

Paint your imagination
Annual Report 2006-07



BERGER PAINTS INDIA LIMITED



Now, also see your home in different colours before you actually paint it.

Introducing Lewis Berger Pre-View




Isn't it very difficult to know which shade or which colour combination will look good on your walls, without actually spending thousands on painting them? Not any more! Lewis Berger brings you a revolutionary service. Now you can see how your home will look in the shades you choose, much before it is actually painted.

With the help of computer generated pictures of your home in those shades. What's more, the Lewis Berger team of colour consultants will give you options and advice. So that you never make a wrong choice.

SMS IMAGINE to 6767 for Pre-View Helpline

Here's an answer to all your questions on home painting

- 
- Which shade will look best on your walls?
 - Which paint will be most suitable for your walls?
 - How much paint would you require?
 - From where should you buy the paint?
 - How will you shift and cover up your furniture?
 - Which contractor will you go to?
 - Will he use the right quality of paints in the right amount?
 - Will he complete the job in time?
 - Will he clean up your home after finishing?
 - Who will supervise his work?
 - Will he give a warranty?

Those who have painted their homes know that it can be a painstaking process. But not any more! Now Lewis Berger brings a specialized service with 'Lewis Berger Home Painting'. This is a one-stop solution to all your painting requirements. With a range of services covering everything, from estimation and purchase of paint through expert painters to post-painting clean-up under expert supervision.

After a free home visit and understanding of the scope of work, our specialized officers give you a complete plan with cost and time. Colour consultants help you choose the best shades, while our select panel of contractors helps you get the best quality at the best price. 'Lewis Berger Home Painting' takes care of all the hassles of painting. All you have to do is sit back and enjoy the beauty of your walls once everything else is done.

Now painting your imagination will not be a real problem.

SMS BERGER to 6767 for Home Painting Services



Board of Directors

Kuldip Singh Dhingra
Chairman

Gurbachan Singh Dhingra
Vice Chairman

Subir Bose
Managing Director

Anil Bhalla

Kamal Ranjan Das

Gurcharan Das

Naresh Gujral

Dr. (Mrs.) Isher Judge Ahluwalia

Bankers

Standard Chartered Bank

Bank of Baroda

Central Bank of India

Citibank, N.A.

Corporation Bank

HDFC Bank Ltd.

The Hongkong & Shanghai Banking Corporation Ltd.

ICICI Bank Ltd.

State Bank of India

Union Bank of India

Vice President & Company Secretary

Aniruddha Sen

Auditors

Lovelock & Lewes

Registered Office

Berger House, 129 Park Street, Kolkata 700 017

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DIRECTORS' REPORT

Your Directors are pleased to present the Annual Report of the Company, together with the audited accounts for the financial year ended 31st March, 2007.

1. FINANCIAL RESULTS & APPROPRIATIONS

(Rs. in million)

	BPIL		Consolidated	
	2006-07	2005-06	2006-07	2005-06
Profit before Depreciation, Interest and Exceptional Item	1,284	1,146	1,347	1,205
Less :				
Depreciation	178	174	187	182
Interest	83	53	88	56
Exceptional Item (Expenditure under Voluntary Retirement Scheme)	1	3	1	3
Profit Before Tax	1,022	916	1,071	964
Less :				
Provision for Taxation	192	213	194	220
Profit After Taxation	830	703	877	744
Add :				
Profit brought forward from the previous year	250	180	250	180
Available for appropriation	1,080	883	1,127	924
Appropriations :				
Transfer to General Reserve	463	179	510	220
Dividend(s) – Interim	191	199	191	199
– Final (Proposed)	128	199	128	199
Tax on dividend	48	56	48	56
Balance carried to Balance Sheet	250	250	250	250
	1,080	883	1,127	924

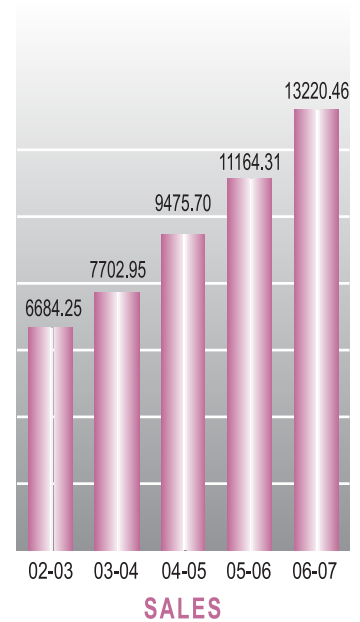
2. OPERATIONAL & FINANCIAL PERFORMANCE

The consolidated sales achieved during the financial year ended 31st March, 2007 were Rs. 13,836 million as against Rs. 11,653 million in the previous year showing a growth of 18.73%. The consolidated net profit, at Rs. 877 million was higher than that of the previous year (Rs. 744 million) by 17.88%.

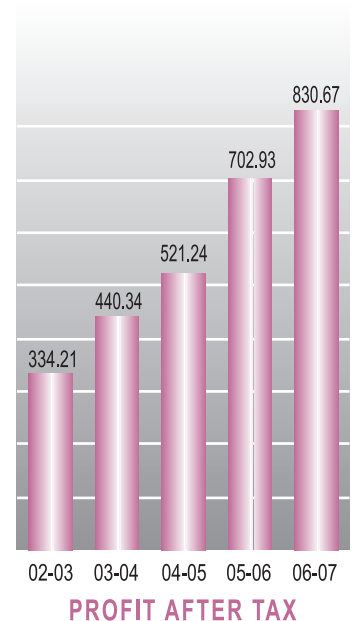
During the financial year ended 31st March, 2007, the Company, on a stand-alone basis, achieved sales of Rs. 13,220 million as against Rs. 11,164 million in the previous year registering a growth of 18.42%. The profit before depreciation, interest and exceptional item was Rs. 1,284 million as against Rs. 1,146 million in the previous year, recording an improvement of 12.04%. The profit before tax at Rs. 1,022 million and the profit after tax at Rs. 830 million during the year under review showed an improvement of 11.57% and 18.06% respectively.

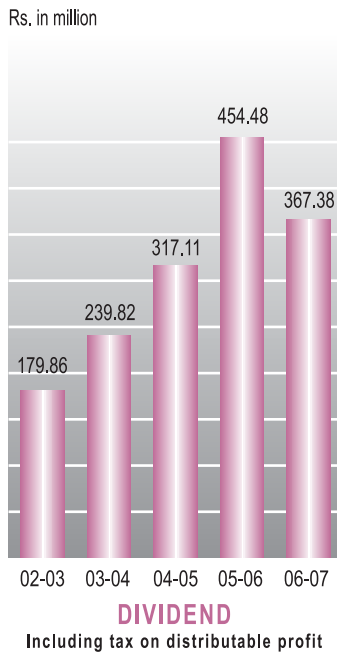
Your Company's results for the year 2006-07 reflect its ability to utilize the market opportunities arising out of sustained growth in GDP and the commensurate growth of the manufacturing sector and particularly the infrastructure, construction and the automobile industry segments. The investment recovery and consumption boom led to upsurge in demand and your Company responded through enhancing the capacities of value added range, introduction of new and more sophisticated products addressing carefully chosen customer preferences.

Rs. in million



Rs. in million





The new products introduced during the year include Luxol One Coat Enamel, Weathercoat All Guard Exterior Emulsion – aimed to protect from climatic hazards and Luxol Breathe Easy – an environment friendly product for green homes. Rangoli Easy Clean, a paint which facilitates easy removal of stains and oil, was re-positioned with improved formulation. Your Company today has a bouquet of paints for every category in both water based and solvent based products. The Lewis Berger range of products, launched in the year 2005-06 and classified in three categories – Precious, Exclusive and Select - based on price points, have received encouraging response from the market. Your Company intends to reach all the units of a family and this direction has introduced Galaxy – for illuminating children’s rooms and Berger Kidz, which has a fun and entertainment value. Your Company has launched special applicator loyalty programmes for increasing the awareness of the Company’s products among the applicators and continues to promote and concentrate on its Projects business and Lewis Berger Home Painting Services. The specific purpose of your Company is to provide better services and quality at a lower cost in Indian homes and buildings such that its brands are recognized as true leaders in the premium sector on the one hand and value for money on the other, without compromising on the aspects of sustainability and durability. Your Company is also enhancing its visibility in various home stores coming up in the metro cities.

