amortised over the period of the lease.

iii) 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.

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

v) Government subsidies are deducted from the gross book value of the assets concerned.

c) Investments

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

d) Inventories

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

e) Foreign Currencies

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

f) Sales

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

g) Other Income

Other Income is recognised on accrual basis.

h) Employee Benefits

Contribution made to approved Employees' Provident Fund and Superannuation Fund for certain category of employees are recognized in the Profit and Loss Account on an accrual basis. Retirement Gratuity for employees, is funded through a scheme of Life Insurance Corporation of India. The excess / shortfall in the fair value of the plan assets and / or the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain / loss in the Profit and Loss Account. Liability for Leave encashment benefit is calculated using actuarial methods at year end and provided for.

i) Borrowing Costs

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

j) Taxation

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

Schedules

k) Employee Stock Option Scheme

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

21. NOTES ON PROFIT AND LOSS ACCOUNT

- (ii) (a) Gross depreciation for the year amounts to ₹ 300,255 (2009-10: ₹ 265,243) from which has been deducted ₹ 483 (2009-10: ₹ 1,173) being extra depreciation for the year arising on revaluation of fixed assets withdrawn from Revaluation Reserve.
- (b) Net gain on exchange fluctuation recognised in the Profit and Loss Account amounts to ₹ 5,737 (2009-10 Net Gain: ₹ 12,741).
- (c) Calculation of Earnings per Share :

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|---|--|--|
| i) Profit after Taxation | 1,483,079 | 1,201,378 |
| ii) Weighted average number of Ordinary Shares outstanding | 346,072,464 | 329,156,300 |
| iii) Effect of potential Ordinary Shares on Employee Stock Options outstanding | 193,482 | — |
| iv) Weighted average number of Ordinary Shares in computing diluted earnings per share [(ii)+(iii)] | 346,265,946 | 329,156,300 |
| v) Earnings per share : (Face Value ₹ 2.00 per Share) - | | |
| - Basic [(i)/(ii)] | 4.29 | 3.65 |
| - Diluted [(i)/(iv)] | 4.28 | 3.65 |

| (iii) (a) Raw Materials Consumed | For the year ended 31st March, 2011 | | For the year ended 31st March, 2010 | |
|----------------------------------|--|-------------------|--|------------------|
| | Quantity MT | Value ₹ '000 | Quantity MT | Value ₹ '000 |
| Acids and Chemicals | 28,481 | 1,501,585 | 24,119 | 1,127,865 |
| Resins | 24,407 | 1,792,197 | 21,203 | 1,363,669 |
| Pigments | 19,730 | 2,433,441 | 18,152 | 1,878,103 |
| Solvents | 51,970 | 2,703,437 | 46,008 | 2,035,104 |
| Oils | 15,436 | 912,676 | 12,730 | 677,234 |
| Extenders | 87,351 | 614,531 | 74,032 | 501,427 |
| Others | | 896,028 | | 717,496 |
| | | <u>10,853,895</u> | | <u>8,300,898</u> |

Note : Raw Materials consumed are after adjustment of shortage/excess.

- (b) Consumption of Imported and Indigenous Raw Materials and Stores and Spare Parts and the percentage of each to the total consumption

| | For the year ended 31st March, 2011 | | For the year ended 31st March, 2010 | |
|----------------------------|--|-------------------|--|------------------|
| | % of Total Consumption | Value ₹ '000 | % of Total Consumption | Value ₹ '000 |
| (1) Raw Materials | | | | |
| (i) Imported | 15.16 | 1,645,607 | 13.12 | 1,088,905 |
| (ii) Indigenous | 84.84 | 9,208,288 | 86.88 | 7,211,993 |
| | <u>100.00</u> | <u>10,853,895</u> | <u>100.00</u> | <u>8,300,898</u> |
| (2) Stores and Spare Parts | | | | |
| (i) Imported | 3.10 | 1,832 | 1.29 | 541 |
| (ii) Indigenous | 96.90 | 57,339 | 98.71 | 41,293 |
| | <u>100.00</u> | <u>59,171</u> | <u>100.00</u> | <u>41,834</u> |

Schedules

(iv) Details of each Class of Goods Manufactured, Purchased, Sold and Stocks during the year ended 31st March, 2011

| Class of Goods | Installed Capacity per annum | Opening Stocks | Production | Closing Stocks | Sales | |
|---|---------------------------------|-------------------|------------|-------------------|----------|-----------------|
| | | | | | Quantity | Value ` '000 |
| (a) Synthetic Resin | | | | | | |
| 2010-11 (MT) | 33,151 | 1,463 | 25,516 | 1,353 | 565 | 46,844 |
| 2009-10 (MT) | 32,287 | 1,102 | 24,993 | 1,463 | 618 | 39,427 |
| (b) Paints, Varnishes, Enamels, etc. | | | | | | |
| 2010-11 | | | | | | |
| Liquid (KL) | | 20,353 | 140,165 | 25,714 | 186,260 | |
| Non-Liquid (MT) | | 6,610 | 24,204 | 6,955 | 94,747 | |
| Total (all expressed in MT) | 251,742 | 28,998 | 178,386 | 35,240 | 299,633 | 22,835,280 |
| Value (` '000) | | 1,749,614 | | 2,374,025 | | |
| Grand Total | | | | | | 22,882,124 |
| 2009-10 | | | | | | |
| Liquid (KL) | | 19,259 | 112,635 | 20,353 | 155,166 | |
| Non-Liquid (MT) | | 7,730 | 22,858 | 6,610 | 80,012 | |
| Total (all expressed in MT) | 240,315 | 28,915 | 146,756 | 28,998 | 250,695 | 18,183,369 |
| Value (` '000) | | 1,674,686 | | 1,749,614 | | |
| Grand Total | | | | | | 18,222,796 |

- Notes :
- (1) Installed Capacity estimated on a two / three shift basis as applicable and is as certified by the Company's Technical Expert.
 - (2) Conversion factor from KL to MT is as certified by the Company's Technical Expert.
 - (3) Closing Stock of Synthetic Resin is after deducting quantity used in own production (as captive consumption) 2010-11 : 25,061 MT (2009-10 : 24,014 MT).
 - (4) Value of Stocks of Synthetic Resin is included in Work-in-Process appearing in Schedule 8.
 - (5) Synthetic Resin quantities are in terms of solid resins.
 - (6) Production does not include production from Raw Materials processed from outside 84,678 MT (2009-10 : 72,330 MT).
 - (7) Sales, Opening Stocks and Closing Stocks include goods processed and purchased from outside.
 - (8) Closing Stocks are after adjustment of losses including shortage / excess.

| | For the year ended 31st March, 2011 | | For the year ended 31st March, 2010 | |
|---------------------------------|--|-----------------|--|-----------------|
| | Quantity | Value ` '000 | Quantity | Value ` '000 |
| (c) Purchase for Resale | | | | |
| Paints, Enamels, Varnishes etc. | | | | |
| Liquid (KL) | 7,815 | | 6,155 | |
| Non-Liquid (MT) | 37,916 | | 26,697 | |
| All expressed in MT | 46,513 | 1,205,186 | 33,468 | 1,147,951 |
| Total | | 1,205,186 | | 1,147,951 |

Schedules

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|---|--|--|
| | ` '000 | ` '000 |
| (v) C.I.F. value of Direct Imports | | |
| (a) Raw Materials | 1,782,811 | 1,185,517 |
| (b) Capital Goods | 13,348 | 8,038 |
| (c) Stores and Spare Parts | 2,100 | 1,739 |
| | <u>1,798,259</u> | <u>1,195,294</u> |
| (vi) Remittance in Foreign Currency on account of dividend to non-resident shareholders | | |
| (a) Financial Year for which the dividend was remitted | 2009-10 | 2008-09 |
| (b) Number of non-resident shareholders to whom remittance was made | 1 | 1 |
| (c) Number of shares on which remittance was made | 47,385,565 | 25,853,760 |
| (d) Dividend remitted | 52,124 | 15,512 |
| Remittance in Foreign Currency on account of interim dividend to non-resident shareholders | | |
| (a) Financial Year for which the dividend was remitted | 2010-11 | |
| (b) Number of non-resident shareholders to whom remittance was made | 1 | |
| (c) Number of shares on which remittance was made | 50,234,565 | |
| (d) Dividend remitted | 25,117 | |
| (vii) Expenditure in Foreign Currency during the year | | |
| Travelling | 2,092 | 1,034 |
| Shade Card | 6,134 | 3,417 |
| Consultancy Fees | 133 | 159 |
| Technical Knowhow | — | 1,072 |
| Interest | 1,352 | 917 |
| Others | 136 | 22 |
| | <u>9,847</u> | <u>6,621</u> |
| (viii) Earnings in Foreign Exchange during the year | | |
| (a) F O B value of Export | 7,595 | 1,481 |
| (b) Consultancy Fees | 1,383 | 1,414 |
| (c) Royalty Income | — | 1,790 |
| | <u>8,978</u> | <u>4,685</u> |
| (ix) Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956 and the commission payable to the Directors | | |
| Net Profit as shown in Accounts | 1,483,079 | 1,201,378 |
| Add : Provision for Taxation - current and deferred tax | 628,069 | 492,568 |
| Depreciation | 299,772 | 264,070 |
| Directors' Fees | 164 | 152 |
| Wealth Tax | 2,037 | 1,781 |
| Director's Remuneration (Note) | 15,473 | 13,362 |
| | <u>2,428,594</u> | <u>1,973,311</u> |



Schedules

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|---|--|--|
| | ` '000 | ` '000 |
| Less : Depreciation at rates specified under Section 350 of the Companies Act, 1956 | 189,390 | 191,109 |
| Profit / (Loss) on Sale of Fixed Assets as per books | (906) | 338 |
| Net Profit for the purpose of Non-Executive Directors' Commission | 2,240,110 | 1,781,864 |
| Non-Executive Directors' Commission payable thereon at 1% | 22,401 | 17,819 |
| Non-Executive Directors' Commission restricted to | 3,470 | 3,470 |
| Note: (a) Director's Remuneration includes | | |
| (i) Salary | 5,474 | 4,059 |
| (ii) Commission | 2,264 | 2,030 |
| (iii) Allowances and estimated benefits in kind | 2,942 | 2,057 |
| (iv) Contribution to Provident, Superannuation and Gratuity Funds | 1,323 | 1,746 |
| | 12,003** | 9,892 |
| (b) Commission to Non-Executive Directors | 3,470 | 3,470 |
| | 15,473 | 13,362 |

** Includes remuneration of additional wholtime directors appointed on 11th February, 2011, which is subject to approval of shareholders at the forthcoming Annual General Meeting

(x) Particulars of information in relation to the Company's interest in the joint venture companies :-

(a) Description of interest in the joint venture company

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

(b) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the joint venture companies as at 31st March, 2011 are as follows :

| | Berger Becker Coatings Private Limited | | BNB Coatings India Limited | |
|----------------------|---|---------|-------------------------------|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Assets | 381,384 | 323,401 | 78,516 | 58,183 |
| Liabilities | 209,588 | 170,818 | 31,896 | 17,460 |
| Income | 573,964 | 463,369 | 66,737 | 46,331 |
| Expenses | 554,751 | 447,302 | 60,840 | 47,971 |
| Contingent Liability | 204 | — | — | — |

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

Schedules

(xii) Employee Benefits :-

i) Defined benefit plans - as per Actuarial Valuation as on 31st March, 2011.