One of the key drivers of growth in the consumer goods sector is the ability to make quick decisions based on a structured and seamless management information and transaction analysis system. Keeping this in view, your Company is in the process of implementing an Enterprise Resource Planning (ERP) system. At the same time, your Company continues to focus on logistics and control of losses at all points of manufacturing, transportation and storage.

The Company is in the process of setting up a joint venture company by the name of BNB Coatings India Limited with Nippon Bee Chemicals Co. Ltd. of Japan (NBC) for manufacture of coatings for plastic substrates used in automobiles. Once fully operational, this new venture is expected to address a niche market with the proven expertise of NBC.

3. CAPITAL, DIVIDEND AND BONUS ISSUE

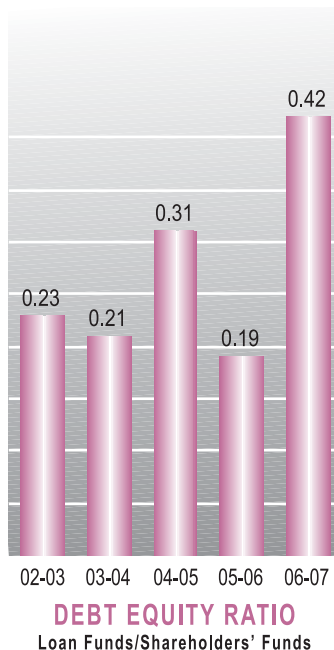
Pursuant to the resolutions adopted by the shareholders at the Annual General Meeting held on 28th July, 2006, the authorized capital of your Company stands increased from Rs. 400,000,000 divided into 200,000,000 Ordinary (Equity) Shares of Rs. 2/- each to Rs. 650,000,000 divided into 325,000,000 Ordinary (Equity) Shares of Rs. 2/- each. Calls amounting to Rs. 25,935 representing 5,187 partly paid Equity Shares of a face value of Rs. 10/- each [or 25,935 Ordinary (Equity) Shares of a face value of Rs. 2/- each] have been received in full.

The Company paid an interim dividend of 30% for the year under review in February 2007 amounting to Rs. 191 million.

Your Directors recommend a final dividend @ 20% for the year under review. This, if approved, will absorb an amount of Rs. 128 million and will be paid to those members whose names appear in the Register of Members as on 31st July, 2007 which is the conclusion of the book closure period. The total dividend payment for the year will therefore be Rs. 319 million as compared to Rs. 398 million in the previous year.

Pursuant to the approval accorded by the shareholders at the Annual General Meeting held on 28th July, 2006, your Company successfully issued 119,577,174 Ordinary (Equity) Shares (“the Bonus Shares”) of the Company of Rs. 2/- each at par to the members whose names appeared in the Register of Members of the Company as on 13th October, 2006, in the proportion of three Bonus Shares for every five existing fully paid up Ordinary (Equity) Shares held by them. As a result of the said Bonus Issue, the paid-up capital of the Company stands increased from Rs. 398,579,580 representing 199,289,790 Ordinary (Equity) Shares of Rs. 2/- each to Rs. 637,744,928 representing 318,872,464 Ordinary (Equity) Shares of Rs. 2/- each.

In terms of the provisions of Section 205C of the Companies Act, 1956, your Company transferred an amount of Rs. 1,034,734 to the Investor Education and Protection Fund, in respect of final dividend for the year ended 31st March, 1999, Debenture Interest for the year 1999-2000 and Debenture Redemption money for the year 1999-2000 lying unclaimed for more than seven years from the date they became due.



4. SUBSIDIARY COMPANIES & JOINT VENTURE

The Statement of the holding Company's interest in the subsidiary companies namely Beepee Coatings Pvt. Ltd. ("Beepee Coatings"), Berger Jenson & Nicholson (Nepal) Pvt. Ltd. ("BJN - Nepal"), Berger Paints (Cyprus) Ltd ("Berger Cyprus") and subsidiary of its subsidiary company namely Berger Paints Overseas Ltd. 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 performance of Beepee Coatings, a wholly owned subsidiary with its entire manufacturing facilities dedicated to processing the Company's products was satisfactory. The processing income amounted to Rs. 63.6 million and the Profit Before Tax was Rs. 0.3 million.

BJN-Nepal, also a wholly owned subsidiary has shown substantial improvement. During the year under review, the company achieved a turnover of Rs. 113.9 million and Profit Before Tax of Rs. 8.98 million.

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

Berger Paints Overseas Limited in Russia is continuing trading activities, which include sale of paints exported from India. It is expected to commence operations in the middle of the current calendar year with its modern plant in the Republic of Adygeya in Russian Federation. During the year under review, it registered an after tax profit of US Dollars 4,368.

The Company's joint venture, Berger Becker Coatings Private Limited continued to achieve good results during the year under review. It is recognized as the preferred supplier of coil coatings in India.

The Company has obtained exemption under Section 212 of the Companies Act, 1956 from the Department of Company Affairs from annexing to this Report, the Annual Reports of the above subsidiaries for the year ended 31st March, 2007. 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 for inspection at the Head Office of the Company by any investor during working hours.

The Company's joint venture with Punjab National Bank, Vijaya Bank and Principal Financial Group (Mauritius) Limited in the form of Pnb Principal Advisory Company Private Limited continued its business of direct broking. During its second year of operation ended on March 31, 2007, this company generated business income of Rs. 16.74 crores (2005-06 : Rs. 10.60 crores) and made a profit after tax of Rs. 1.5 crores.

5. PROJECTS

Your Company commenced operation of the 9,000 MTPA resin plant at Jammu. The Company is in the process of enhancing the paint manufacturing capacity of the Goa plant by 38,000 MTPA. With delays in getting approval for setting up the exclusive automotive paint plant at Rewari in Haryana, your Company is locating the Project near Pune and project activities are already on for the same.

6. CONSOLIDATED FINANCIAL STATEMENTS

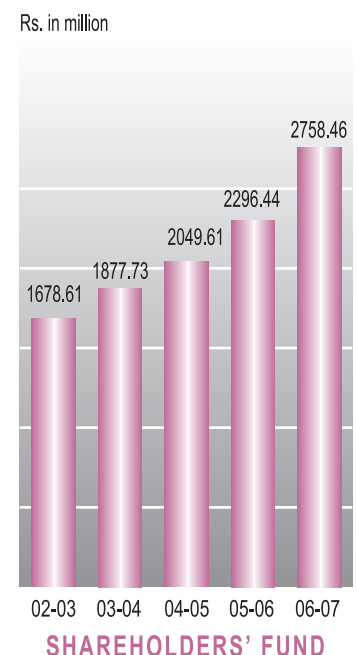
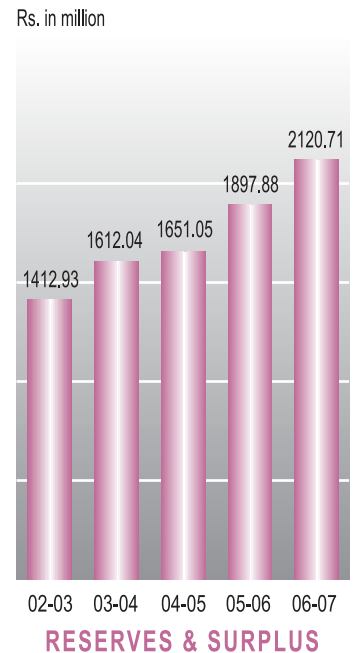
The duly audited Consolidated Financial Statements as required under the Accounting Standards 21 and 27 and provisions of Clause 32 of the Listing Agreement has been prepared after considering the audited financial statements of your Company, and its subsidiary and joint venture companies and appear in the Annual Report of the Company for the year 2006-07.

7. CORPORATE GOVERNANCE

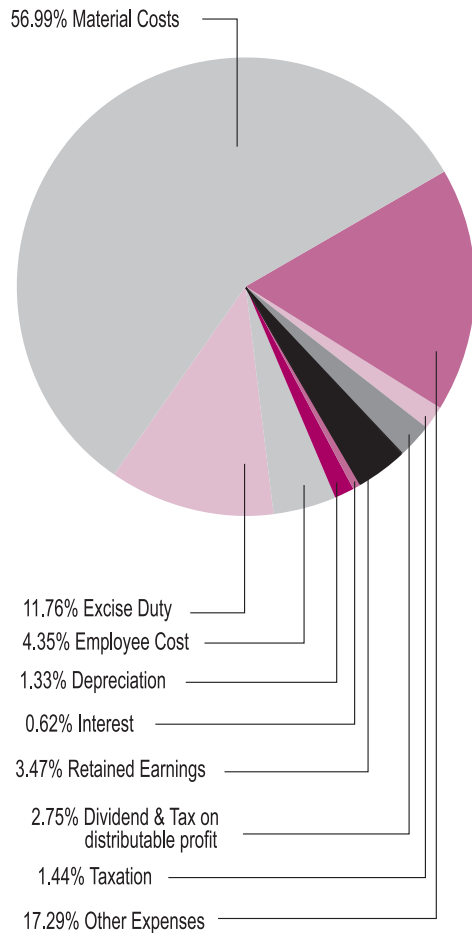
Your Company re-affirms its commitment to the standards of Corporate Governance. This Annual Report carries a Section on Corporate Governance and benchmarks your Company with the provisions of Clause 49 of the Listing Agreement (Annexures I & II).

8. TECHNICAL LICENCE AGREEMENTS

Your Company has Technical License Agreements with (1) DuPont Performance Coatings in the



DISTRIBUTION OF TOTAL INCOME



area of Automotive Coatings, (2) Nippon Paint Co. Ltd. for automotive coatings, (3) Orica Australia Pty. Ltd. in the area of Protective Coatings, and (4) TIGERWERK Lack-u.Farbenfabrik GmbH & Co. KG, Austria for specialized powder coatings. Products manufactured with the know-how of the collaborators have been well received by the concerned customers.

9. FOREIGN EXCHANGE

Your Company earned foreign exchange of Rs. 16 million from export of paints and consultancy fees. Details of Foreign Exchange outgo and earnings appear in items (v) to (viii) of Schedule 21 of the Accounts for the year under review.

10. FUTURE PROSPECTS

With relentless growth of the economy as a whole, which chiefly result in better housing for all classes of people and industrial growth, the outlook for the Indian paint industry continues to be positive. There is increased demand from all sectors, which are being fulfilled by sweating out of the assets and addition of capacities. Supply imbalances, if any, are being corrected by improved logistics and storage facilities. The Audit Committee continuously monitors and supervises various aspects such as receivables, non-moving stocks, etc., and recommends remedial measures keeping the future in view. The challenges of the future include increasing prices of raw materials, which are dependent on crude oil prices, fluctuations in international commodity prices and competition from existing manufacturers and new entrants in the field, including foreign companies. Your Company continuously upgrades its strengths and corrects the weaknesses in order to face these challenges. The year to date performance is encouraging and barring unforeseen circumstances, your Directors are optimistic that your Company will continue to show a healthy growth in future.

11. FIXED DEPOSITS

There is no outstanding public deposit in the Company as on 31st March, 2007, except those lying unclaimed. The Company had earlier discontinued acceptance of fresh deposits and renewal of deposits. Deposits amounting to Rs. 0.669 million which had matured for repayment are lying unclaimed, for which your Company has sent out reminders. Out of the unclaimed deposit, an amount of Rs.16 thousand has been transferred to the Investor Education and Protection Fund.

12. COST AUDITORS

The Board of Directors have re-appointed M/s N Radhakrishnan & Co., Kolkata, Mr. Gopalkrishnan, Pondicherry and appointed 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 2007-08. M/s N K Dewan, Cost Auditors have expressed their desire not to be re-appointed for the year 2007-08. In their place, M/s Shome & Banerjee & Co., Kolkata have been appointed as cost auditors. The Cost Auditors' Reports will be forwarded to the Central Government as required under law.

13. HUMAN RESOURCES, ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

As on 31st March, 2007, your Company had 2,045 employees. Industrial Relations were satisfactory during the year under review.

As opportunities are opening up all over India, Human Resources are recognized as key assets and driver of growth in any industry. Your Company continues to pay utmost attention to this aspect and pursues a policy of encouraging meritocracy through a structured and continuously improving system of appraisal, assessment and reward. Your Company also endeavors to maintain a unique

culture of co-operation and camaraderie in the organization. There are extensive training and development programmes to enhance and update the skills and knowledge of its human resources. Your Company places paramount importance to environment, occupational health and safety and several steps were initiated in this respect during the year. The Risk Assessment Committee of your Company regularly meets and 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.

14. INFORMATION PURSUANT TO SECTION 217 OF THE ACT

A. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Information pursuant to Section 217(1)(c) of the Act, read with the Companies (Disclosure 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, 2007 are given in Annexure III to the Report.

B. PARTICULARS OF EMPLOYEES

Statement under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in Annexure IV to 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, 2007 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.

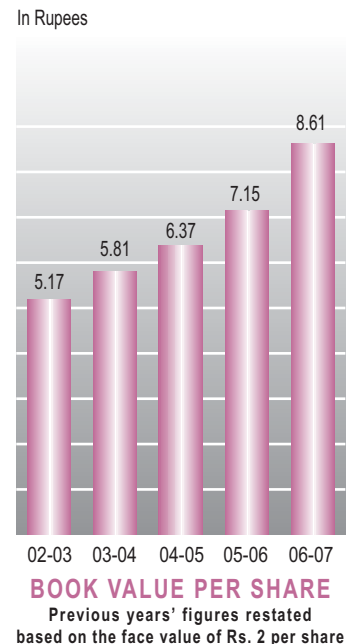
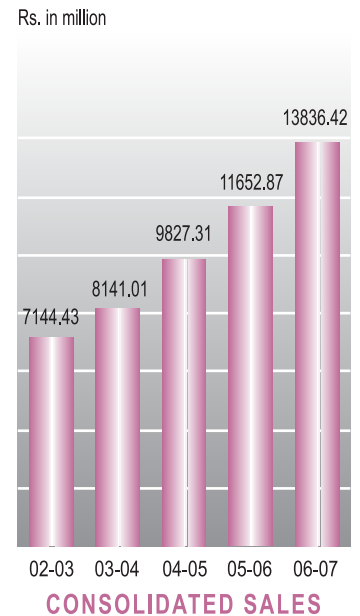
Your Directors further confirm that in preparation of the Annual Accounts:

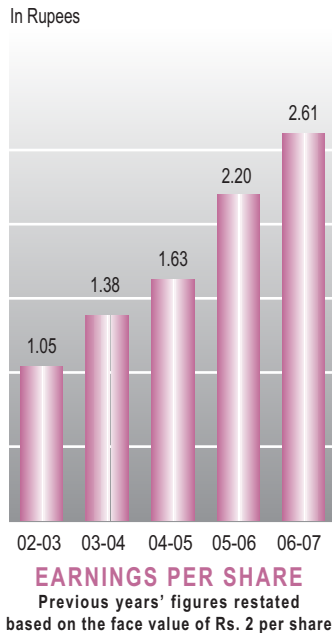
- i) the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given,
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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.

15. DIRECTORS

During the year, Mr. Rajive Sawhney resigned effective 25th August, 2006 on personal grounds. The Board wishes to place on record its deep appreciation for the valuable contribution made by Mr. Sawhney during his tenure as a Director.

The Board had appointed Dr. Mrs. Isher Judge Ahluwalia as an additional director effective 25th August, 2006 to hold office till the next annual general meeting. Dr. Mrs. Ahluwalia is an M.A. and a Doctorate in Economics from MIT, USA. She is currently the Vice Chairperson, Planning Board, Punjab, and Member, National Manufacturing Competitiveness Council, Government of India. She served as Director and Chief Executive of the Indian Council for Research on International Economic Relations (ICRIER) in New Delhi from 1997 to 2001 and is now Chairperson, Board of ICRIER. She has also been in the governing board of many other reputed government and non-government concerns and is currently member/director in some of these bodies also. Pursuant to the provisions of Section 260 of the Companies Act, 1956 Dr. Mrs. Ahluwalia holds office till the forthcoming Annual General Meeting. A notice has been received from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Dr. Mrs. Ahluwalia for the office of a Director.





The Company's Directors, who are not in whole-time employment, are distinguished persons in their respective fields. The Company draws upon their expertise and experience regularly and benefits from their advice and assistance. It is proposed that they be paid a commission not exceeding 1% of the net profits of the Company determined in accordance with the provisions of Sections 198 and 301 of the Companies Act, 1956, subject to a limit of Rs. 40,00,000 in a year. A resolution to this effect is proposed in the notice for the forthcoming Annual General Meeting for consideration of and approval by the members.