| | Gratuity 31.03.2011 | Gratuity 31.03.2010 | Gratuity 31.03.2009 | Gratuity 31.03.2008 | Leave Encashment 31.03.2011 | Leave Encashment 31.03.2010 | Leave Encashment 31.03.2009 | Leave Encashment 31.03.2008 | Other defined benefit plans 31.03.2011 | Other defined benefit plans 31.03.2010 | Other defined benefit plans 31.03.2009 | Other defined benefit plans 31.03.2008 |
|--|------------------------|------------------------|------------------------|------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---|---|---|---|
| A. Expense recognised in the statement of Profit & Loss Account | | | | | | | | | | | | |
| 1 Current service cost | 8,975 | 6,169 | 5,804 | 5,424 | 8,552 | 7,466 | 5,961 | 5,508 | 126 | 124 | 124 | 3,164 |
| 2 Interest cost | 10,889 | 8,071 | 7,144 | 6,500 | 4,122 | 3,401 | 2,979 | 2,571 | 352 | 366 | 348 | 440 |
| 3 Expected return on plan assets | 12,028 | 9,288 | 8,007 | 7,199 | — | — | — | — | 531 | 467 | 442 | 423 |
| 4 Net actuarial (gain) / loss recognised during the year | 31,483 | 9,922 | 7,927 | 6,904 | 3,604 | 4,709 | 5,737 | 2,985 | 317 | (361) | 47 | (3,834) |
| 5 Past service cost | — | 21,782 | — | — | — | — | — | — | — | — | — | — |
| 6 Total Expense | 39,319 | 36,656 | 12,868 | 11,629 | 16,278 | 15,576 | 14,677 | 11,064 | 264 | (338) | 77 | (653) |
| B. Net Asset / (Liability) recognised in the Balance Sheet | | | | | | | | | | | | |
| 1 Present value of the obligation | 167,603 | 136,115 | 100,886 | 89,297 | 60,670 | 54,059 | 45,050 | 38,172 | 5,054 | 4,406 | 4,590 | 4,349 |
| 2 Fair value of plan assets | 138,720 | 108,232 | 93,829 | 83,361 | — | — | — | — | 6,476 | 5,761 | 5,345 | 5,002 |
| 3 Funded Status (surplus / (deficit)) | (28,883) | (27,883) | (7,057) | (5,936) | (60,670) | (54,059) | (45,050) | (38,172) | 1,422 | 1,355 | 755 | 653 |
| 4 Unrecognised past service cost | — | — | — | — | — | — | — | — | — | — | — | — |
| 5 Net Asset / (Liability) recognised in the Balance Sheet | (28,883) | (27,883) | (7,057) | (5,936) | (60,670) | (54,059) | (45,050) | (38,172) | 1,422 | 1,355 | 755 | 653 |
| C. Change in Present value of the Obligation during the year | | | | | | | | | | | | |
| 1 Present value of obligation as at the beginning of the year | 136,115 | 100,886 | 89,297 | 81,714 | 54,059 | 45,050 | 38,172 | 36,244 | 4,406 | 4,580 | 4,349 | 5,504 |
| 2 Current service cost | 8,975 | 6,169 | 5,804 | 5,424 | 8,552 | 7,466 | 5,961 | 5,508 | 126 | 124 | 124 | 3,164 |
| 3 Interest cost | 10,889 | 8,071 | 7,144 | 6,500 | 4,122 | 3,401 | 2,979 | 2,571 | 352 | 366 | 348 | 440 |
| 4 Benefits paid | 19,859 | 10,715 | 9,286 | 11,245 | 9,667 | 6,567 | 7,799 | 9,136 | 147 | 303 | 278 | 925 |
| 5 Actuarial (gain) / loss on obligation | 31,483 | 9,922 | 7,927 | 6,904 | 3,604 | 4,709 | 5,737 | 2,985 | 317 | (361) | 47 | (3,834) |
| 6 Past service cost | — | 21,782 | — | — | — | — | — | — | — | — | — | — |
| 7 Present value of obligation as at the end of the year | 167,603 | 136,115 | 100,886 | 89,297 | 60,670 | 54,059 | 45,050 | 38,172 | 5,054 | 4,406 | 4,590 | 4,349 |
| D. Change in Fair value of plan assets during the year | | | | | | | | | | | | |
| 1 Fair value of plan assets as at the beginning of the year | 108,232 | 93,829 | 83,361 | 75,880 | — | — | — | — | 5,761 | 5,345 | 5,002 | 2,502 |
| 2 Expected return on plan assets | 12,028 | 9,288 | 8,007 | 7,199 | — | — | — | — | 531 | 467 | 442 | 423 |
| 3 Contributions made | 38,319 | 15,830 | 11,747 | 11,527 | 9,667 | 6,567 | 7,799 | 9,136 | 331 | 252 | 178 | 3,002 |
| 4 Benefits paid | 19,859 | 10,715 | 9,286 | 11,245 | 9,667 | 6,567 | 7,799 | 9,136 | 147 | 303 | 277 | 925 |
| 5 Actuarial gain / (loss) on plan assets | — | — | — | — | — | — | — | — | — | — | — | — |
| 6 Fair value of plan assets as at the end of the year | 138,720 | 108,232 | 93,829 | 83,361 | — | — | — | — | 6,476 | 5,761 | 5,345 | 5,002 |
| E. Major categories of plan assets as a % of total plan | | | | | | | | | | | | |
| 100% Qualifying insurance policy | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 100% Qualifying insurance policy | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 100% Qualifying insurance policy | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 100% Qualifying insurance policy | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| F. Actuarial Assumptions | | | | | | | | | | | | |
| 1 Discount rate | 8.00% | 8.00% | 8.00% | 8.00% | 8.30% | 8.30% | 8.00% | 8.70% | 8.00% | 8.00% | 8.00% | 8.00% |
| 2 Expected return on plan assets = actual rate of return as ARD falls on 31st March. | | | | | | | | | | | | |
| 3 Future salary increases consider inflation, promotion, seniority and other relevant factors. | | | | | | | | | | | | |

ii) During the year, the Company has recognised the following amounts in Profit and Loss Account for defined contribution plans :

- Provident and Family Pension Fund - ` 55,243 (2009-10 : ` 48,460)

- Superannuation Fund - ` 19,229 (2009-10 : ` 18,189)

Schedules

(xiii) Disclosures on Related Parties

| | Related Party | Relationship | Outstanding as on 31.03.2011 (₹ '000) | Outstanding as on 31.03.2010 (₹ '000) | Payable/Receivable | Nature of transaction | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|-----|---|--|---------------------------------------|---------------------------------------|--------------------|--|--|--|
| | | | | | | | Value of transaction (₹ '000) | Value of transaction (₹ '000) |
| (A) | U. K. Paints (India) Private Limited | Associate Company | 65,052 | 73,158 | Payable | 1 Charges for Processing of Goods 2 Purchase of Goods 3 Sale of Goods 4 Rent Expense / Security Charges 5 Sale of Fixed Assets | 186,166 268,367 2,215 14,843 — | 119,437 168,728 — 16,988 563 |
| (B) | Berger Becker Coatings Private Limited | Joint Venture Company | 1,339 | 2,923 | Receivable | 1 Purchase of Goods 2 Sale of Goods / Services | — 1387 | 9 703 |
| (C) | BNB Coatings India Limited | Joint Venture Company | 4,659 | 33,844 | Receivable | 1 Sale of Goods 2 Purchase of Goods 3 Share Application | 12,452 46 — | 7,795 176 19,600 |
| (D) | Berger Jenson & Nicholson (Nepal) Private Limited | Wholly owned Subsidiary Company | 96,092 | 36,782 | Receivable | 1 Sale of Goods 2 Royalty Income | 58,855 7,470 | 58,446 5,220 |
| (E) | Beepee Coatings Private Limited | Wholly owned Subsidiary Company | 32,067 | 31,784 | Receivable | 1 Charges for Processing of Goods 2 Machinery Rental Income 3 Building Rent Paid 4 Interest on Loan given | 110,033 1,143 60 1,804 | 101,546 1,143 60 1,060 |
| (F) | Berger Paints (Cyprus) Limited | Wholly owned Subsidiary Company | 116 | 2,827 | Receivable | 1 Share Application 2 Equity Contribution | 26 16,039 | 2,736 8,771 |
| (G) | Berger Paints Overseas Limited | Wholly owned Indirect Subsidiary Company | 7,926 | 1,393 | Receivable | 1 Sale of Goods 2 Sale of Fixed Assets | 6,868 1,038 | 1,393 — |
| (H) | Lusako Trading Limited | Wholly owned Subsidiary Company | 1,347 | 4,104 | Receivable | 1 Equity Contribution 2 Share Application | 186,938 1,347 | 67,428 821 |
| (I) | Bolix S.A. | Wholly owned Indirect Subsidiary Company | 543 | — | Payable | Purchase of goods | 698 | — |
| (J) | Build - Trade sp. z.o.o. | Wholly owned Indirect Subsidiary Company | — | — | — | — | — | — |
| (K) | U. K. Paints (Overseas) Limited | Enterprise over which Directors have significant influence | 79 | 80 | Payable | | | |
| (L) | Mr. K. S. Dhingra | Key Management Personnel | 938 | 938 | Payable | 1 Rent Paid 2 Director's commission | 842 1,000 | 1,402 1,000 |
| (M) | Mr. G. S. Dhingra | Key Management Personnel | 938 | 938 | Payable | 1 Rent Paid 2 Director's commission | 842 1,000 | 1,402 1,000 |
| (N) | Mr. S. N. Dhingra | Relative of Key Management Personnel | 62 | 62 | Receivable | Rent Paid | 842 | 1,402 |
| (O) | Mr. Subir Bose | Key Management Personnel | 36 | 36 | Receivable | Rent Paid | 93 | 89 |
| (P) | Mrs. Chandrika Bose | Relative of Key Management Personnel | 36 | 36 | Receivable | Rent Paid | 93 | 89 |
| (Q) | Mr. Kanwardip Singh Dhingra | Relative of Key Management Personnel | — | 270 | | Remuneration | 543 | 270 |
| (R) | Mrs. Rishma Kaur | Relative of Key Management Personnel | — | — | | Remuneration | 1,122 | — |

There are no individuals who are related parties other than the members of the Board of Directors or their relatives. Except for the transaction mentioned above, none of the Directors had any transactions with the Company other than sitting fees (refer Schedule 17 to Profit and Loss Account) received for attendance of board meetings, commission or remuneration received as per contract (refer note 21 (ix) to Profit and Loss Account) of employment with the Company.

- (xiv) The Company's leasing arrangements are in the nature of operating leases which are not non cancellable. These are usually renewed periodically by mutual consent. The rentals payable against these arrangements appear under the head Rent in schedule 17 to the Profit and Loss Account - ` 218 (2009-10: ` 123).
- (xv) All figures are in Rupees thousands.
- (xvi) Previous year's figures have been regrouped wherever necessary.

On behalf of the Board of Directors

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee
Aniruddha Sen — Sr. Vice President &
Company Secretary

Cash Flow Statement FOR THE YEAR ENDED 31st MARCH, 2011

| | For the year ended 31st March, 2011 ` '000 | For the year ended 31st March, 2010 ` '000 |
|--|--|--|
| A. Cash flow from operating activities | | |
| Net Profit before Income Tax & Exceptional Items | 2,111,148 | 1,693,946 |
| Adjusted for: | | |
| Depreciation | 299,772 | 264,070 |
| Interest Income | (89,290) | (16,426) |
| Dividend Income from Current Investment | (32,841) | (19,538) |
| Income from Sale of Current Investment | (2,390) | (447) |
| Income from Sale of Long Term Investment | (37,639) | — |
| Interest Charged | 121,784 | 47,520 |
| Profit on Sale of Fixed Assets | (1,620) | (917) |
| Employees Stock Option | 8,809 | — |
| Operating profit before working capital changes | 2,377,733 | 1,968,208 |
| Changes in: | | |
| Trade & Other Receivables | (366,347) | (49,080) |
| Inventories | (1,045,916) | (329,959) |
| Trade & Other Payables | 864,098 | 561,923 |
| Cash generated from operations | 1,829,568 | 2,151,092 |
| Direct Taxes Paid (Net of Refund) | (682,611) | (500,867) |
| Net cash from operating activities | 1,146,957 | 1,650,225 |
| B. Cash Flow from investing activities | | |
| Purchase of Fixed Assets | (944,177) | (615,862) |
| Proceeds from Sale of Fixed Assets | 12,179 | 4,479 |
| Interest Received | 81,972 | 16,171 |
| Dividend Received | 32,841 | 19,538 |
| Share Application Money for Investment in Subsidiaries | (40,714) | (90,361) |
| Investment in Joint Venture and Subsidiaries | (172,165) | (169,704) |
| Purchase of Other Long Term Investments | (12,100) | — |
| Purchase of Current Investments | (2,075,580) | (1,821,915) |
| Sale of Current Investments | 2,825,938 | 585,306 |
| Net cash used in investing activities | (291,806) | (2,072,348) |
| C. Cash flow from financing activities | | |
| Proceeds from Share Issue | — | 1,254,600 |
| Repayment of Public Deposits | (165) | (77) |
| Proceeds from Short Term Loans | 43,522,100 | 56,770,500 |
| Repayment of Short Term Loans | (43,522,100) | (56,770,500) |
| Proceeds from Other Loans | 541,184 | (535,887) |
| Interest Paid | (121,090) | (48,575) |
| Dividend Paid | (421,488) | (190,992) |
| Net cash used in financing activities | (1,559) | 479,069 |
| Net changes in cash and cash equivalents (A+B+C) | 853,592 | 56,946 |
| Cash and cash equivalents - opening balance | 375,641 | 318,695 |
| Cash and cash equivalents - closing balance | 1,229,233 | 375,641 |
| Notes to the Cash Flow Statement: | | |
| 1) Cash and cash equivalents represent: | | |
| (a) Cash-in-hand | 6,542 | 9,059 |
| (b) Balance with banks | 1,222,691 | 366,582 |
| | 1,229,233 | 375,641 |
| 2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India. | | |
| 3) Previous year's figures have been regrouped, wherever necessary. | | |
| This is the Cash Flow Statement referred to in our report of even date | | |

On behalf of the Board of Directors

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee
Aniruddha Sen — Sr. Vice President &
Company Secretary

Kolkata
Dated : 30th May, 2011



Information Pursuant to part IV of schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 4 7 9 3

State Code 2 1

Balance Sheet Date 3 1 0 3 1 1
Date Month Year

CIN L 5 1 4 3 4 W B 1 9 2 3 P L C 0 0 4 7 9 3

II. Capital raised during the year (Amount in ` Thousands)

Public Issue

Nil

Rights Issue

Nil

Bonus Issue

Nil

Private Placement

Nil

III. Position of Mobilisation and Deployment of Funds (Amount in ` Thousands)

Total Liabilities

8 1 0 5 7 6 5

Total Assets

8 1 0 5 7 6 5

Sources of Funds

Paid - up Capital

6 9 2 1 4 5

Reserves & Surplus

6 5 2 9 1 8 4

Secured Loans

7 8 5 3 1 4

Unsecured Loans

3 2 3

Deferred Taxation

8 9 9 9 0

Application of Funds

Net Fixed Assets

2 8 0 9 5 2 9

Investments

1 1 7 5 9 2 6

Net Current Assets

4 1 2 0 3 1 0

Misc. Expenditure

0

Accumulated Losses

Nil

IV. Performance of Company (Amount in ` Thousands)

Turnover (Net of Excise)

2 0 9 6 2 2 4 3

Total Expenditure

1 9 2 5 5 7 8 6

+ - Profit / Loss before tax

2 1 1 1 1 4 8

+ - Profit / Loss after tax

1 4 8 3 0 7 9

Earning per Share in Rs.