Pursuant to Article 112 of the Articles of Association of the Company, Mr. Anil Bhalla and Mr. Kamal Ranjan Das retire by rotation and being eligible, offer themselves for re-appointment. Mr. Bhalla is a Fellow member of the Institute of Chartered Accountants of India and a Senior Partner of J. C. Bhalla & Co., Chartered Accountants. He is on the Board of a number of companies viz., Berger Jenson & Nicholson (Nepal) Pvt. Ltd., Berger Paints (Bangladesh) Ltd., Bharti Telecom Finance Ltd., Enablizer Backoffice Technologies Pvt. Ltd., Jam Holdings Pvt. Ltd., U K Paints Overseas Ltd.

Mr. Das is a science graduate and has long experience in the paint industry. He is on the Board of a number of companies viz., Beppee Coatings Pvt. Ltd., Bengal Waterproof Ltd., Berger Paints (Bangladesh) Ltd., King & Co. (Homeo Chemists) Pvt. Ltd., R.D.G. Systems & Software Pvt. Ltd. Currently, the Audit Committee consists of Mr. Anil Bhalla, as the Chairman, Mr. K.R. Das and Mr. G.S. Dhingra.

16. RELATED PARTY TRANSACTIONS

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

17. 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 the listing fee to each of the Exchanges. The addresses of these Stock Exchanges and other information for shareholders are given in this Annual Report.

18. 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 Act, offer themselves for re-appointment.

19. 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

Place: Kolkata
Dated: 12th June, 2007

Kuldip Singh Dhingra
Chairman

ANNEXURE-I

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31ST MARCH, 2007

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 8 Directors, out of which 1 is an executive director, 2 are non-executive, promoter directors and 5 non-executive, independent directors.

The names of the Directors and their Directorships in other public limited 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	25	Nil
Mr. Gurbachan Singh Dhingra	Non-executive Vice Chairman/Promoter	22	1 (Chairman - Audit Committee)
Mr. Subir Bose	Managing Director/Executive	1	Nil
Mr. Anil Bhalla	Non-executive/ Independent Director	3	Nil
Mr. Kamal Ranjan Das	Non-executive/ Independent Director	4	Nil
Mr. Gurcharan Das	Non-executive/ Independent Director	9	Nil
Mr. Naresh Gujral	Non-executive/ Independent Director	13	Nil
Dr. Mrs. Isher Judge Ahluwalia	Non-executive/ Independent Director	1	Nil

*Includes directorship in Private Companies also.

The number of Board Meetings attended by the Directors as well as their attendance at the last AGM during the financial year 2006-2007 are as mentioned below :-

Name of Directors	No. of Meetings Attended	AGM Date & Attendance 28th July, 2006
Mr. Kuldip Singh Dhingra	5	×
Mr. Gurbachan Singh Dhingra	10	✓
Mr. Subir Bose	10	✓
Mr. Anil Bhalla	9	×
Mr. Kamal Ranjan Das	8	✓
Mr. Gurcharan Das	3	×
Mr. Naresh Gujral	1	×
Mr. Rajive Sawhney*	Nil	×
Dr. Mrs. Isher Judge Ahluwalia**	1	×

* Since resigned effective 25th August, 2006.

** Appointed effective 25th August, 2006.

Ten Board Meetings were held during the year 2006-2007 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 19, 2006
- 2) April 28, 2006
- 3) June 6, 2006
- 4) July 26, 2006
- 5) July 28, 2006
- 6) August 25, 2006
- 7) October 24, 2006
- 8) December 1, 2006
- 9) January 31, 2007
- 10) February 8, 2007

Other than the Managing Director (Executive), all Directors attending meetings of the Board are entitled to a sitting fee of Rs. 2,000 for every meeting attended by them.

Necessary quorum was present at all these meetings.

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, 2007 is as follows:

Mr. Anil Bhalla – Chairman

Mr. Kamal Ranjan Das

Mr. G.S. Dhingra

Mr. Aniruddha Sen – Secretary

In 2006-2007, 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	6
Mr. Naresh Gujral	Member	Nil
Mr. Gurcharan Das	Member	1
Mr. Gurbachan Singh Dhingra	Member	Nil

Seven Audit Committee Meetings were held during the year 2006-2007 and the dates on which the Audit Committee Meetings were held are as follows:

- 1) April 28, 2006
- 2) June 6, 2006
- 3) July 26, 2006
- 4) August 25, 2006
- 5) October 24, 2006
- 6) December 1, 2006
- 7) January 31, 2007

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 Rs. 2,000 for every meeting attended by them. Mr. Naresh Gujral and Mr. Gurcharan Das were nominated members of the Audit Committee during the year. They have since ceased to be members of the Audit Committee. Mr. Gurbachan Singh Dhingra was appointed as a member of the Audit Committee with effect from 31st January, 2007. Thereafter, no Audit Committee meeting was held in the year under review.

B. REMUNERATION COMMITTEE

The Company has not set up any remuneration committee in particular since the Company has only one Executive Director and all other Directors are Non-executive Directors, who receive only sitting fees in respect of their attendance of Board and Committee meetings and do not receive any other fees or remuneration.

C. SHAREHOLDERS' COMMITTEES

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

(A) SHARE TRANSFER COMMITTEE

Mr. Subir Bose (Chairman)
Mr. Kamal Ranjan Das
Mr. Aniruddha Sen- Secretary

(B) INVESTORS' GRIEVANCE COMMITTEE

Mr. Kamal Ranjan Das (Chairman)
Mr. Subir Bose
Mr. Anil Bhalla
Mr. Aniruddha Sen – Secretary

2. Number of Meetings of the above Committees and the attendance of Directors during the financial year 2006-2007 were as follows :-

a. FOR SHARE TRANSFER COMMITTEE MEETING (held every fortnight)

Name of Directors	Status	No. of Meetings Attended
Mr. Subir Bose	Chairman	26
Mr. K.R. Das	Member	9

Twenty-six Share Transfer Committee Meetings were held during the year 2006-2007.

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

Name of Directors	Status	No. of Meetings Attended
Mr. K. R. Das	Chairman	3
Mr. Subir Bose	Member	3
Mr. Anil Bhalla	Member	Nil

Three Investor Committee Meetings were held during the year 2006-2007 and the dates on which the Investor Committee Meetings were held are as follows:

- 1) July 24, 2006
- 2) October 13, 2006
- 3) January 25, 2007

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 Rs. 2,000 for every meeting attended by them.

Necessary quorum was present at all these meetings.

3. Status of Shareholders' Complaints :

Number of complaints received during the year – 7

Number not resolved to the satisfaction of shareholders – Nil

Number of pending complaints as at 31st March, 2007 – 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, 2004	29.07.04	10.30 a.m.	G D Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata 700 019	No
March 31, 2005	27.07.05	11.00 a.m.	Kalamandir Auditorium, 48, Shakespeare Sarani, Kolkata 700 017	No
March 31, 2006	28.07.06	11.00 a.m.	Kalamandir Auditorium, 48, Shakespeare Sarani, Kolkata 700 017	Yes

No special resolution was passed last year through postal ballot. No resolution is proposed to be conducted through postal ballot in the ensuing year.

V. DISCLOSURES

- The Company has not entered into any materially significant related party transaction that may have potential conflict with the interest of the Company at large.
- The Company has complied with all the requirements of the listing 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.
- The Company does not have a formal whistle blower policy. However, no person has been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and complied with the following non-mandatory 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 Business Standard, Economic Times, Bartaman and Sambad Pratidin. 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.

As per requirement of the listing agreement, the Company also uploaded the financial results, shareholding patterns, annual report and corporate governance report on <http://sebidifar.nic.in>

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

VII. CODE OF CONDUCT

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

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

Number of shares held by non-executive Directors are given below. The Company does not have any other convertible instruments.

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	41,760
Mr. Kamal Ranjan Das	33,312
Mr. Gurcharan Das	—
Mr. Naresh Gujral	—
Dr. Mrs. Isher Judge Ahluwalia	—
Mr. Rajive Sawhney	—

IX. REMUNERATION POLICY AND REMUNERATION TO DIRECTORS

Executive Director

The remuneration paid to the Managing Director, the only Executive 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 has entered into an agreement with the Managing Director to this effect. The agreement has taken effect from 1st July, 2004 and is valid up to 30th June, 2009. 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 Company does not have a scheme for grant of stock options to the Managing Director or employees.

The details of remuneration (including perquisites and allowances) paid during the year ended 31st March, 2007 are as follows:

Fixed Component	<u>Rs.</u>
Salary	32,62,500
Company's contribution to Provident Fund and Superannuation Fund	8,80,875
LTC and other perquisites	3,06,960
Variable Component	
Commission	16,31,250
Total	<u>60,81,585</u>

X. MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian economy continues to grow at an impressive rate during the last 3 years. The GDP growth during the financial year 2006-07 was an all time high of 9.4%. The current pattern of growth is broad based - with robust consumption, investments and exports. The manufacturing sector has done exceedingly well with growth over 10% and, along with the services sector, has contributed to the development of the overall economy.

The paint industry has benefited from the growth in the overall economy arising out of boom in the construction industry, development of the infrastructure sector and major increase in output from the automobile segment. There has been a significant increase in demand for premium decorative products from urban markets resulting in higher sales of both exterior and interior emulsions. The growth in the manufacturing sector has also resulted in increased demand for automotive and industrial paints.

2. OPPORTUNITIES AND THREATS

The unprecedented growth rate coupled with higher purchasing power in the hands of the middle class consumers, an improved sense of aesthetics and a better penetration of the media focusing on the quality of life augur well for the industry and the Company. The per capita consumption of paints in India is less than a kg per annum compared to 4 kgs in the South East Asian Nations, 22 kgs in developed countries and a global average of 15 kgs afford enough opportunity for the industry to grow in the direction which it chooses.

Accordingly, in the Decorative sector, the Company is gearing up capacities and manufacturing capabilities all across India. The capacity of the Company's paint plant in Goa is being augmented from 24,144 MTPA to 62,000 MTPA level. The resin plant at Jammu, with a capacity of 9,000 MTPA, has commenced operation after receiving the necessary clearances. Efforts are being made to reach customers through applicator loyalty programmes, project businesses and new product development, which will offer the customers value for money, lesser time for application, paints which are more suited for the home environment and those with more protective qualities.

The automobile industry and particularly, the two-wheeler industry continued to grow at a strong pace. The Company's products are well accepted by its customers and there were new customers in the Company's fold. The Company's General Automotive and Industrial business performed well in the face of rising competition and in order to cater to the demand, the Company has identified a plot of land near Pune for setting up an automotive paint factory.

The Company continues to be a leader in the Protective Coatings segment. While this business continues to be under high competitive pressure in terms of prices, the Company's long experience in serving the specific needs of commercial and industrial consumers and its technological superiority helped it to maintain its prime position.

The Company is taking steps to implement ERP in order to improve the quality of decision making and also ensure effective supply chain management in tune with dynamic market requirements. The Company is also in the process of setting up a joint venture company by the name of BNB Coatings India Limited with Nippon Bee Chemicals Co., Ltd. of Japan for manufacture of coatings for plastic substrates used in automobiles. Berger Becker Coatings Pvt. Ltd. has already established itself as a preferred supplier in the field of Coil Coatings.

3. OUTLOOK

The future of the Paint Industry is inextricably linked with the performance of the economy and hence the outlook appears to be reasonably good. The Company expects its sales to grow in line with the industry growth. The Company will concentrate on both the premium and the mass segments of the market in the agricultural sector. The Company is making continuous efforts to introduce new premium coatings both for Interior & Exterior applications. The current year's offerings include Luxol One Coat Enamel, Weathercoat All Guard Exterior Emulsion and Luxol Breathe Easy. Rangoli Easy Clean was repositioned with improved formulation. These premium products have very specific end use application and would find good customer acceptance.

The Company also offers a wide range of other products. The customers can mix and match colours according to their choice in the Colorbank range of products available all over India. For special designer finishes, the Company offers a wide array of applications among its registered designs of Illusions, which have been developed in-house. Lewis Berger Home Painting provides trouble-free home painting solution at a reasonable cost. The new products of Galaxy and Berger Kidz, aimed at brightening up children's rooms, have received excellent support.

4. RISK AND CONCERN

The paint sector is highly raw material intensive and rise in crude oil petroleum prices results in higher costs of input. The Company is addressing this area through development of alternate raw materials and effective sourcing. The major areas of concern which can affect demand to a certain extent are - low growth in the agricultural sector and the increase in interest cost of housing loans. The Company has a risk assessment committee, which meets regularly to address the various risks that are faced by the Company in a systematic manner.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems, which enable it to run its factories and depots at a fair degree of comfort. The system incorporates continuous monitoring, checks and balances, negotiation and purchase policies, authorization and delegation procedures, audits including compliance audits, which are periodically reviewed by the Audit Committee. A strong Internal Audit Department keeps a regular surveillance over the whole operations. The internal needs are continuously monitored and the Department resources are re-arranged when need be.

6. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's gross sales revenue for the year 2006-07 has been Rs. 13,220 million, registering a growth of 18.42% over that for the year 2005-06. All factories performed well during the year under review. The Company's profit after tax, at Rs. 830 million, registering a growth of 18.06% over that of the previous year.

7. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

There has been no significant development in this area. Industrial Relations situation was peaceful. The number of people employed as on 31st March, 2007 was 2,045 (31st March, 2006 : 1,966).

On behalf of the Board of Directors

Kuldip Singh Dhingra
Chairman

Kolkata

Dated : 12th June, 2007

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, 2007. The said Code of Conduct has also been uploaded by the Company in its website www.bergerpaints.com.