4 . 2 9

Dividend rate %

6 5

V. Generic names of three principal Products/Services of Company (as per monetary terms)

Item code No. (ITC Code)

3 2 0 8 9 0 . 0 2

Product Description

S Y N T H E T I C E N A M E L
U L T R A W H I T E P A I N T S

Item code No. (ITC Code)

3 2 0 8 9 0 . 0 3

Product Description

S Y N T H E T I C E N A M E L
O T H E R C O L O U R S

Item code No. (ITC Code)

3 2 0 9 1 0 . 0 2

Product Description

A C R Y L I C E M U L S I O N

Statement Regarding Subsidiary Companies

Pursuant to Section 212 of the Companies Act, 1956

| 1. Name of the Subsidiary Company | Beepee Coatings Private Limited | Berger Jenson & Nicholson (Nepal) Private Limited | Berger Paints (Cyprus) Limited | Berger Paints Overseas Limited | Lusako Trading Limited | Bolix S.A. | Build-Trade sp. z.o.o. |
|--|-----------------------------------|---|------------------------------------|---|------------------------------------|---|---|
| 2. The Financial Year of the Subsidiary Company Ended | 31st March, 2011 | 31st March, 2011 | 31st March, 2011 | 31st March, 2011 | 31st December, 2010 | 31st December, 2010 | 31st December, 2010 |
| 3. Holding Company's Interest as at 31.03.11 / 31.12.10 (as applicable): | | | | | | | |
| a. No. of Equity Shares held | 25,00,000 Shares of Rs. 10/- each | 3,45,421 Shares of NRs. 100/- each | 15,60,009 Shares of Euro 1.71 each | The Charter Capital of Roubles 1,38,86,300 is held by Berger Paints (Cyprus) Ltd., the wholly owned subsidiary of the Company | 12,80,432 Shares of Euro 1.71 each | 1,00,00,000 Shares of PLN 1.0 each is held by Lusako Trading Ltd., the wholly owned subsidiary of the Company | 50,000 Shares of PLN 1.0 each is held by Bolix S.A. the wholly-owned indirect subsidiary of the Company |
| b. Percentage of shareholding | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| 4. Net aggregate amount of Profits/Losses of the Subsidiary so far as it concerns the members of the Company | | | | | | | |
| a. Not dealt with in the Accounts of the Company for the financial year ended 31st March, 2011 | | | | | | | |
| i) for the financial year of the Subsidiary | (-) 655 | (+) 59,628 | (-) 1,699 | (-) 13,531 | (-) 69,517 | (+) 21,754 | (-) 136 |
| ii) for previous financial years of the Subsidiary since it became Subsidiary of the Company | (+) 4955 | (+) 1,21,722 | (-) 6,432 | (-) 47,364 | (-) 1,79,545 | (+) 77,621 | Nil |
| b. Dealt with in the accounts of the Company | | | | | | | |
| i) for the financial year of the Subsidiary | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| ii) for previous financial years of the Subsidiary since it became Subsidiary of the Company | (+) 20,114 | Nil | Nil | Nil | Nil | Nil | Nil |

On behalf of the Board of Directors

Gurbachan Singh Dhingra — Vice Chairman
 Subir Bose — Managing Director
 Anil Bhalla — Director & Chairman,
 Audit Committee
 Aniruddha Sen — Sr. Vice President &
 Company Secretary



Kolkata
 Dated : 30th May, 2011

SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2011

| Subsidiary Name | Accounting Period | Original Currency | Exchange Rate | Share Capital | Reserves & Surplus | Total Liabilities | Total Assets | Investments (other than investments in subsidiaries) | Turnover/ Net Sales | Profit Before Tax | Provision For Taxation | Profit After Tax | Proposed Dividend |
|---|-------------------|-------------------|---------------|---------------|--------------------|-------------------|--------------|--|---------------------|-------------------|------------------------|------------------|-------------------|
| Berger Jenson & Nicholson (Nepal) Private Limited | Apr - Mar | Nepali Rupees | 0.624 | 21,569 | 141,990 | 228,789 | 392,348 | — | 450,601 | 74,574 | 14,946 | 59,628 | — |
| Beepee Coatings Private Limited | Apr - Mar | Indian Rupees | 1.000 | 25,000 | (5,691) | 57,685 | 76,994 | 5 | 110,033* | (769) | (114) | (655) | — |
| Berger Paints (Cyprus) Limited | Apr - Mar | US Dollars | 44.650 | 153,769 | (6,830) | 706 | 147,645 | — | — | (1,699) | — | (1,699) | — |
| Lusako Trading Limited | Jan - Dec | US Dollars | 44.650 | 134,299 | (175,049) | 1,894,912 | 1,854,162 | — | — | (69,517) | — | (69,517) | — |
| Berger Paints Overseas Limited | Apr - Mar | Roubles | 1.572 | 21,824 | (51,084) | 124,075 | 94,815 | — | 35,342 | (13,531) | — | (13,531) | — |
| Bolix S.A. | Jan - Dec | Polish Zloty | 15.065 | 150,649 | 1,224,280 | 826,506 | 2,201,435 | — | 1,229,628 | 29,874 | 8,120 | 21,754 | — |
| Build-Trade sp. z.o.o. | Jan - Dec | Polish Zloty | 15.065 | 753 | (136) | 75 | 693 | — | — | (136) | — | (136) | — |

All Figures in Rupees Thousand

* Consists of Processing Income

Notes :

Indian rupees equivalent of the figures given in foreign currency are translated at the exchange rate as at 31st March, 2011.

Auditors' Report on the Consolidated Financial Statements of Berger Paints India Limited

The Board of Directors of Berger Paints India Limited

1. We have audited the attached consolidated balance sheet of Berger Paints India Limited (the "Company") and its subsidiaries and its jointly controlled entities; hereinafter referred to as the "Group" (refer Note 1 on Schedule 20B to the attached consolidated financial statements) as at 31st March 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of three direct subsidiaries, three indirect subsidiaries and two jointly controlled entities included in the consolidated financial statements, which constitute total assets of ` 31,13,627 (in thousands) and net assets of ` 4,47,960 (in thousands) as at 31st March 2011, total revenue of ` 23,43,714 (in thousands), net profit of ` 18,578 (in thousands) and net cash outflows amounting to ` 1,134 (in thousands) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Kolkata
Dated : 30th May, 2011

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number: 52340



**CONSOLIDATED BALANCE SHEET OF BERGER PAINTS INDIA LIMITED AND ITS
SUBSIDIARY AND JOINT VENTURE COMPANIES
AS AT 31ST MARCH, 2011**

| | Schedule | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|----------|-------------------------------|-------------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Capital | 1 | 692,145 | 692,145 |
| Employee Stock Options | 1A | 8,809 | — |
| Reserves and Surplus | 2 | 6,194,269 | 5,272,523 |
| | | <u>6,895,223</u> | <u>5,964,668</u> |
| Loan Funds | | | |
| Secured Loans | 3 | 3,021,836 | 2,673,258 |
| Unsecured Loans | 4 | 323 | 488 |
| | | <u>3,022,159</u> | <u>2,673,746</u> |
| Foreign Currency Monetary Item Translation Difference Account | | — | 195 |
| Deferred Taxation | 5 | 263,307 | 264,186 |
| TOTAL | | <u>10,180,689</u> | <u>8,902,795</u> |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | 6 | | |
| Gross Block | | 7,157,219 | 6,756,585 |
| Less : Depreciation / Amortisation | | 2,815,847 | 2,461,899 |
| Net Block | | 4,341,372 | 4,294,686 |
| Capital Work-in-Progress – at Cost | | 817,894 | 325,964 |
| [Includes share of Joint Venture ` 3,591 (2009-10 : ` 3,034)] | | 5,159,266 | 4,620,650 |
| Investments | 7 | 526,150 | 1,281,618 |
| Current Assets, Loans and Advances | | | |
| Inventories | 8 | 4,437,061 | 3,298,562 |
| Sundry Debtors | 9 | 2,753,309 | 2,423,181 |
| Cash & Bank Balances | 10 | 1,265,117 | 412,627 |
| Loans and Advances | 11 | 559,947 | 432,283 |
| | | <u>9,015,434</u> | <u>6,566,653</u> |
| Less : Current Liabilities and Provisions | | | |
| Liabilities | 12 | 4,068,208 | 3,031,089 |
| Provisions | 13 | 451,953 | 535,037 |
| | | <u>4,520,161</u> | <u>3,566,126</u> |
| Net Current Assets | | 4,495,273 | 3,000,527 |
| TOTAL | | <u>10,180,689</u> | <u>8,902,795</u> |
| Notes on the Balance Sheet | 20 | | |

NOTES : Schedules 1 to 13 & 20 form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

On behalf of the Board of Directors

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee
Aniruddha Sen — Sr. Vice President &
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF BERGER PAINTS INDIA LIMITED AND ITS SUBSIDIARY AND JOINT VENTURE COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule | For the year ended 31st March, 2011 ` '000 | For the year ended 31st March, 2010 ` '000 |
|---|----------|---|---|
| INCOME | | | |
| Gross Turnover [Includes share of Joint Venture ` 693,058 (2009-10 : ` 539,610)] | | 25,258,640 | 20,332,190 |
| Less : Excise Duty [Includes share of Joint Venture ` 57,605 (2009-10 : ` 38,014)] | | 1,977,486 | 1,419,141 |
| Net Turnover | | <u>23,281,154</u> | <u>18,913,049</u> |
| Other Income | 14 | <u>427,651</u> | <u>258,884</u> |
| | | <u>23,708,805</u> | <u>19,171,933</u> |
| EXPENDITURE | | | |
| Materials Consumed | 15 | 14,686,374 | 11,931,002 |
| Expenses | 16 | 6,222,100 | 4,990,661 |
| Interest | 17 | 237,848 | 171,979 |
| Depreciation / Amortisation [Includes share of Joint Venture ` 6,784 (2009-10 : ` 6,977)] | | 401,378 | 358,183 |
| | | <u>21,547,700</u> | <u>17,451,825</u> |
| PROFIT BEFORE TAXATION | | 2,161,105 | 1,720,108 |
| Provision for Taxation | | | |
| Current Tax | 18 | 653,496 | 486,145 |
| Deferred Tax | 19 | <u>6,691</u> | <u>30,059</u> |
| PROFIT AFTER TAXATION | | 1,500,918 | 1,203,904 |
| Profit brought forward | | <u>2,057,317</u> | <u>1,417,462</u> |
| | | <u>3,558,235</u> | <u>2,621,366</u> |
| Transfer to General Reserve | | 148,308 | 120,138 |
| Dividend - Interim | | 173,036 | — |
| Dividend - Final | | 276,858 | 380,680 |
| Tax on distributable profit | | 73,652 | 63,231 |
| Balance carried to Balance Sheet | | <u>2,886,381</u> | <u>2,057,317</u> |
| | | <u>3,558,235</u> | <u>2,621,366</u> |
| Earnings per share - (in Rupees) | | | |
| Basic | | 4.34 | 3.66 |
| Diluted | | 4.33 | 3.66 |
| Notes on Profit and Loss Account | 20 | | |

NOTES : Schedules 14 to 20 form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date.

On behalf of the Board of Directors

Kolkata
Dated : 30th May, 2011

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee
Aniruddha Sen — Sr. Vice President &
Company Secretary



Schedules

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|---|-------------------------------|-------------------------------|
| 1. CAPITAL - Equity | | |
| Share Capital | | |
| Authorised : | | |
| 375,000,000 (2009-10 : 375,000,000) Ordinary Shares of ` 2/- each | 750,000 | 750,000 |
| Issued : | | |
| 346,118,204 (2009-10 : 346,118,204) Ordinary Shares of ` 2/- each | 692,236 | 692,236 |
| Subscribed : | | |
| 346,072,464 (2009-10 : 346,072,464) Ordinary Shares of ` 2/- each fully paid-up | 692,145 | 692,145 |
| | <u>692,145</u> | <u>692,145</u> |

Notes : Of the above Equity Shares -

- (a) 3,151,187 shares of ` 10/- each allotted as fully paid-up pursuant to a contract without payment being received in cash.
- (b) 257,660 shares of ` 10/- each allotted as fully paid-up pursuant to a contract in full redemption of Mortgage Debentures.
- (c) 26,972,214 shares of ` 10/- each allotted as fully paid Bonus Shares by capitalisation of General Reserve and Share Premium.
- (d) The authorised and paid up face value of the Company's Ordinary (Equity) Shares of ` 10/- each were subdivided into authorised and paid up face value of ` 2/- per share with effect from 1st September, 2004.
- (e) 119,577,174 shares of ` 2/- each allotted as fully paid Bonus Shares by capitalization of Share Premium and General Reserve.

| 1A. EMPLOYEE STOCK OPTIONS | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| Employee stock options outstanding | 21,622* | — |
| Less: Retained in deferred employee compensation | 12,813 | — |
| | <u>8,809</u> | <u>—</u> |

* Under Employee Stock Option Scheme, the Company has granted 298,650 options during the year which have been accounted at an intrinsic value of ` 72.40 per option.

| 2. RESERVES AND SURPLUS | Balance at 31st March, 2010 ` '000 | Additions ` '000 | Deductions ` '000 | Balance at 31st March, 2011 ` '000 |
|--------------------------------------|---|---------------------|----------------------|---|
| Revaluation Reserve | 9,764 | — | 483* | 9,281 |
| General Reserve | 2,284,897 | 148,308 | — | 2,433,205** |
| Share Premium | 1,299,311 | — | — | 1,299,311 |
| Profit and Loss Account | 2,057,317 | 2,886,381 | 2,057,317 | 2,886,381 |
| Capital Reserve | 1,877 | — | — | 1,877 |
| Capital Redemption Reserve | 408 | — | — | 408 |
| Foreign Currency Translation Reserve | (381,051) | 410 | 55,553 | (436,194) |
| | <u>5,272,523</u> | <u>3,035,099</u> | <u>2,113,353</u> | <u>6,194,269</u> |

* Refer to note 4 in Schedule 20 (B)

** Includes ` 144,713 on account of 48.98% holding in the joint venture company M/s Berger Becker Coatings Private Limited & (-) 17,080 on account of 49% holding in the joint venture company M/s BNB Coatings India Limited as per proportionate consolidation principle.

| 3. SECURED LOANS | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|-------------------------|-------------------------------|-------------------------------|
| Loans from Banks | 3,021,836 | 2,673,258 |
| | <u>3,021,836</u> | <u>2,673,258*</u> |
| | 82,796 | 72,666 |

* Includes share of Joint Venture

Note : Loans from Banks - are secured by hypothecation of stock-in-trade and book debts.

Schedules

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| 4. UNSECURED LOANS | | |
| Fixed Deposits * (including interest accrued and due) | 323 | 488 |
| | <u>323</u> | <u>488</u> |
| * Includes unclaimed matured fixed deposits | 137 | 302 |
| ** Maximum amount outstanding on account of Commercial Paper during the year | 1,650,000 | — |
| 5. DEFERRED TAXATION | | |
| Liability | | |
| Depreciation | 350,908 | 365,691 |
| Others | 2,147 | 4,013 |
| | <u>353,055</u> | <u>369,704</u> |
| Less :Asset | | |
| Amortisation of expenses allowed as per Income Tax Act | 172 | 390 |
| Others | 89,576 | 105,128 |
| | <u>89,748</u> | <u>105,518</u> |
| | <u>263,307 *</u> | <u>264,186 *</u> |
| | <u>5,803</u> | <u>6,670</u> |

* Includes share of Joint Venture

6. FIXED ASSETS

| | Gross Block | | | | Original Cost/ Professional Valuation at 31st March, 2011 ` '000 | Depreciation | | | | | Net Block | |
|--------------------------|--|---------------------|---------------------|-------------------------------------|---|---------------------------------------|-------------------------------|---|-------------------------------------|---------------------------------------|---|---|
| | Original Cost/ Professional Valuation at 31st March, 2010*** ` '000 | Additions ` '000 | Deletions ` '000 | Translation Difference ` '000 | | Upto 31st March, 2010 ` '000 | For the Year *** ` '000 | On deletions (Accumulated upto the date of sale) ` '000 | Translation Difference ` '000 | Upto 31st March, 2011 ` '000 | Net Book Value at 31st March, 2011 ` '000 | Net Book Value at 31st March, 2010 ` '000 |
| Tangible Assets | | | | | | | | | | | | |
| Land : | | | | | | | | | | | | |
| Freehold | 57,852 | 46,759 | — | (917) | 103,694 | — | — | — | — | 103,694 | 57,852 | |
| Leasehold ** | 36,749 | 867 | — | — | 37,616 | 4,546 | 630 | — | 5,176 | 32,440 | 32,203 | |
| Buildings : | | | | | | | | | | | | |
| Freehold * | 1,012,852 | 8,208 | 2,064 | (8,339) | 1,010,657 | 254,863 | 34,894 | — | (2,799) | 286,958 | 723,699 | 757,989 |
| Leasehold ** | 115,168 | 3,244 | — | — | 118,412 | 14,286 | 4,335 | — | — | 18,621 | 99,791 | 100,882 |
| Plant and | | | | | | | | | | | | |
| Machinery | 2,661,934 | 354,316 | 13,280 | (15,687) | 2,987,283 | 1,544,138 | 239,358 | 8,242 | (10,316) | 1,764,938 | 1,222,345 | 1,117,796 |
| Furniture and | | | | | | | | | | | | |
| Fittings | 112,801 | 14,643 | 635 | 47 | 126,856 | 46,746 | 7,307 | 388 | 8 | 53,673 | 73,183 | 66,055 |
| Equipment | 647,463 | 97,711 | 2,696 | (1,709) | 740,769 | 377,092 | 61,333 | 1,376 | (1,014) | 436,035 | 304,734 | 270,371 |
| Motor Cars and | | | | | | | | | | | | |
| Other Vehicles | 162,534 | 22,121 | 21,118 | (3,394) | 160,143 | 71,745 | 23,376 | 16,191 | (1,640) | 77,290 | 82,853 | 90,789 |
| Intangible Assets | | | | | | | | | | | | |
| Goodwill **** | 1,717,723 | — | — | (75,186) | 1,642,537 | — | — | — | — | 1,642,537 | 1,717,723 | |
| Trade Mark | 8,974 | — | — | (98) | 8,876 | 1,795 | 906 | — | (38) | 2,663 | 6,213 | 7,179 |
| Software | 76,725 | 1,654 | — | — | 78,379 | 16,713 | 15,094 | — | — | 31,807 | 46,572 | 60,012 |
| Rights and Licences | 145,810 | 2,782 | — | (6,595) | 141,997 | 129,975 | 14,628 | — | (5,917) | 138,686 | 3,311 | 15,835 |
| | <u>6,756,585</u> | <u>552,305</u> | <u>39,793</u> | <u>(111,878)</u> | <u>7,157,219</u> | <u>2,461,899</u> | <u>401,861</u> | <u>26,197</u> | <u>(21,716)</u> | <u>2,815,847</u> | <u>4,341,372 #</u> | <u>4,294,686 #</u> |
| Previous Year | 6,196,479 | 678,736 | 118,630 | — | 6,756,585 | 2,129,660 | 359,356 | 27,117 | — | 2,461,899 | 4,294,686 | 98,222 |

Includes share of Joint Venture

* Partly on Leasehold Land.

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

*** Year of Revaluation Asset Type
 1989 Leasehold Land, Freehold Building
 1985 Freehold Building
 1993 Freehold Land, Freehold Building

Refer to note 4 in Schedule 20 (B).

**** Includes ` 38 on account of 48.98 % holding in the joint venture company M/s Berger Becker Coatings Pvt. Limited as per proportionate consolidation principle.

Schedules

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| 7. INVESTMENTS | | |
| Long Term Investments - Unquoted | | |
| Other Investments - Other than Trade | | |
| Pnb Principal Insurance Advisory Company Private Limited - at cost Nil (2009-10: 125,000) Equity Shares of ` 100/- each fully paid-up | — | 12,500 |
| Shantikunj Apartments Limited - at cost 1,498 Shares of ` 1/- each fully paid-up | 1 | 1 |
| Charotar Gas Co. - at cost 10 Shares of ` 500/- each fully paid-up | 5 | 5 |
| Rural Electrification Corporation Limited - at cost 250 bonds of ` 10,000 each | 2,500 | — |
| National Highways Authority of India - at cost 250 bonds of ` 10,000 each | 2,500 | — |
| Current Investments - Unquoted | | |
| Certificate of Deposit with United Bank of India 2,500 units of ` 1,00,000 each | 227,638 | — |
| Certificate of Deposit with Canara Bank 3,000 units of ` 1,00,000 each | 293,506 | — |
| Reliance Money Manager Institutional Option - Daily Dividend Option Nil (2009-10: 899,266.303 units of ` 1,000 each) | — | 900,289 |
| HDFC Cash Management Treasury Advantage Plan - Daily Dividend Option Nil (2009-10: 36,766,523.622 units of ` 10 each) | — | 368,823 |
| | <u>526,150</u> | <u>1,281,618</u> |

Note :

The following investments were purchased and sold during the year :

| Units in Mutual Fund | No. of Units | Purchase Cost ` '000 |
|--|---------------|-------------------------|
| (i) HDFC FMP 10D July 2010(1) -Dividend- Series XIII, Option- Payout | 15,000,000.00 | 150,000 |
| (ii) Reliance Quarterly Interval Fund - Series II- Institutional Dividend Plan | 29,987,105.55 | 300,000 |
| (iii) Reliance Monthly Interval Fund - Series I- Institutional Dividend Plan | 14,992,353.90 | 150,000 |
| (iv) HDFC Cash Management Fund-Treasury Advantage Plan-wholesale-Daily Dividend | 897,545.21 | 100,000 |
| (v) HDFC Cash Management Fund - Savings Plan-Daily Dividend Reinvestment | 1,504,268.36 | 16,000 |
| (vi) UTI Liquid Cash Plan Institutional - Daily Income Option- Re-investment | 9,812,416.00 | 10,000 |
| (vii) UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) | 9,997,859.00 | 10,000 |
| (viii) Reliance Liquidity Fund - Daily Dividend Reinvestment Option | 32,146,295.89 | 321,627 |
| (ix) Reliance Liquid Fund - Cash Plan- Daily Dividend Option | 49,244,323.46 | 496,809 |

8. INVENTORIES (including in transit)

| | | |
|------------------------|--------------------|--------------------|
| Stores and Spare Parts | 49,129 | 46,394 |
| Raw Materials | 1,506,678 | 1,087,457 |
| Containers | 115,699 | 112,439 |
| Work-in-Process | 291,864 | 226,983 |
| Finished Goods | 2,473,691 | 1,825,289 |
| | <u>4,437,061 *</u> | <u>3,298,562 *</u> |
| | 173,235 | 128,929 |

* Includes share of Joint Venture

Schedules

| | 31st March, 2011 ` '000 | 31st March, 2010 ` '000 |
|--|-------------------------------|-------------------------------|
| 9. SUNDRY DEBTORS - Unsecured | | |
| Debts Outstanding - for a period exceeding six months Considered Good | 93,567 | 74,375 |
| Considered Doubtful | 2,052 | 1,941 |
| | <u>95,619</u> | <u>76,316</u> |
| Less : Provision for Doubtful Debts | 2,052 | 1,941 |
| | <u>93,567</u> | <u>74,375</u> |
| Other Debts | 2,660,712 | 2,348,806 |
| Less: Provision for Doubtful Debts | 970 | — |
| | <u>2,659,742</u> | <u>2,348,806</u> |
| | <u>2,753,309 *</u> | <u>2,423,181 *</u> |
| * Includes share of Joint Venture | 129,991 | 102,901 |
| 10. CASH AND BANK BALANCES | | |
| Cash in hand (including cheques and remittances in transit) | 8,746 | 10,065 |
| With Standard Chartered Bank, Chittagong (at pre-1966 devaluation rate of Indian Rupees), ` 36, fully written off | — | — |
| With Scheduled Banks | | |
| On Current Accounts | 304,307 | 275,249 |
| On Fixed Deposit Account | 952,064 | 127,313 |
| | <u>1,265,117 *</u> | <u>412,627 *</u> |
| * Includes share of Joint Venture | 20,337 | 14,974 |
| 11. LOANS AND ADVANCES - Considered Good | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| Secured | 43 | 43 |
| Unsecured * | 281,135 | 200,205 |
| | <u>281,178</u> | <u>200,248</u> |
| Advance payment of Tax (net of provision for tax) | 5,105 | 18,735 |
| Balance with Customs, Central Excise etc. | | |
| Unsecured | 145,631 | 121,328 |
| Deposits | | |
| Unsecured | | |
| Security and Tender (including Deposits in Government Securities - Unquoted at cost - pledged with Government Authorities ` 6) | 128,033 | 91,972 |
| | <u>559,947 #</u> | <u>432,283 #</u> |
| # Includes share of Joint Venture | 34,524 | 29,845 |
| * Includes interest accrued on deposits and others | 8,490 | 1,172 |
| 12. LIABILITIES | | |
| Acceptances | 523,005 | 260,008 |
| Sundry Creditors | | |
| Total outstanding dues to micro and small enterprises | 17,213 | 10,058 |
| Total outstanding dues to other creditors | 2,707,170 | 2,180,904 |
| Other Liabilities | 820,820 | 580,119 |
| | <u>4,068,208 *</u> | <u>3,031,089 *</u> |
| * Includes share of Joint Venture | 150,463 | 107,025 |
| 13. PROVISIONS | | |
| Provision for Employee Benefit Plans | 101,409 | 91,092 |
| Provision for Fringe Benefit Tax (net of advance tax) | 34 | 34 |
| Proposed Dividend | 276,858 | 380,680 |
| Tax on distributable profit | 73,652 | 63,231 |
| | <u>451,953 *</u> | <u>535,037 *</u> |
| * Includes share of Joint Venture | 2,422 | 1,917 |



Schedules

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|---|--|--|
| | ` '000 | ` '000 |
| 14. OTHER INCOME | | |
| Discount | 82,655 | 68,614 |
| Bad Debts Recovered | 457 | 178 |
| Consultancy fees | 1,383 | 1,414 |
| Profit on sale of Fixed Assets (net) | 1,620 | 1,985 |
| Dividend Income from Investments - Other than Trade - Current | 32,841 | 19,538 |
| Profit on sale of investments - Current | 2,390 | 447 |
| Profit on sale of investments - Long Term | 37,639 | — |
| Interest income - (Tax deducted at source ` 8,199; 2009-10 - ` 2,186) | 92,334 | 20,349 |
| Interest on Income Tax Refund | 177 | 130 |
| Miscellaneous ** | 176,155 | 146,229 |
| | <u>427,651 *</u> | <u>258,884 *</u> |
| * Includes share of Joint Venture | 5,248 | 8,878 |
| ** Includes net profit on contracts executed - ` 4,292 (2009-10 : ` 2,079) | | |
| 15. MATERIALS CONSUMED | | |
| Opening Stocks | | |
| Raw Materials | 1,086,275 | 868,052 |
| Containers | 112,439 | 99,021 |
| Work-in-Process | 226,983 | 190,185 |
| Finished Goods | 1,825,289 | 1,740,730 |
| | <u>3,250,986</u> | <u>2,897,988</u> |
| Add : Purchases | | |
| Raw Materials | 12,449,982 | 9,626,910 |
| Containers | 2,108,983 | 1,580,816 |
| Finished Goods | 1,205,046 | 1,144,602 |
| | <u>15,764,011</u> | <u>12,352,328</u> |
| Less : Cost of materials sold and consumed in painting contracts [including cost of containers and others ` 11,429 (2009-10 : ` 9,077)] | 52,879 | 46,154 |
| | <u>15,711,132</u> | <u>12,306,174</u> |
| Deduct : Closing Stocks | | |
| Raw Materials | 1,506,348 | 1,086,275 |
| Containers | 115,699 | 112,439 |
| Work-in-Process | 291,864 | 226,983 |
| Finished Goods | 2,473,691 | 1,825,289 |
| | <u>4,387,602</u> | <u>3,250,986</u> |
| | 14,574,516 | 11,953,176 |
| (Decrease) / Increase in Excise Duty on Stock of Finished Goods | 111,858 | (22,174) |
| | <u>14,686,374 *</u> | <u>11,931,002 *</u> |
| * Includes Raw Material Consumed | 11,988,459 | 9,371,610 |
| Others | 2,697,915 | 2,559,392 |
| Materials Consumed | <u>14,686,374 **</u> | <u>11,931,002 **</u> |
| ** Includes share of Joint Venture | 495,877 | 406,237 |