Kolkata

Dated : 12th June, 2007

Subir Bose
Managing Director

ANNEXURE-II

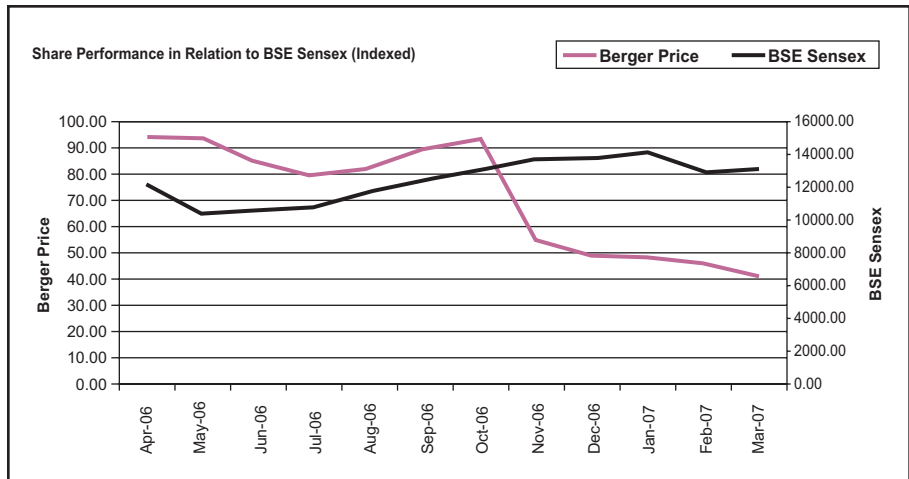
TO CORPORATE GOVERNANCE

GENERAL SHAREHOLDERS' INFORMATION

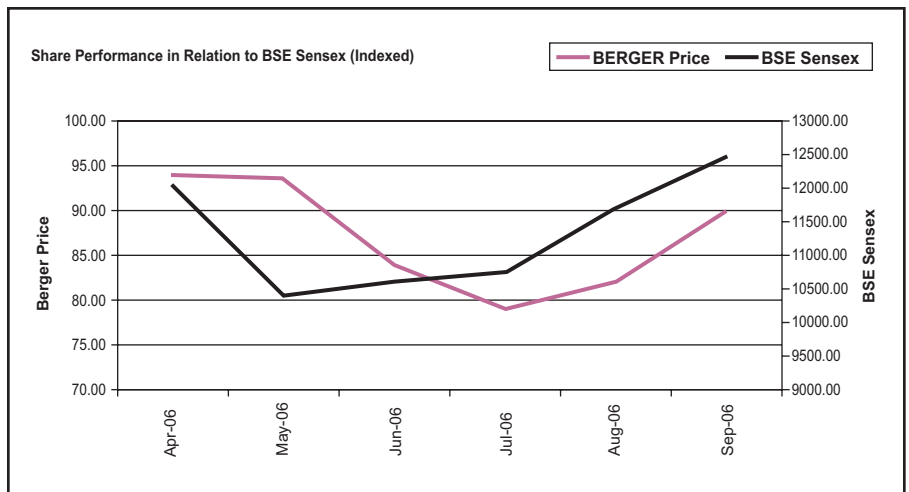
Annual General Meeting	: Date	Time	Venue
	31st July, 2007	11.00 a.m.	Kalamandir, 48, Shakespeare Sarani Kolkata-700 017
Book Closure Dates	: 17th July, 2007 to 31st July, 2007 (both days inclusive)		
Dividend Payment Date	: Interim - 8th March, 2007 Final - On or before 27th August, 2007		
Ensuing Financial Reporting Calendar	: Financial Reporting for the quarters ending on :		
	30th June, 2007	— By 31st July, 2007	
	30th September, 2007	— By 31st October, 2007	
	31st December, 2007	— By 31st January, 2008	
	31st March, 2008 (audited)	— By 30th June, 2008	
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 Ltd. 4th floor, Trade World, Kamala Mill Compound Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	Central Depositories Services (India) Limited Phiroze Jeejeebhoy Towers, 28th floor Dalal Street, Mumbai - 400 023	
ISIN No.	: INE463A01020		
Market Price (High & Low) at BSE during each month of the Financial Year 2006-2007			

Month	High (Rs.)	Low (Rs.)
April 2006	94.00	75.00
May 2006	93.50	65.50
June 2006	84.00	65.05
July 2006	78.95	72.00
August 2006	82.00	71.70
September 2006	89.90	80.00
October 2006	93.50	52.90
November 2006	55.00	46.00
December 2006	49.00	42.35
January 2007	48.90	44.00
February 2007	45.90	35.00
March 2007	40.80	35.50

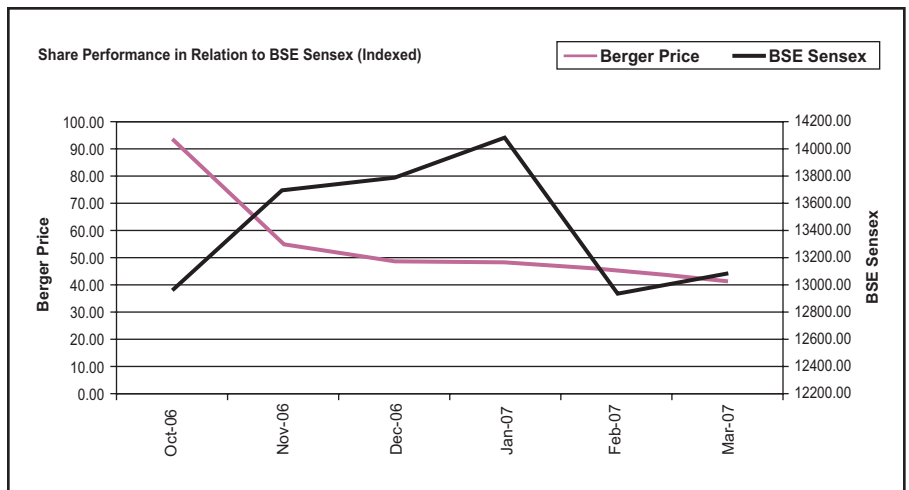
Share Performance in Relation to BSE Sensex (Indexed)



Share Performance in Relation to BSE Sensex (Indexed) (PRE-BONUS)



Share Performance in Relation to BSE Sensex (Indexed) (POST-BONUS)



Number of Shareholders : 37504

(As at 31.3.2007)

Shareholding Pattern :

(As at 31.3.2007)

Status	Holding (%)
Indian Promoters	73.53
Non Resident Individuals/Companies	2.55
Financial Institutions/Insurance Companies	5.98
Resident Individuals	13.88
Domestic Companies	2.26
Nationalized Banks & Mutual Funds	1.80
TOTAL	100.00

Distribution of Shareholding :

(As at 31.03.2007)

No. of Shares	No. of Shareholders	% of Shareholders
1 - 500	23500	62.66
501 - 1000	3925	10.46
1001 - 2000	3477	9.27
2001 - 3000	2707	7.22
3001 - 4000	847	2.26
4001 - 5000	1167	3.11
5001 -10000	1260	3.36
10001 and above	621	1.66
TOTAL	37504	100.00

Share Transfer System :

Shares sent for physical transfer are effected within 15 working days of lodgement. The Share Transfer Committee meets every fortnight. The total number of shares transferred in physical form during the year 2006-2007 was 2,12,005 as compared to 2,05,066 shares during 2005-2006.

Dematerialisation of Shares & Liquidity :

87.01 % of the Company's shares are held in electronic form.

Plant Location :

This information forms part of the annual report.

Registrars and Share Transfer Agents and Address for Correspondence :

C B Management Services (P) Ltd
P-22 Bondel Road, Kolkata 700 019

Compliance Officer :

Mr. Aniruddha Sen

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 Auditor's Certificate is given as an Appendix to the Report on Corporate Governance.

On behalf of the Board of Directors

Kolkata

Dated : 12th June, 2007

Kuldip Singh Dhingra
Chairman

AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

We have examined the compliance of conditions of Corporate Governance by Berger Paints India Limited, for the year ended 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement 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 in respect of investor grievances received during the year ended 31st March, 2007, no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company which are presented to Shareholders'/Investors' Grievance Committee.

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

Place : Kolkata

Date : 12th June, 2007

Prabal Kr. Sarkar

Partner

Membership Number 52340

For and on behalf of

LOVELOCK & LEWES

Chartered Accountants

ANNEXURE-III TO DIRECTORS' REPORT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31ST MARCH, 2007

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	1,22,62,161	99,96,407
Total Amount	Rs. 4,43,16,586	Rs. 4,19,61,838
Rate/Unit	Rs. 3.61	Rs. 4.20
(b) Own Generation		
(i) Through Diesel Generator :		
Units	21,24,545	17,07,062
Units per litre of Diesel oil	3.37	3.00
Cost/Unit	Rs. 9.57	Rs. 10.29
(ii) Through Steam Turbine/Generator :		
Units	Not applicable	Not applicable
Units per litre of Fuel Oil/Gas		
Cost/Unit		
2) Coal :	Not applicable	Not applicable
Quantity		
Total Cost		
Average Rate		
3) Furnace Oil :	Not applicable	Not applicable
Quantity		
Total Cost		
Average Rate		
4) Others :		
Quantity (LDO, HSD & FO for Resin Production) in KL	1,629	1,556
Total Cost in Rs.	5,08,12,652	4,67,59,612
Rate/Unit (KL)	Rs. 31,193	Rs. 30,051

(B) Consumption per unit of production

Products	Standard		
Paints, Varnishes & Enamels (KL)		1,01,110	86,279
Resin (KL) for captive consumption	No specific Standard as the consumption per unit depends on the product mix	26,261	25,088
Unit/KL			
Electricity		112.95	105
Furnace Oil		Not applicable	Not applicable
Coal (specific quantity)		Not applicable	Not applicable
Others (LDO for Resin Prodn.)		0.06	0.06
(LDO KL/ RESIN KL)			

Notes :

- 1) The unit/KL in the current financial year is 112.95 as against the previous year's figure of 105 due to inhouse production of Powder Coatings at the Jammu Plant.
- 2) Consumption of Electricity/unit for Powder Coatings is higher than Liquid Paints.

On behalf of the Board of Directors

Kolkata
Dated : 12th June, 2007

Kuldip Singh Dhingra
Chairman

ANNEXURE-III TO DIRECTORS' REPORT (Contd.)