Schedules

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|--|--|--|
| | ` '000 | ` '000 |
| 16. EXPENSES | | |
| Salaries, Wages, Bonus and Commission | 1,174,434 | 1,004,875 |
| Contribution to Provident, Superannuation and Gratuity Funds # | 122,511 | 110,646 |
| Staff Welfare | 150,407 | 130,377 |
| Freight, Octroi and Delivery | 1,290,956 | 1,009,692 |
| Power & Fuel | 292,843 | 232,013 |
| Consumption of Stores and Spare Parts | 71,468 | 61,731 |
| Repairs to Buildings (a) | 4,258 | 3,053 |
| Repairs to Machinery (a) | 47,856 | 41,897 |
| Repairs to Other Assets (a) | 44,124 | 26,178 |
| Rent | 161,760 | 129,444 |
| Rates & Taxes | 31,767 | 29,182 |
| Travelling | 202,081 | 164,517 |
| Advertisement and Sales Promotion Expenses | 1,129,181 | 858,307 |
| Insurance | 17,270 | 14,098 |
| Cash Discount | 777,586 | 626,177 |
| Commission to Stockists, Distributors etc. | 6,800 | 5,598 |
| Bad Debts written off | 20,463 | 25,034 |
| Directors' Fees | 175 | 166 |
| Commission to Non-Executive Directors | 3,470 | 6,557 |
| Loss on impairment of assets | 552 | — |
| Previous Year Expenses | 1,013 | 575 |
| Auditors' Remuneration : | <u>2010-11</u> | <u>2009-10</u> |
| | ` '000 | ` '000 |
| Audit Fee | 4,877 | 4,858 |
| Other Services : | | |
| Tax Audit | 285 | 281 |
| Miscellaneous Certificates and Other Matters | 895 | 1,021 |
| Reimbursement of Expenses | <u>286</u> | <u>174</u> |
| Other expenses (b) | 664,782 | 504,210 |
| | <u>6,222,100</u> * | <u>4,990,661</u> * |
| * Includes share of Joint Venture | 94,504 | 74,581 |
| # Refer Note 9(ii) in Schedule 20(B) | | |
| (a) Includes : | | |
| Consumption of Stores and Spare Parts | 13,356 | 11,619 |
| (b) Includes : | | |
| Processing Charges | 144,279 | 108,915 |



Schedules

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|--|--|--|
| | <u>₹ '000</u> | <u>₹ '000</u> |
| 17. INTEREST | | |
| Interest expenditure : | | |
| On Fixed Loan | 8,963 | 118,559 |
| On Others | <u>228,885</u> | <u>53,420</u> |
| | <u>237,848</u> * | <u>171,979</u> * |
| * Includes share of Joint Venture | 9,310 | 8,252 |
| | | |
| 18. PROVISION FOR TAXATION | | |
| Income Tax | | |
| Provision for the year | 653,309 | 486,294 |
| Adjustment in respect of earlier years | <u>187</u> | <u>(149)</u> |
| | <u>653,496</u> * | <u>486,145</u> * |
| * Includes share of Joint Venture | <u>9,983</u> | <u>2,771</u> |
| | | |
| 19. DEFERRED TAXATION | | |
| Liability | | |
| Depreciation | (4,215) | 13,170 |
| Others | <u>(1,349)</u> | <u>(1,152)</u> |
| | <u>(5,564)</u> | <u>12,018</u> |
| Less : Asset | | |
| Amortisation of expenses allowed as per Income Tax Act | (218) | (2,200) |
| Others | <u>(12,037)</u> | <u>(15,841)</u> |
| | <u>(12,255)</u> | <u>(18,041)</u> |
| | <u>6,691</u> * | <u>30,059</u> * |
| * Includes share of Joint Venture | <u>(867)</u> | <u>575</u> |

Schedules

20(A) SIGNIFICANT ACCOUNTING POLICIES

a) Accounting convention

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

b) Fixed Assets and Depreciation

i) Fixed Assets are carried at cost of acquisition, except in the case of certain Land and Freehold Buildings which are carried at revaluation on current cost basis less depreciation as applicable.

ii) Depreciation is provided on a straight line method as follows:

(a) In respect of assets other than motor vehicles and computers:

1. In respect of additions before 1.7.87 on the basis of specified period determined at the time of acquisition at the rates inter-alia under the Income Tax Act, 1961 and Rules framed thereunder and,

2. In respect of additions on or after 1.7.87 in accordance with the provisions of Schedule XIV of the Companies Act, 1956.

(b) In respect of motor vehicles and computers at 15% and 25% respectively and,

(c) Tinting machines are depreciated at rates based on the estimated useful life varying from 60 months to 100 months, which are higher than rates specified in Schedule XIV.

iii) In respect of foreign subsidiaries, the depreciation rates are as per the useful lives of the assets. In respect of revalued assets, depreciation on the amount added on revaluation is set off against Revaluation Reserve. Payments made/costs incurred in connection with acquisition of leasehold rights are amortised over the period of the lease.

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

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

vi) Government subsidies are deducted from the gross book value of the assets concerned.

c) Investments

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

d) Inventories

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

e) Foreign Currencies

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

f) Sales

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

g) Other Income

Other Income is recognised on accrual basis.

h) Employee Benefits

Contributions made to approved Employees' Provident Fund and Superannuation Fund for certain categories of employees are recognized in the Profit and Loss Account on an accrual basis. Retirement Gratuity for employees, is funded through a scheme of Life Insurance

Schedules

Corporation of India. The excess / shortfall in the fair value of the plan assets and / or the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain / loss in the Profit and Loss Account. Liability for Leave encashment benefit is calculated using actuarial methods at year end and provided for. The liability for gratuity and leave encashment in respect of Berger Jenson & Nicholson (Nepal) Private Limited are accounted for on cash basis.

i) Borrowing Costs

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

j) Taxation

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

k) Employee Stock Option Scheme

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

20(B) NOTES TO THE CONSOLIDATED ACCOUNTS

1 Principles of Consolidation

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

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

| Name of the Company | Country of Incorporation | % voting power held at 31st March, 2011 | Accounting Period |
|---|--------------------------|---|--------------------|
| Direct Subsidiaries | | | |
| Berger Jenson & Nicholson (Nepal) Private Limited | Nepal | 100.00 | 1st Apr - 31st Mar |
| Beepee Coatings Private Limited | India | 100.00 | 1st Apr - 31st Mar |
| Berger Paints (Cyprus) Limited | Cyprus | 100.00 | 1st Apr - 31st Mar |
| Lusako Trading Limited | Cyprus | 100.00 | 1st Jan - 31st Dec |
| Indirect Subsidiaries | | | |
| Berger Paints Overseas Limited | Russia | 100.00 | 1st Apr - 31st Mar |
| Bolix S.A. | Poland | 100.00 | 1st Jan - 31st Dec |
| Build-Trade sp. z.o.o. | Poland | 100.00 | 1st Jan - 31st Dec |
| Joint Venture | | | |
| Berger Becker Coatings Private Limited | India | 48.98 | 1st Apr - 31st Mar |
| BNB Coatings India Limited | India | 49.00 | 1st Apr - 31st Mar |

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

Schedules

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

- ii) The excess / deficit of the cost to the Company of its investments over its share in the equity of the subsidiaries and joint venture companies as on the date (or as near to the date as practicable) of takeover has been recognised in the consolidated financial statements as goodwill / (capital reserve).

2 Claims against the Company not acknowledged as debts :

The Sales Tax, Excise & Service Tax, Income Tax and Provident Fund Authorities have made certain claims totalling ` 263,106 (2009-10: ` 246,822), ` 393,616 (2009-10: ` 221,695), ` 29,764 (2009-10: ` 23,558) and ` 865 (2009-10: ` 865) respectively in respect of earlier years. The Company has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same.

The future cash flows on account of the above cannot be determined unless the judgement/decisions are received from the ultimate judicial forums.

| | <u>31st March, 2011</u> | <u>31st March, 2010</u> |
|--|-------------------------|-------------------------|
| | ` '000 | ` '000 |
| 3 Estimated amount of Contracts remaining to be executed on Capital Account not provided for | 164,646 | 246,565 |

- 4 Gross depreciation / amortization for the year amounts to ` 401,861 (2009-10: ` 359,356) from which has been deducted ` 483 (2009-10: ` 1,713) being extra depreciation for the year arising on revaluation of fixed assets withdrawn from Revaluation Reserve.

- 5 Inventories amounting to ` 287,772 (2009-10: ` 224,080) of Berger Becker Coatings Private Limited, BNB Coatings India Limited, Berger Paints Overseas Limited and Bolix S.A. have been valued at FIFO method.

6 Calculation of Earnings per Share :

| | <u>For the year ended 31st March, 2011</u> | <u>For the year ended 31st March, 2010</u> |
|---|--|--|
| i) Profit after Taxation | 1,500,918 | 1,203,904 |
| ii) Weighted average number of Ordinary Shares outstanding | 346,072,464 | 329,156,300 |
| iii) Effect of potential Ordinary Shares on Employee Stock Options outstanding | 193,482 | — |
| iv) Weighted average number of Ordinary Shares in computing diluted earnings per share [(ii) + (iii)] | 346,265,946 | 329,156,300 |
| v) Earnings per share : (Face Value ` 2.00 per Share) - | | |
| -Basic [(i) / (ii)] | 4.34 | 3.66 |
| -Diluted [(i) / (iv)] | 4.33 | 3.66 |

- 7 In accordance with the Gazette of India notification dated 31st March, 2009, one of the Company's subsidiaries has exercised the option to accumulate exchange differences in "Foreign Currency Monetary Item Translation Difference Account". During the year, ` 2,064 has been adjusted with the cost of depreciable assets and the balance amounts have been recognized in the profit & loss statement with nil balance carried forward in FCMITDA Account.

- 8 Lusako Trading Limited had allotted 1,730,579 ordinary shares of Euro 1.71 each to the Company subsequent to their Balance Sheet date, the effect of which is given in the consolidated financial statements.

Schedules

9. Employee Benefits :-

i) Defined benefit plans - as per Actuarial Valuation as on 31st March, 2011.

| | Gratuity 31.03.2011 | Gratuity 31.03.2010 | Gratuity 31.03.2009 | Gratuity 31.03.2008 | Leave Encashment 31.03.2011 | Leave Encashment 31.03.2010 | Leave Encashment 31.03.2009 | Leave Encashment 31.03.2008 | Other defined benefit plans 31.03.2011 | Other defined benefit plans 31.03.2010 | Other defined benefit plans 31.03.2009 | Other defined benefit plans 31.03.2008 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---|---|---|---|
| A. Expense recognised in the statement of Profit & Loss Account | | | | | | | | | | | | |
| 1 Current service cost | 9,941 | 7,015 | 6,518 | 6,060 | 8,853 | 7,677 | 6,225 | 5,796 | 126 | 124 | 124 | 3,164 |
| 2 Interest cost | 12,034 | 9,009 | 7,890 | 7,070 | 4,203 | 3,473 | 3,041 | 2,611 | 352 | 366 | 348 | 440 |
| 3 Expected return on plan assets | 12,942 | 10,099 | 8,725 | 7,828 | — | — | — | — | 531 | 467 | 442 | 423 |
| 4 Net actuarial (gain) / loss recognised during the year | 32,631 | 11,129 | 9,071 | 7,506 | 3,644 | 4,570 | 5,599 | 2,996 | 317 | (361) | 47 | (3,834) |
| 5 Past Service Cost | — | 21,870 | — | — | — | — | — | — | — | — | — | — |
| 6 Total Expense | 41,664 | 38,924 | 14,754 | 12,808 | 16,700 | 15,720 | 14,865 | 11,403 | 264 | (338) | 77 | (653) |
| B. Net Asset / (Liability) recognised in the Balance Sheet | | | | | | | | | | | | |
| 1 Present value of the obligation | 184,131 | 150,430 | 112,738 | 98,617 | 61,938 | 55,074 | 46,007 | 38,941 | 5,054 | 4,406 | 4,590 | 4,349 |
| 2 Fair value of plan assets | 149,030 | 117,964 | 102,729 | 90,973 | — | — | — | — | 6,476 | 5,761 | 5,345 | 5,002 |
| 3 Funded Status (surplus / (deficit)) | (35,101) | (32,466) | (10,009) | (7,644) | (61,938) | (55,074) | (46,007) | (38,941) | 1,422 | 1,355 | 755 | 653 |
| 4 Unrecognised past service cost | — | — | — | — | — | — | — | — | — | — | — | — |
| 5 Net Asset / (Liability) recognised in the Balance Sheet | (35,101) | (32,466) | (10,009) | (7,644) | (61,938) | (55,074) | (46,007) | (38,941) | 1,422 | 1,355 | 755 | 653 |
| C. Change in Present value of the Obligation during the year | | | | | | | | | | | | |
| 1 Present value of obligation as at the beginning of the year | 150,430 | 112,738 | 98,617 | 89,280 | 55,074 | 46,007 | 38,941 | 36,745 | 4,406 | 4,580 | 4,349 | 5,504 |
| 2 Current service cost | 9,941 | 7,015 | 6,518 | 6,060 | 8,853 | 7,677 | 6,225 | 5,796 | 126 | 124 | 124 | 3,164 |
| 3 Interest cost | 12,034 | 9,009 | 7,890 | 7,070 | 4,203 | 3,473 | 3,041 | 2,611 | 352 | 366 | 348 | 440 |
| 4 Past Service Cost | — | 21,870 | — | — | — | — | — | — | — | — | — | — |
| 5 Benefits paid | 20,905 | 11,037 | 9,358 | 11,299 | 9,836 | 6,653 | 7,799 | 9,207 | 147 | 303 | 278 | 925 |
| 6 Actuarial (gain) / loss on obligation | 32,631 | 10,835 | 9,071 | 7,506 | 3,644 | 4,570 | 5,599 | 2,996 | 317 | (361) | 47 | (3,834) |
| 7 Present value of obligation as at the end of the year | 184,131 | 150,430 | 112,738 | 98,617 | 61,938 | 55,074 | 46,007 | 38,941 | 5,054 | 4,406 | 4,590 | 4,349 |
| D. Change in Fair value of plan assets during the year | | | | | | | | | | | | |
| 1 Fair value of plan assets as at the beginning of the year | 117,964 | 102,729 | 90,973 | 82,450 | — | — | — | — | 5,761 | 5,345 | 5,002 | 2,502 |
| 2 Expected return on plan assets | 12,942 | 10,099 | 8,725 | 7,828 | — | — | — | — | 531 | 467 | 442 | 423 |
| 3 Contributions made | 39,029 | 16,258 | 12,304 | 11,994 | 9,836 | 6,653 | 7,799 | 9,207 | 331 | 252 | 178 | 3,002 |
| 4 Benefits paid | 20,905 | 11,037 | 9,358 | 11,299 | 9,836 | 6,653 | 7,799 | 9,207 | 147 | 303 | 278 | 925 |
| 5 Actuarial gain / (loss) on plan assets | — | (85) | 85 | — | — | — | — | — | — | — | — | — |
| 6 Fair value of plan assets as at the end of the year | 149,030 | 117,964 | 102,729 | 90,973 | — | — | — | — | 6,476 | 5,761 | 5,344 | 5,002 |
| E. Major categories of plan assets as a % of total plan | 100% Qualifying insurance policy | 100% Qualifying insurance policy | 100% Qualifying insurance policy | 100% Qualifying insurance policy | Unfunded | Unfunded | Unfunded | Unfunded | 100% Qualifying insurance policy | 100% Qualifying insurance policy | 100% Qualifying insurance policy | 100% Qualifying insurance policy |
| F. Actuarial Assumptions | | | | | | | | | | | | |
| 1 Discount rate | 8.00% | 8.00% | 8.00% | 8.00% | 8.30% | 8.00% | 8.00% | 8.70% | 8.00% | 8.00% | 8.00% | 8.00% |
| 2 Expected return on plan assets = Actual rate of return as ARD falls on 31st March. | | | | | | | | | | | | |
| 3 Future salary increases consider inflation, promotion, seniority and other relevant factors. | | | | | | | | | | | | |

ii) During the year, the Company has recognised the following amounts in Profit and Loss Account for defined contribution plans :

- Provident and Family Pension Fund - ` 59,031 (2009-10) : ` 51,777)

- Superannuation Fund - ` 19,229 (2009-10) : ` 18,189)

Schedules

10. Segment Reporting for the year ended 31st March, 2011

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

₹ '000

| | 2010 - 11 | | | 2009 - 10 | | |
|--|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| | Paints | Others * | Total | Paints | Others * | Total |
| REVENUE | | | | | | |
| External Sales | 22,043,908 | 1,237,246 | 23,281,154 | 17,639,276 | 1,273,773 | 18,913,049 |
| Total Revenue | 22,043,908 | 1,237,246 | 23,281,154 | 17,639,276 | 1,273,773 | 18,913,049 |
| RESULTS | | | | | | |
| Segment/Operating Results | 2,335,182 | 63,771 | 2,398,953 | 1,824,312 | 67,775 | 1,892,087 |
| Interest Expenses | 204,136 | 33,712 | 237,848 | 130,295 | 41,684 | 171,979 |
| Provision for Tax [including Deferred Tax] | 652,017 | 8,170 | 660,187 | 499,581 | 16,623 | 516,204 |
| Net Profit | 1,479,029 | 21,889 | 1,500,918 | 1,194,436 | 9,468 | 1,203,904 |
| OTHER INFORMATION | | | | | | |
| Segment Assets | 12,491,586 | 2,209,264 | 14,700,850 | 10,143,851 | 2,325,070 | 12,468,921 |
| Total Assets | 12,491,586 | 2,209,264 | 14,700,850 | 10,143,851 | 2,325,070 | 12,468,921 |
| Segment Liabilities | 7,064,891 | 740,736 | 7,805,627 | 5,601,399 | 902,854 | 6,504,253 |
| Total Liabilities | 7,064,891 | 740,736 | 7,805,627 | 5,601,399 | 902,854 | 6,504,253 |
| Depreciation / Amortization | 327,118 | 74,260 | 401,378 | 257,792 | 100,391 | 358,183 |
| Total Depreciation / Amortization | 327,118 | 74,260 | 401,378 | 257,792 | 100,391 | 358,183 |
| Capital Expenditure including CWIP | 874,452 | 18,112 | 892,564 | 590,729 | 20,042 | 610,771 |

* Others represent External Insulation Finishing Systems

Schedules

11. Disclosures on Related Parties

| | Related Party | Relationship | Outstanding as on 31.3.2011 (₹ '000) | Outstanding as on 31.3.2010 (₹ '000) | Payable/Receivable | Nature of transaction | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|-----|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------|--|--|--|
| | | | | | | | Value of transaction (₹ '000) | Value of transaction (₹ '000) |
| (A) | U. K. Paints (India) Private Limited | Associate Company | 65,052 | 73,158 | Payable | 1 Charges for Processing of Goods 2 Purchase of Goods 3 Sale of Goods 4 Rent Expense / Security Charges 5 Sale of Fixed Assets | 186,166 268,367 2,215 14,843 — | 119,437 168,728 — 16,988 563 |
| (B) | U. K. Paints (Overseas) Ltd. | Enterprise over which the Directors have significant influence | 79 | 80 | Payable | — | — | — |
| (C) | Mr. K. S. Dhingra | Key Management Personnel | 938 | 938 | Payable | 1 Rent Paid 2 Director's commission | 842 1,000 | 1,402 1,000 |
| (D) | Mr. G. S. Dhingra | Key Management Personnel | 938 | 938 | Payable | 1 Rent Paid 2 Director's commission | 842 1,000 | 1,402 1,000 |
| (E) | Mr. S. N. Dhingra | Relative of Key Management Personnel | 62 | 62 | Receivable | 1 Rent Paid | 842 | 1,402 |
| (F) | Mr. Subir Bose | Key Management Personnel | 36 | 36 | Receivable | 1 Rent Paid | 93 | 89 |
| (G) | Mrs. Chandrika Bose | Relative of Key Management Personnel | 36 | 36 | Receivable | 1 Rent Paid | 93 | 89 |
| (H) | Mr. Kanwardip Singh Dhingra | Relative of Key Management Personnel | — | 270 | — | 1 Remuneration | 543 | 270 |
| (I) | Mrs. Rishma Kaur | Relative of Key Management Personnel | — | — | — | 1 Remuneration | 1,122 | — |

12. The Company's leasing arrangements are in the nature of operating leases which are not non cancellable. These are usually renewed periodically by mutual consent. The rentals payable against these arrangements appear under the head 'Rent' in Schedule 16 to the Profit and Loss Account ` 218 (2009-2010 : ` 123).

13. All figures are in Rupees Thousands.

14. Previous year's figures have been regrouped wherever necessary.

On behalf of the Board of Directors

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee
Aniruddha Sen — Sr. Vice President &
Company Secretary

Kolkata
Dated : 30th May, 2011

CONSOLIDATED CASH FLOW STATEMENT OF BERGER PAINTS INDIA LIMITED AND ITS SUBSIDIARY AND JOINT VENTURE COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2011

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|--|--|--|
| | ` '000 | ` '000 |
| A. Cash flow from operating activities | | |
| Net Profit before Income Tax & Exceptional Items | 2,161,105 | 1,720,108 |
| Adjusted for: | | |
| Depreciation | 401,378 | 358,183 |
| Interest Income | (92,511) | (20,479) |
| Dividend Income from Current Investment | (32,841) | (19,538) |
| Income from Sale of Current Investment | (2,390) | (447) |
| Income from Sale of Long Term Investment | (37,639) | — |
| Interest Charged | 237,848 | 171,979 |
| Profit on Sale of Fixed Assets | (1,620) | (1,985) |
| Foreign Currency Translation | 27,254 | 55,680 |
| Employees Stock Option | 8,809 | — |
| Operating profit before working capital changes | 2,669,393 | 2,263,501 |
| Changes in: | | |
| Trade & Other Receivables | (464,104) | (159,942) |
| Inventories | (1,138,499) | (354,017) |
| Trade & Other Payables | 912,017 | 559,418 |
| Cash generated from operations | 1,978,807 | 2,308,960 |
| Direct Taxes Paid (Net of Refund) | (704,878) | (502,353) |
| Net cash from operating activities | 1,273,929 | 1,806,607 |
| B. Cash Flow from investing activities | | |
| Purchase of Fixed Assets | (1,039,957) | (715,834) |
| Proceeds from Sale of Fixed Assets | 15,216 | 93,498 |
| Interest Received | 85,193 | 20,224 |
| Dividend Received | 32,841 | 19,538 |
| Sale of Other Long Term Investments | 45,139 | — |
| Purchase of Current Investments | (2,075,580) | (1,821,915) |
| Sale of Current Investments | 2,825,938 | 585,306 |
| Net cash used in investing activities | (111,210) | (1,819,183) |
| C. Cash flow from financing activities | | |
| Proceeds from Share Issue | — | 1,254,600 |
| Repayment of Public Deposits | (165) | (77) |
| Repayment of Short Term Loans | — | (126,753) |
| Proceeds from Other Loans | 348,578 | (701,617) |
| Interest Paid | (237,154) | (173,747) |
| Dividend Paid | (421,488) | (190,992) |
| Net cash used in financing activities | (310,229) | 61,414 |
| Net changes in cash and cash equivalents (A+B+C) | 852,490 | 48,838 |
| Cash and cash equivalents - opening balance | 412,627 | 363,789 |
| Cash and cash equivalents - closing balance | 1,265,117 | 412,627 |
| Notes to the Cash Flow Statement: | | |
| 1) Cash and cash equivalents represent: | | |
| (a) Cash-in-hand | 8,746 | 10,065 |
| (b) Balance with banks | 1,256,371 | 402,562 |
| | 1,265,117 | 412,627 |

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

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

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

On behalf of the Board of Directors

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

Gurbachan Singh Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director & Chairman,
Audit Committee
Aniruddha Sen — Sr. Vice President &
Company Secretary

Kolkata
Dated : 30th May, 2011



Financial Summary of Berger Paints India Limited (Consolidated) – Five Years at a Glance

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|---|------------|------------|------------|------------|-------------|
| Gross Sales | 25,258,640 | 20,332,190 | 18,082,263 | 15,856,597 | 13,837,588 |
| Net Sales (Sales net of Excise) | 23,281,154 | 18,913,049 | 16,239,217 | 13,969,250 | 12,197,656 |
| % Growth | 23.10 | 16.47 | 16.25 | 14.52 | 19.02 |
| Other Income | 427,651 | 258,884 | 263,211 | 170,723 | 154,313 |
| Materials Consumed | 14,686,374 | 11,931,002 | 10,739,429 | 9,144,673 | 8,008,379 |
| Employee Cost | 1,447,352 | 1,245,898 | 960,003 | 745,414 | 630,207 |
| Other Expenses | 4,774,748 | 3,744,763 | 3,210,574 | 2,707,651 | 2,348,044 |
| Operating Profit (PBDIT & Exceptional Item) | 2,800,331 | 2,250,270 | 1,592,422 | 1,542,235 | 1,365,339 |
| % to Net Sales | 12.03 | 11.90 | 9.81 | 11.04 | 11.19 |
| Depreciation | 401,378 | 358,183 | 250,737 | 201,013 | 187,363 |
| Interest | 237,848 | 171,979 | 216,853 | 136,934 | 106,595 |
| Profit Before Tax & Exceptional Item | 2,161,105 | 1,720,108 | 1,124,832 | 1,204,288 | 1,071,381 |
| Exceptional Item * | — | — | — | 2,656 | 550 |
| Profit Before Tax | 2,161,105 | 1,720,108 | 1,124,832 | 1,201,632 | 1,070,831 |
| Tax | 660,187 | 516,204 | 296,449 | 271,349 | 193,945 |
| Profit After Tax | 1,500,918 | 1,203,904 | 828,383 | 930,283 | 876,886 |
| Return On Net Worth (%) ** | 21.80 | 20.22 | 21.30 | 25.76 | 30.52 |
| Fixed Assets (including Capital Work-in-Progress) | 7,975,113 | 7,082,549 | 6,471,778 | 3,351,702 | 2,874,983 |
| Less : Depreciation | 2,815,847 | 2,461,899 | 2,129,660 | 1,485,593 | 1,297,371 |
| Net Fixed Assets | 5,159,266 | 4,620,650 | 4,342,118 | 1,866,109 | 1,577,612 |
| Investments | 526,150 | 1,281,618 | 44,562 | 12,507 | 12,507 |
| Current Assets | 9,015,434 | 6,566,653 | 6,023,157 | 5,561,081 | 4,901,136 |
| Less : Current Liabilities | 4,520,161 | 3,566,126 | 2,777,754 | 2,412,676 | 2,244,176 |
| Net Current Assets | 4,495,273 | 3,000,527 | 3,245,403 | 3,148,405 | 2,656,960 |
| Misc. Exp. Not written off or adjusted | — | — | — | 512 | 1,573 |
| Net Assets Employed | 10,180,689 | 8,902,795 | 7,632,083 | 5,027,533 | 4,248,652 |
| Share Capital | 692,145 | 692,145 | 637,745 | 637,745 | 637,745 *** |
| Share Warrants | — | — | 99,000 | — | — |
| Employee Stock Options | 8,809 | — | — | — | — |
| Reserves | 6,194,269 | 5,272,523 | 3,163,828 | 2,986,156 | 2,250,459 |
| Shareholders' Equity | 6,895,223 | 5,964,668 | 3,900,573 | 3,623,901 | 2,888,204 |
| Borrowings | 3,022,159 | 2,673,746 | 3,502,193 | 1,329,297 | 1,283,852 |
| Foreign Currency Monetary Item Translation Difference | — | 195 | -4810 | — | — |
| Deferred Tax Liability | 263,307 | 264,186 | 234,127 | 74,335 | 76,596 |
| Net Capital Employed | 10,180,689 | 8,902,795 | 7,632,083 | 5,027,533 | 4,248,652 |
| Debt - Equity Ratio | 0.44 : 1 | 0.45 : 1 | 0.90 : 1 | 0.37 : 1 | 0.44 : 1 |
| Cash Earnings Per Share (Rs.) | 5.50 | 4.75 | 3.38 | 3.55 | 3.34 |
| Earnings Per Share - Basic (Rs.) | 4.34 | 3.66 | 2.60 | 2.92 | 2.75 |
| Earnings Per Share - Diluted (Rs.) | 4.33 | 3.66 | 2.60 | 2.92 | 2.75 |
| Book Value Per Share (Rs.) ** | 19.90 | 18.09 | 12.20 | 11.32 | 9.01 |

* Exceptional Item represents expenditure under voluntary retirement scheme.