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. **Specific areas in which R&D carried out by the Company:**
 - Development of new products.
 - Cost reduction with product upgradation.
 - Development of low VOC products.
 - Adaptation & reproduction of Collaborator's Technology.
 - OEM specific products.
2. **Benefits derived as a result of the above R&D:**
 - Launching of new decorative products
 - 1 - Coat Premium Synthetic Enamel
 - Breathe Easy
 - Weathercoat All Guard
 - Rangoli Stain Guard
 - Woodkeeper Melamine Matt
 - Launching of new Protective Coating products
 - Low cost Surface Tolerant Epoxy
 - Three Coat & Two Coat Painting System for Wind Mill
 - Epoxy Siloxane Top Coat
 - TGIC Free Pure Polyester Powder; Low Cost EP-Poly Glossy Powder; Pure Polyester Matt
 - Heat Resistant Paint for Exhaust Pipe; Single Coat Finish for Painting LPG Cylinder
3. **Future Plan of action:**
 - New Products for Retail Market (both Interior & Exterior)
 - Cost Reduction & Product Upgradation
 - Low VOC Paint
 - Special Effect Paint
 - Process Optimization
 - Absorption & Indigenisation of Collaborator's Technology
 - New Powder Products for Four Wheeler
 - New Automotive Products for Three Wheeler, Four Wheeler & Two Wheeler

4. Expenditure on R&D	(Rs. in Million)
(a) Capital	3.38
(b) Recurring	10.92
(c) Total	14.30
(d) Total R&D expenditure as a percentage of Total Turnover	0.11%

Technology Absorption, Adaptation and Innovation:

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

3. Technology Imported during the last 5 years:		
Technology Imported	Year of Import	Absorption of Technology
Protective Coatings	2001	Mostly absorbed
Powder Coatings	2003	In the process of absorption
Automotive Coatings	2004	In the process of absorption

On behalf of the Board of Directors

Kolkata
Dated : 12th June, 2007
Kuldip Singh Dhingra
Chairman

ANNEXURE-IV TO DIRECTORS' REPORT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31ST MARCH, 2007

Name	Designation/ Nature of duties	Gross remuneration	Qualification	Experience (Years)	Date of Commencement of employment in the Company	Age	Previous Employment/ Position held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

A. EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING Rs. 24,00,000/- OR MORE

Mr. Subir Bose	Managing Director	Rs. 6,081,585	B.Tech., PGDBA	36	09.07.1984	57	Marketing Manager, Abucon Nigeria Ltd.
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B. EMPLOYED FOR A PART OF THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING Rs. 2,00,000/- OR MORE PER MONTH

NIL

- Notes :**
1. Gross remuneration includes salary, commission, value of perquisites, medical benefits and Company's contribution to Provident, Superannuation & 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

Kolkata
Dated : 12th June, 2007

Kuldip Singh Dhingra
Chairman

NOTICE

Notice is hereby given that the Eighty-third Annual General Meeting of Berger Paints India Limited will be held at Kalamandir, 48, Shakespeare Sarani, Kolkata 700 017 on Tuesday, 31st July, 2007 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, 2007, the Balance Sheet as at 31st March, 2007, together with the Directors' and Auditors' Reports thereon.
2. To confirm payment of Interim Dividend and declare a Final Dividend on equity shares of the Company for the year ended 31st March, 2007.
3. To appoint a Director in place of Mr. Anil Bhalla who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kamal Ranjan Das who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:
"RESOLVED THAT, Dr. (Mrs.) Isher Judge Ahluwalia be and is hereby appointed a Director of the Company."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:
"RESOLVED THAT, pursuant to the provisions of Sections 198, 309 and other applicable provisions of the Companies Act, 1956, Directors of the Company, who are neither in the whole-time employment of the Company nor Managing Director, be paid a commission of 1% of the net profits of the Company, determined in accordance with the said Sections, subject to a limit of Rs. 40,00,000 per annum, to be distributed amongst them in such manner as they may deem fit."
8. 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 and 309 read with Schedule XIII of the Companies Act, 1956 the amendment made with effect from 1st July, 2007, in the terms dealing with the housing facilities of Mr. Subir Bose as Managing Director, as approved by the members at the Annual General Meeting held on 29th July, 2004, be and is hereby approved:
"(i) Housing – Mr. Subir Bose shall be entitled to accommodation in house/flat owned/rented by the Company. The expenditure on gas, electricity and furnishings shall be subject to a ceiling of 10% of the salary and will be valued in accordance with the Income Tax Rules, 1962".

RESOLVED FURTHER THAT, all other terms and conditions of the agreement setting out the remuneration and perquisites of Mr. Subir Bose as approved by the members at the Annual General Meeting held on 29th July, 2004 shall continue unchanged."

By Order of the Board

Place : Kolkata

Dated : 12th June, 2007

Aniruddha Sen

Vice President & Company Secretary

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not later than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 17th July, 2007 to 31st July, 2007, both days inclusive.
3. The final dividend, if declared, will be paid on or before 27th August, 2007 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 mandatees.
4. Members are requested to notify any change in their address immediately to C B Management Services (P) Ltd., P-22 Bondel Road, Kolkata - 700 019, the Share Registrars of the Company for shares held in physical form.
5. Members are reminded to send their dividend warrants, which have not been cashed, to the Company for revalidation.
6. As per current SEBI Regulations, dividend is required to be credited to shareholders through Electronic Clearing Service (ECS) wherever the facility is available and the requisite details/mandates have been provided by the members. Members desirous of availing this facility may send the details of their bank accounts with addresses and MICR Codes of their banks to their Depository Participants (in case of shares held in dematerialized form) or to C B Management Services Private Limited (in case of shares held in physical form) at the earliest.
7. Members interested in nomination in respect of shares held by them may write to C B Management Services for the prescribed form.

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6

Dr. (Mrs.) Isher Judge Ahluwalia (“Dr. Mrs. Ahluwalia”) was appointed Additional Director of the Company with effect from 25th August, 2006 at the Board Meeting held on 25th August, 2006 pursuant to Article 103 of the Articles of Association of the Company and holds office 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 signifying his intention to propose the appointment of Dr. Mrs. Ahluwalia as a Director at this Meeting.

Dr. Mrs. Ahluwalia has vast experience in the fields of economics, academics and planning and your Directors feel that the Company will benefit considerably from inclusion of Dr. Mrs. Ahluwalia on the Board. She is B.A.(Hons.), Economics from Presidency College, Calcutta University, M.A. Economics from Delhi School of Economics, Ph. D. Economics, MIT, Cambridge, Massachusetts. She currently holds various positions in various bodies including those of the Chairperson, Indian Council for Research on International Economic Relations (ICRIER), Vice Chairperson, Planning Board, Government of Punjab, India and Member, National Manufacturing Competitiveness Council, Government of India. She is on the Board of AIG Global Asset Management Company (India) Private Limited.

Dr. Mrs. Ahluwalia does not hold any committee position in the companies in which she is a Director.

Apart from Dr. Mrs. Ahluwalia, no Director of the Company is deemed to be interested in this Resolution.

Your Directors recommend the resolution for your approval.

Item No. 7

The Company's Directors, who are not in whole-time employment, are distinguished persons in their respective fields of operation. The Company receives considerable services from these Directors and often draws upon their expertise and rich experience. The advice, support and guidance received from these Directors benefit the Company to a great extent.

Such Directors are currently paid a sitting fee of Rs. 2,000 for the meetings of the Board and committees attended by them. It is considered fair and reasonable that they be provided a commission, as may be approved by the members of the Company. The exact amount of the commission to be paid to each Director within the overall limit approved by the members will depend on the net profit of the Company under Sections 198 and 309 of the Companies Act, 1956 and will be determined by the Board.

Other than Mr. Subir Bose, all Directors may be deemed to be concerned or interested in the resolution.

Item No. 8

Mr. Subir Bose's ("Mr. Bose") re-appointment for a period of 5 years with effect from 1st July, 2004 was approved by the members at the Annual General Meeting held on 29th July, 2004. The terms of the said re-appointment included the following condition on Housing :

"Housing – The rental of the unfurnished accommodation will not exceed 60% of salary, over and above 10% to be paid by Mr. Bose. The expenditure on gas, electricity and furnishings shall be subject to a ceiling of 10% of the salary and will be valued in accordance with Income Tax Rules, 1962."

The aforesaid term does not enable the Company to provide Mr. Bose with an accommodation owned by the Company itself, which is a possibility. It is therefore necessary to amend the resolution adopted at the Annual General Meeting held on 29th July, 2004. The change in the terms of the Managing Director requires approval of the members of the Company in General Meeting under Section 309 and Schedule XIII of the Companies Act, 1956.

The proposed change in the terms of appointment of Mr. Bose as Managing Director is within the limits prescribed under Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956.

The Board recommends the resolution for your approval.