** Net Worth and Book Value are exclusive of Revaluation Reserve and Miscellaneous Expenditure not written off or adjusted.

*** The equity share capital had been increased by issue of 3:5 bonus shares on 13th October 2006.

Financial Summary of Berger Paints India Limited – (Standal one) Five Years at a Glance

| | `000 | | | | |
|---|------------|------------|------------|------------|------------|
| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
| Gross Sales | 22,882,124 | 18,222,796 | 16,885,225 | 15,216,766 | 13,221,632 |
| Net Sales (Sales net of Excise) | 20,962,243 | 16,841,669 | 15,083,357 | 13,396,688 | 11,652,334 |
| % Growth | 24.47 | 11.66 | 12.59 | 14.97 | 18.78 |
| Other Income | 404,691 | 243,738 | 257,937 | 156,468 | 147,186 |
| Materials Consumed | 13,388,785 | 10,774,747 | 10,069,239 | 8,711,498 | 7,608,303 |
| Employee Cost | 1,076,206 | 897,695 | 768,474 | 678,329 | 580,599 |
| Other Expenses | 4,369,239 | 3,407,429 | 2,973,020 | 2,658,658 | 2,308,578 |
| Operating Profit (PBDIT & Exceptional Item) | 2,532,704 | 2,005,536 | 1,530,561 | 1,504,671 | 1,302,040 |
| % to Net Sales | 12.08 | 11.91 | 10.15 | 11.23 | 11.17 |
| Depreciation | 299,772 | 264,070 | 203,983 | 186,468 | 178,016 |
| Interest | 121,784 | 47,520 | 153,289 | 127,765 | 101,133 |
| Profit Before Tax & Exceptional Item | 2,111,148 | 1,693,946 | 1,173,289 | 1,190,438 | 1,022,891 |
| Exceptional Item * | — | — | — | 2,656 | 550 |
| Profit Before Tax | 2,111,148 | 1,693,946 | 1,173,289 | 1,187,782 | 1,022,341 |
| Tax | 628,069 | 492,568 | 285,735 | 267,001 | 191,667 |
| Profit After Tax | 1,483,079 | 1,201,378 | 887,554 | 920,781 | 830,674 |
| Return On Net Worth (%) ** | 20.54 | 19.21 | 20.93 | 26.48 | 30.27 |
| Dividend -including Tax on Distributable Profit | 523,546 | 443,911 | 223,839 | 186,532 | 367,382 |
| Retained Earnings | 959,533 | 757,467 | 663,715 | 734,249 | 463,292 |
| Fixed Assets (including Capital Work-in-Progress) | 4,962,854 | 4,033,376 | 3,414,987 | 2,999,232 | 2,586,523 |
| Less : Depreciation | 2,153,325 | 1,861,488 | 1,603,723 | 1,415,069 | 1,241,392 |
| Net Fixed Assets | 2,809,529 | 2,171,888 | 1,811,264 | 1,584,163 | 1,345,131 |
| Investments | 1,175,926 | 1,701,990 | 295,230 | 218,467 | 128,168 |
| Current Assets | 8,203,228 | 5,900,138 | 5,383,091 | 5,266,451 | 4,640,138 |
| Less : Current Liabilities | 4,082,918 | 3,176,802 | 2,385,081 | 2,304,703 | 2,134,606 |
| Net Current Assets | 4,120,310 | 2,723,336 | 2,998,010 | 2,961,748 | 2,505,532 |
| Misc. Exp. Not written off or adjusted | — | — | — | — | 764 |
| Net Assets Employed | 8,105,765 | 6,597,214 | 5,104,504 | 4,764,378 | 3,979,595 |
| Share Capital | 692,145 | 692,145 | 637,745 | 637,745 | 637,745 |
| Share Warrants | — | — | 99,000 | — | — |
| Employee Stock Options | 8,809 | — | — | — | — |
| Reserves | 6,529,184 | 5,570,134 | 3,514,640 | 2,852,342 | 2,120,714 |
| Shareholders' Equity | 7,230,138 | 6,262,279 | 4,251,385 | 3,490,087 | 2,758,459 |
| Borrowings | 785,637 | 244,618 | 780,582 | 1,209,187 | 1,153,118 |
| Deferred Tax Liability | 89,990 | 90,317 | 72,537 | 65,104 | 68,018 |
| Net Capital Employed | 8,105,765 | 6,597,214 | 5,104,504 | 4,764,378 | 3,979,595 |
| Debt - Equity Ratio | 0.11:1 | 0.04:1 | 0.18:1 | 0.35:1 | 0.42:1 |
| Cash Earnings Per Share (Rs.) | 5.15 | 4.45 | 3.42 | 3.47 | 3.16 |
| Earnings Per Share - Basic (Rs.) | 4.29 | 3.65 | 2.78 | 2.89 | 2.61 |
| Earnings Per Share - Diluted (Rs.) | 4.28 | 3.65 | 2.78 | 2.89 | 2.61 |
| Book Value Per Share (Rs.) ** | 20.87 | 19.00 | 13.30 | 10.91 | 8.61 |
| Dividend per share (Rs.) | 1.30 **** | 1.10 | 0.60 | 0.50 | 1.00 |
| Number of employees | 2446 | 2315 | 2259 | 2179 | 2045 |

* Exceptional Item represents expenditure under voluntary retirement scheme.

** Net Worth and Book Value are exclusive of Revaluation Reserve and Miscellaneous Expenditure not written off or adjusted.

*** The equity share capital had been increased by issue of 3:5 bonus shares on 13th October 2006.

**** Interim Dividend - Re. 0.50 per share and Proposed Dividend -Re. 0.80 per share.



BERGER PAINTS INDIA LIMITED

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

Phone Nos. : 033-2249 9754-58; Fax Nos. 033-2227 7288/2249 9754

E-mail : consumerfeedback@bergerindia.com

BERGER SUBSIDIARIES

BEEPEE COATINGS PRIVATE LIMITED
Gujarat, India

BERGER PAINTS (CYPRUS) LIMITED
Cyprus

LUSAKO TRADING LIMITED
Cyprus

BUILD-TRADE SP. Z.O.O
Poland

BERGER JENSON & NICHOLSON (NEPAL) PRIVATE LIMITED
Bhaktapur, Nepal

BERGER PAINTS OVERSEAS LIMITED
Russia

BOLIX S. A.
Poland

BERGER DEPOTS

I KOLKATA

6C, Rameshwar Shaw Road
Kolkata - 700 014
Phone : 033-2245 4361/2290 0994/
2284 8012
Fax : 033-2289 7084
243/1, B T Road, Kolkata - 700 036
Phone : 033-2577 5081/9621, 2578 4976
Fax : 033-2577 9613

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

1B Kishori Mohan Banerjee Road
P.O. Panihati, Kolkata - 700 114
Phone : 033-6499 0706/6499 0773

I HOWRAH

Jalan Complex
NH-6, Near Brickfield, Bipparnapara
Begri, Howrah - 711 511

I DURGAPUR

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

I SILIGURI

H C/o: Kusum Warehousing Company
3rd Mile, Sevoke Road
Beside Hotel Cinderella
Siliguri - 734 008
Phone : 0353-2545391 / 254 8886

I GUWAHATI

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

I PATNA

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

I RANCHI

H Near Railway Over-Bridge
Adjacent Lala Lajpat Rai School
Kadru Road, Ranchi - 834 001
Phone : 0651-233 1033/233 0487

I BHUBANESWAR

H Plot No. 146, Sector-A, Zone-B
Mancheswar Industrial Estate
Near Mancheswar Police Station
Bhubaneswar - 751 010
Phone : 0674-258 8719/8720
Fax : 0674-258 8721

I CUTTACK

Village - Bilateruan
Near Maguli Chhak
N.H. 5, P.O. Harianta, P.S. Tangi
Cuttack - 754 025
Phone : 0671-2392616
Fax : 0671 239 2584

I RAIPUR

Nathani Compound
Shyamnagar (Near Govt. ITI)
Ravigram, Raipur - 492 001
Phone : 0771 6616601, 6620, 6621, 6623
Fax : 0771-661 6602

I AGARTALA

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

I SHILLONG

Apphira Building
Fruit Garden, Jowai Road
Shillong - 793 003
Phone : 0364-222 9587/6072
Fax : 0364-222 6072

I MUMBAI

305, Laxmi Commercial Centre
Senapati Bapat Marg, Dadar (West)
Mumbai - 400 028
Phone : 022-2437 1034/53/62/63
Fax : 022-2437 1060
(Office only)

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

178, Jubilee Mill Warehouse
Tokershi Jivraj Road, Sewree-West
Mumbai - 400 015

I KALYAN

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

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

I NAGPUR

Plot No. 5, Jain Layout
Amravati Road, Control Wadi
Wadi, Nagpur - 440 023
Phone : 07104-221512/645228
Fax : 07104-221512/645228

I PUNE

C/o Jai Bhavani Mata Ware
Housing Company
Phursungi Village Road
Phursungi, Pune - 410 308
Phone : 020-6478 4010 to 25
Fax : 020-2698 0338

I NASHIK

Godown Nos. F-9, F-10 & F-11
Baphana Warehousing Pvt. Ltd.
Gate No. 103, Ambe Hill
Mumbai - Agra Road
Village Jaulke, Tal. Dindori
Dist. Nashik - 422 201
Phone : 09272233531-32
Fax : 02557-279343

I AURANGABAD

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

I GOA

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

I AHMEDABAD

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

I RAJKOT

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

I VADODARA

H C/2 & 3, F. G. Patel Estate
Opp. L&T NIRO, Survey No. 395
National Highway No. 8, Village Padamala
Dist. Vadodara - 390 002
Phone : 0265-224 3070/1/2
Fax : 0265-224 3231

I SURAT

Survey No. 94/5
B/h, Cancer Hospital
Opp. HPL-LPG Refilling Station
Surat Kadodara Road, AT Saroli
Tal., Choryasi, Dist. Surat - 394 210
Phone : 0261-264 6440/264 8614
Fax : 0261-264 8614

I INDORE

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

I BHOPAL

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

I GWALIOR

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

I JABALPUR

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

I NEW DELHI

H D-14/2, Okhla Industrial Area, Phase II
New Delhi - 110 020
Phone : 011-2638 4714/4796/7256
Fax : 011-2638 5644
12/3, Asaf Ali Road
New Delhi - 110 002
Phone : 011-2325 3494/3515
Fax : 011-2328 2366

Block-A-1, Plot B-2 & B-3, Pankha Road
Janakpuri, New Delhi - 110 001
Phone : 011-2562 3741/3742
Fax : 011-2554 8654

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

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

- 102 & 103 DDA Transport Centre
Punjabi Bagh Chowk, New Rohtak Road
New Delhi - 110 035
Phone : 011-2511 7460/1, 2831/6922/23
Fax : 011-2543 8880
- Industrial Plot No. E-12, SMA
Industrial Estate, C.T. Karnal Road
New Delhi - 110 033
Phone : 011-2769 2270/71/72
Khasra No. 36/22, 36/19/1, 36/23/1
Mundka Village
Delhi - 110 041
- L** **LUCKNOW**
H 6, Hal Ancillary Complex
Ismailganj, Faizabad Road
Lucknow - 226 016
Phone : 0522-272 1726/27
Fax : 0522-272 1729
7/9, HAL Ancillary Complex
Ismailganj, Faizabad Road
Lucknow - 226 016
- G** **GHAZIABAD**
100 New Arya Nagar, Patel Marg
Ghaziabad - 201 001
Phone : 0120-285 2093/1081/283 5857
Fax : 0120-285 2093
41-44, New Arya Nagar
Patel Marg, Ghaziabad - 201 001
- D** **DEHRADUN**
108/3 Chander Nagar
Dehradun - 248 001
Phone : 0135-262 9809
Fax : 0135-272 2366
- V** **VARANASI**
Pama Complex, DLW Road, Shivadaspur
Lehartara, Varanasi - 221 002
Phone : 0542-237 1041/42
Fax : 0542-237 1042
- A** **AGRA**
1/2, Mau Road
Opp. Ganapati Apartments
Khandari, Bye Pass Road, Agra
Phone : 0562-253 0688/253 1422
- K** **KANPUR**
84/1-B, Fazalganj, Industrial Area
Kanpur - 208 012
Phone : 0512-224 2259/60/61
Fax : 0512-224 2262
- B** **BAREILLY**
Clutter Buck Ganj
Opp. GTI 7th Km. Stone
Bareilly (UP) - 243 502
Phone : 0581-256 0340/0940
Fax : 0581-256 1049
- H** **HALDWANI**
Opp. - Old I.T.I.
Gaujajali Road
Haldwani - 263139
Phone : 05946-245648/254652
- N** **NOIDA**
H B-20, Sector-3, Noida
Phone : 0120-253 3681/254 4164
Fax : 0120-254 5776
- L** **LUDHIANA**
4B-Extension Industrial Area-A
Ludhiana - 141 003
Phone : 0161-222 3581/5216
Fax : 0161-260 5039
- G** **GURGAON**
H Kataria Complex
Khasra No. 10947/7283/2918/2
Daultabad Road Industrial Area
Gurgaon
Phone : 0124-225 5470/473
- G** **GORAKHPUR**
Vill. Harraya
P.O. Balrampur Tah. Sadar
Dist. Gorakhpur
Uttar Pradesh
- M** **MOHALI**
421, Industrial Area, Phase - IX
Mohali, Punjab - 160 059
Phone : 0172-509 5105/06
Fax : 0172-223 3401
- B** **BHATINDA**
E-21, Old Industrial Area
Bhatinda
Phone : 0164-2240 239/2222 473
- J** **JALANDHAR**
C/o Handa Cold Storage
Santokhpura, Hoshiarpur Road
Jalandhar - 144 004
Phone : 0181-229 2003, 509 4716
Fax : 0181-264 1056 (PP)
- C** **CHANDIGARH**
Plot No. 136-140/92
Industrial Area, Phase - 1
Chandigarh - 160 001
Phone : 0172-2637 181/4670 401
- J** **JAIPUR**
H 114A-115A
Jhotwara Industrial Area
Jaipur - 302 012
Phone : 0141-234 4054/4213/4162
Fax : 0141-234 4054
- J** **JODHPUR**
7-A(I), Heavy Industrial Area
Shastri Circle, Jodhpur
Rajasthan - 342 003
Phone : 0291-274 4792/262
Fax : 0291-274 4262
- F** **FARIDABAD**
Plot No. 7A, Sector 24
Industrial Area, Faridabad - 121 005
Phone : 0129-426 3400
Fax : 0129-223 3436
- J** **JAMMU**
Krystal Ice Factory
Kunjwani, By-pass Crossing
Jammu - 180 010
Phone : 0191-248 3334/895
- C** **CHENNAI**
H 126, Peters Road, Chennai - 600 086
Phone : 044-2835 3752/2295/0242
Fax : 044-2835 0189
Plot No. D-18
Ambattur Industrial Estate
Ambattur, Chennai - 600 058
Phone : 044-2635 7835/6/7/8/9
- P** **PUDUCHERRY**
8, Main Road
Gnanapragasam Nagar
Puducherry - 605 008
Phone : 0413-224 9035/8098
Fax : 0413-224 8098
- C** **COIMBATORE**
H 1/1 Mettupalayam Road
Cheran Nagar-P.O.
Coimbatore - 641 029
Phone : 0422-243 4508/243 1132
Fax : 0422-243 1132
- T** **TRICHY**
No. 249/2B, Opp. Sit Hostel
Tanjavur Main Road
Ariyamangalam
Trichy - 620 208
Phone : 0431-244 1476/71
Fax : 0431-244 0104
- M** **MADURAI**
H 'Sundara Bhavanam'
Door No. 175, Kamarajar Salai
Madurai - 625 009
Phone : 0452-262 8274/8312
Fax : 0452-262 9023
- H** **HOSUR**
Plot No. N9, Sidco Industrial Estate - III
Sipcot, Phase - I
Hosur - 635 126
Tamil Nadu
Phone : 04344-274 939/929
Fax : 04344-274 939
- T** **TIRUNELVELI**
Door No. 219-B, Madurai Road
Sankar Nagar, Tirunelveli - 627 357
Phone : 0462-230 0316/319
- B** **BENGALURU**
H 22, Fort, A Street
K R Road
Bengaluru - 560 002
Phone : 080-2670 1315/1815
Fax : 080-2670 9641
112/7, Garve Bhavi Palya
Hosur Main Road
Bengaluru - 560 068
Phone : 080-2573 6082/6393
Fax : 080-2873 6659
Plot No. 32, Peenya III Phase
Industrial Area, Sy. No. 93
Peenya Village
Yeshwanthpur Hobli
Bengaluru North Taluk
Bengaluru District
Pincode - 560 058
Telefax : 080 283 77778/283 77668
Survey No. 250, Huchegowdanapalya
T. Begur Post, Nelamangala Taluk
Bengaluru Rural District-562 123
Phone : 080-2773 3557
- M** **MANGALORE**
H No. 20-1085, Nereshwalya Cross Road
Beside Rosario School & Church
Bunder, Mangalore - 575 001
Phone : 0824-242 8221/244 4296
Fax : 0824-244 3622
- H** **HUBLI**
Vanashri Traders Compound
Thorvi Hakkal, Mill Road
Hubli - 580 024
Phone : 0836-221 8025/27
- M** **MYSORE**
H No. 92 'A' Layout
Bannimantap Industrial Area
Mysore - 570 015
Phone : 0821-249 6633/77
Fax : 0821-249 6633
- K** **KOCHI**
H Survey No. 616/A, Valath Arcade
V.P. Marakkar Road
Edappally Toll Junction, Edappally
Kochi - 682 024
Phone : 0484-255 1150/255 0470/394 1695
Fax : 0484-255 0270
Building No. XVI/222 F
Trikkakara North, Mundanpalam
Pukkattupady Road, Vadaode P.O.
Cochin - 682 021
Phone : 0484 241 0304
- T** **THRISSUR**
3/165, Wheels Real Estate
Chelakkottukara, Moospet Road
P. O. East Fort, Thrissur - 680 005
Phone : 0487-242 9846/242 9836
Fax : 0487-242 9846
- K** **KOZHIKODE**
7/2 & 2A, Kundayithodu
P.O. Kolatahra, Calicut - 673 655
Phone : 0495-248 4413/248 5411/12/13
- K** **KOTTAYAM**
Door No. 4,5,6 Goods Shed Road
Ward No. VIII, Nagampadam P.O.
Kottayam - 686 001
Phone : 0481-230 2669/2670
Fax : 0481-230 2669
- T** **THIRUVANANTHAPURAM**
G. H. Auditorium, Vazhuthoorkonam
Malayinkeezhu, Machel P.O.
Thiruvananthapuram - 695 571
Phone : 0471 2284027
Fax : 0471 2280102
- S** **SECUNDERABAD**
H Survey No. 133, Plassey Lanes
Bowenpally, Secunderabad - 500 011
Phone : 040-2795 3677/88/99
Fax : 040-2795 5006
- V** **VISAKHAPATNAM**
31-1-201, Bowdara Road
Visakhapatnam - 530 004
Phone : 0891-250 2087/273 1820
- V** **VIJAYAWADA**
R.S. No. 171/2,
Kanuru Donka Road Enikepadu,
Vijayawada Rural Mandal
Krishna District - 521 108
Phone : 0866-284 3641/42
Fax : 0866-284 3640
- T** **TIRUPATI**
Do. No. 3/95, S No. 240/1
Srinivasa Puram, Tiruchanoor Road
Tirupati - 517501
Phone : 0877-223 9395
Fax : 0877-223 9200
- D** **DEVLA**
Village - Devla,
P.O. Surajpur
Noida - Dadri Road
Greater Noida, Tehsil Dadri
District Gautam Budh Nagar
Uttar Pradesh - 201 306
- P** **PATHANKOT**
Village Kiri Khurd
Sunder Chak Road
Tehsil Pathankot, Jammu Road
Pathankot, Punjab - 145 025
- A** **AMBALA**
6, Rishi Markanda Complex
Kesari Road, Vill : Khanpur
Dist. : Ambala - 133 001
Phone : 0171-283 0022/283 0033
- U** **UDAIPUR**
Ground Floor
Prajapat Palace
Bedla Road, Badgaon
Udaipur, Rajasthan - 313 001
Phone : 0294-2451790

BRITISH PAINTS DIVISION (earlier, Rajdoot Division)

- NEW DELHI**
19-DDA, Commercial Complex
Kailash Colony Extn., Zamrudpur
New Delhi - 110 048
Phone : 011-2923 0387/2924 0394/95/96
Fax : 011-2924 7864
3976/80, Ajmeri Gate Corner
Ajmeri Gate, New Delhi
Phone : 011-2321 6792/3257 3212
Fax : 011-2321 6792
62/1, Rama Road
Industrial Area
New Delhi - 110 015
Phone : 011-2591 3379/2591 3380/3257 3141
Fax : 011-2591 3380
365, 400 Yards
Mehrauli Gurgaon Road
Sultanpur, New Delhi - 110 030
Phone : 011-2680 2293/3257 3398
Fax : 011-2680 2293
- FARIDABAD**
3D/44 A (B.P), NIT
Faridabad, Haryana - 121 001
Phone : 0129-242 6440/320 9885
Fax : 0129-242 6440
- PANIPAT**
Plot No. 94, Sector 25, Part-II
Panipat - 132 103
Haryana
Phone : 0180-320 9805/200 1750
- KANPUR**
123/361, Fazal Ganj
Industrial Area, Kanpur - 208 012
Phone : 0512-223 6761/223 0974/320 9738
Fax : 0512-223 0974
49-B, Dada Nagar, Kanpur - 208 022
Phone : 0512 321 7112
- GHAZIABAD**
C-213, Bulandsahar Road Industrial Area
Site-I, Near Rupali Petrol Pump
Opp. Silver City, Ghaziabad - 201 009
Phone : 0120-326 9987/329 2682
Fax : 0120-416 4110
- GURGAON**
Shiv Ashram Compound
Shed No.2, Old Delhi Gurgaon Road
Opp. Potash Institute of India
Village & P.O. Dundahera
Gurgaon - 122 001
Phone : 0124 329 5330, 405 9157
- NOIDA**
H-102 & 103, Sector-9
Noida - 201 301
Phone : 0120-310 4829/253 2251
- VARANASI**
Pama Complex
Lahartara DLW Road
Near Vishal Auto Agencies
Lahartara, Varanasi (UP) - 221 103
Phone : 0542-237 2279/320 9989
Fax : 0542-237 2278
- HALDWANI**
Building No. BA-A-1, Transport Nagar
Rampur Road, Haldwani - 263 139
Phone : 05946-326 984/234 126
Fax : 05946-254 596
- CHANDIGARH**
S.C.O. 268, Sector-32-D
Chandigarh
Phone : 0172-260 5149/266 3823/320 9987
Fax : 0172-260 5149/266 3823
- PARWANOO**
C/o Nirman Ghar (Basement)
Near Fire Station, Sector-3, Parwanoo
Dist. Solan (H.P) - 173 220
Phone : 01792-232002/320498
Fax : 01792-232002
- JALANDHAR**
Asiatic Compound, Basti Baba Khel
Near Usha Dharam Kanta
Kapurthala Road, Jalandhar
Punjab - 144 001
Phone : 0181-265 1096/320 9989
Fax : 0181-265 1096
- LUDHIANA**
Plot No. 270, Industrial Area-A
Near SBI, Ludhiana
Punjab - 141 003
Phone : 0161-320 5552/222 0270
Fax : 0161-222 0270
- JAMMU**
Baghkhoovala Bagh
Lala Mast Ram Vaid, Suksehaj Palace Road
Digiana Pully, Jammu - 180 001
Phone : 0191-245 1657/245 3816
Fax : 0191-245 3816
- PATNA**
Asho Chak, Nand Lal Chhapra
New Bye Pass Road
Patna - 800 026
Phone : 0612-326 1558/234 1462
- GUWAHATI**
Gali No. 7, Patther Kuchi
Near Sani Mandir Tinali, Beltola
Guwahati - 781 029, Assam
Phone : 0361-230 7336/338
Godown Number : I
Eastern Agro Processing &
Tea Warehousing Society Complex
Jawahar Nagar, Near Basistha Chariali
Bye Pass Road, P.O. Basistha, Guwahati - 781 029
Phone : 0361 230 5960/5961/7339
Fax : 0361 230 7339
- RANCHI**
Road No. A-1, Hawai Nagar
Near Birsa Chowk
Khunti Road, Ranchi - 834 003
Jharkhand
Phone : 0651-225 3746/320 9987
Fax : 0651-225 3746
- AHMEDABAD**
2, A, B & C, Tirupati Estate
Opp. Bansidhar Engrs.
Near Gokulesh Petrol Pump
N.H. No. 8, Narol
Ahmedabad - 382 005
Phone : 079-2573 5737/3292 2800
Fax : 079-2573 5687
- INDORE**
20, Timber Scheme
Navlalkha, Lohamandi
Indore - 452 001
Phone : 0731-320 9486/408 8473
Fax : 0731-408 8473
- VADODARA**
M/s Banker's Brothers
Estate No. 1, N.H.No. 8, AT & PO Padamla
Dist. Vadodara - 391 350
Phone : 0265-224 3236/093779 85634
Fax : 0265-224 3170
- SURAT**
Plot No.17, 18, 19
Ambica Industrial Estate
Punakumbhariya Road
Saroli, Surat (Gujarat)
Phone : 0261-264 7734/311 0087
- PUNE**
C/o Nath Warehousing Co.
Survey No. 164, Fursungi Village Road
Taluka Haveli, Fursungi
Pune - 412 308
Phone : 020-2698 0158/3254 9910
Fax : 020-2698 0844
- GOA**
No. : 56/C Vivenda Gaurish Nirboga
Camurlin-Village, Post Loutulim
Salcette Goa - 403 705
Phone : 0832-326 4142/285 8815
Fax : 0832-285 8815
- MUMBAI**
Plot No. C-8/2, TTC Industrial Area
Pawane MIDC
Thane Belapur Road
Navi Mumbai - 400 705
Phone : 022-3216 8090
Fax : 022-2762 2950
- SECUNDERABAD**
Plot No. 17-18, Bhel Colony
Rasoolpura, Secunderabad - 500 003
Andhra Pradesh
Phone : 040-2790 4495/3299 9779
Fax : 040-2790 4495
- BENGALURU**
No. 114/16, Patel Puttiah Industrial Estate
Mysore Road
Bengaluru - 560 026
Phone : 080-2675 2865/3293 5557
Fax : 080-2675 2896
- COCHIN**
50/857 C1, Kalyani Towers
Changampuzha Samadhi Road
P.O. Edappally, Cochin - 682 024
Phone : 0484-326 9969/253 5464
Fax : 0484-233 2485
- CALICUT**
1/90, D&E
Dawood Chambers
Butt Road, West Hill Chungam
Calicut-673 005
Phone : 0495-326 8877/238 0492
Fax : 0495-238 0492
- JAIPUR**
35-A, Tagore Nagar, Near D.C.M.
Ajmer Road, Jaipur - 302 024
Phone : 0141-235 3741/326 9963
Fax : 0141-235 6426
- TIRUPATI**
M/s. S.V.M. Warehouse Complex
19-3-13/M4, Renigunta Road
Beside Garuda Suzuki Showroom
Srinivasapuram, Tirupati
Phone : 0877-320 7249
- CHENNAI**
No.26, Reddy Street
Nerkundram, Chennai - 600 107
Phone : 044-3221 3177
- KOTA**
H-39, Opp. Multimetal
Chambal Industrial Area
Kota - 324 003
Phone : 0744-323 1489/248 0106