The agreement setting out the terms and conditions of appointment of Mr. Bose as Managing Director, as amended, will be available for inspection by the members of the Company at its Registered Office on any working day, other than a Saturday, prior to the date of the Annual General Meeting, between 2 and 5 p.m. and will also be kept open for inspection at the Annual General Meeting.

Other than Mr. Bose, no Director of the Company is concerned or interested in the resolution.

The resolution set out at item 8 may be treated as an abstract of the variation of the contract of appointment of Mr. Bose as Managing Director and a memorandum as to nature of concern and interest of the Directors in the said appointment, as required under Section 302 of the Companies Act, 1956.

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

	Item No. 3	Item No.4	Item No. 6
Name of Director	Mr. Anil Bhalla	Mr. Kamal Ranjan Das	Dr. Mrs. Isher Judge Ahluwalia
Date of Birth	September 14, 1946	February 23, 1932	October 1, 1945
Date of Appointment	September 27, 1991	April 1, 1989	August 25, 2006
Qualification	Fellow member of the Institute of Chartered Accountants of India	Science Graduate	<ul style="list-style-type: none"> • B.A. (Hons.) Economics, Presidency College, Calcutta University • M.A. Economics, Delhi School of Economics, Delhi • Ph. D. Economics, MIT, Cambridge, Massachusetts
Expertise in specific functional areas	Senior Partner of J.C. Bhalla & Co., Chartered Accountant	Long term experience in Paint Industry	<ul style="list-style-type: none"> • Chairperson, Indian Council for Research on International Economic Relations (ICRIER) • Vice Chairperson, Planning Board, Government of Punjab, India • Member, National Manufacturing Competitiveness Council, Government of India
List of companies in which outside Directorship held as on March 31, 2007	<ul style="list-style-type: none"> • Berger Paints (Bangladesh) Ltd. • Bharti Telecom Finance Ltd. • U K Paints Overseas Ltd. • Berger Jenson & Nicholson (Nepal) Pvt. Ltd. • Enablizer Backoffice Technologies Pvt. Ltd. • Jam Holdings Pvt. Ltd. 	<ul style="list-style-type: none"> • Bengal Waterproof Ltd. • Berger Paints (Bangladesh) Ltd. • Beepee Coatings Pvt. Ltd. • King & Co. (Homeo Chemists) Pvt. Ltd. • R.D.G. Systems & Software Pvt. Ltd. 	<ul style="list-style-type: none"> • AIG Global Asset Management Company (India) Pvt. Ltd.
Chairman/Member of the Committees of the Board of the Companies on which he/she is a Director as on March 31, 2007	Mr. Bhalla does not hold any committee positions in the companies in which he is a Director other than those of the Company.	Mr. Das does not hold any committee positions in the companies in which he is a Director, other than those of the Company.	Dr. Ahluwalia does not hold any committee positions in the companies in which she is a Director.
Shareholding in the Company	41760 equity shares	33312 equity shares	—

Your Directors recommend the resolutions for your approval.

Kolkata
Dated : 12th June, 2007

By Order of the Board
Aniruddha Sen
Vice President & Company Secretary

AUDITORS' REPORT

TO THE MEMBERS OF BERGER PAINTS INDIA LIMITED

1. We have audited the attached Balance Sheet of Berger Paints India Limited, as at 31st March, 2007 and the related Profit and Loss Account and the 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 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 said 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, 2007 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2007 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, 2007;
 - (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.

Place: Kolkata
Date : 12th June, 2007

Prabal Kr. Sarkar
Partner
Membership Number 52340
For and on behalf of
Lovelock & Lewes
Chartered Accountants

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, 2007]

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 have been physically verified by the management at intervals, which in our opinion are reasonable having regard to the size of the Company and the nature of its assets 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 inventories have been physically verified by the management during the year. Stocks in the custody of third parties and those in transit as at 31st March, 2007 have been either verified physically by the management or 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 inventories 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 inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
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 inventories, 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 procedures.
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 during the year has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the 'Act' and the rules framed thereunder, where applicable. According to the information and explanations given to us, no order under the aforesaid Sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
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. However, we are not required to examine and have not carried out any detailed examination of such records.
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.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2007 for a period of more than six months from the date they became payable.

ANNEXURE TO AUDITORS' REPORT (Contd.)

- (c) According to the information and explanations given to us and the records of the Company examined by us the particulars of income tax, sales tax, excise duty as at 31st March, 2007 which have not been deposited on account of a dispute, are as follows –

Name of the Statute	Nature of dues	Amount (Rs.)	Period	Forum where the dispute is pending
Income Tax Act	Income Tax	6,16,38,712	2002-03	Commissioner (Appeals)
Central Excise Act	Excise Duty	1,61,71,481	1998-99, 1999-00, 2001-02, 2004-05	Customs Excise Service Tax Appellate Tribunal
		37,36,778	1986-87, 2000-03, 2005	Commissioner (Appeals)
Central Sales Tax Act	Sales Tax	18,49,653	1999-2003	Sales Tax Appellate Tribunal
		1,66,90,504	1996-97, 2000-01	Revision Board
		10,87,82,965	1995-96, 1998-2003	Deputy Commissioner (Appeals)
		4,59,25,339	1983-84, 1986-88, 1989-91, 1994-96, 2002-05	Assistant Commissioner (Appeals)
State Sales Tax Acts	Sales Tax	14,62,143	1997-98	High Court
		1,24,32,653	1994-95, 1996-97, 1998-2003	Sales Tax Appellate Tribunal
		2,71,24,750	1996-97, 2000-01	Revision Board
		5,42,96,908	1995-96, 1998-2004	Deputy Commissioner (Appeals)
		5,94,91,243	1984-85, 1986-87, 1988-90, 1991-98, 2002-05	Assistant Commissioner (Appeals)

ANNEXURE TO AUDITORS' REPORT (Contd.)

10. The Company has no accumulated losses as at 31st March, 2007 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 explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank 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 during the year.
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.

Place: Kolkata
Date : 12th June, 2007

Prabal Kr. Sarkar
Partner
Membership Number 52340
For and on behalf of
Lovelock & Lewes
Chartered Accountants

BALANCE SHEET

AS AT 31st MARCH, 2007

	Schedule	31st March, 2007 Rs. '000	31st March, 2006 Rs. '000
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	637,745	398,554
Reserves and Surplus	2	2,120,714	1,897,883
		<u>2,758,459</u>	<u>2,296,437</u>
Loan Funds			
Secured Loans	3	860,288	76,201
Unsecured Loans	4	292,830	351,502
		<u>1,153,118</u>	<u>427,703</u>
Deferred Taxation	5	68,018	67,860
TOTAL		<u>3,979,595</u>	<u>2,792,000</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2,449,376	2,262,559
Less : Depreciation		<u>1,241,392</u>	<u>1,089,631</u>
Net Block		1,207,984	1,172,928
Capital Work-in-Progress - at Cost		137,147	110,488
		<u>1,345,131</u>	<u>1,283,416</u>
Investments	7	128,168	128,168
Current Assets, Loans and Advances			
Inventories	8	2,520,694	1,995,793
Sundry Debtors	9	1,435,218	1,095,091
Cash & Bank Balances	10	217,427	253,353
Loans and Advances	11	466,643	296,429
		<u>4,639,982</u>	<u>3,640,666</u>
Less : Current Liabilities and Provisions			
Liabilities	12	1,983,242	2,011,388
Provisions	13	151,208	250,703
		<u>2,134,450</u>	<u>2,262,091</u>
Net Current Assets		2,505,532	1,378,575
Miscellaneous Expenditure		764	1,841
(To the extent not written off or adjusted)			
TOTAL		<u>3,979,595</u>	<u>2,792,000</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

Kuldip Singh Dhingra — Chairman
G S Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director
Gurcharan Das — Director
K.R. Das — Director
Aniruddha Sen — Vice President &
Company Secretary

Kolkata
Dated : 12th June, 2007

Prabal Kr. Sarkar
Partner
Membership Number 52340
For and on behalf of
LOVELOCK & LEWES
Chartered Accountants

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2007

	Schedule	For the year ended 31st March, 2007 Rs. '000	For the year ended 31st March, 2006 Rs. '000
INCOME			
Gross Turnover		13,220,462	11,164,307
Less: Excise Duty		1,569,298	1,354,590
Net Turnover		<u>11,651,164</u>	<u>9,809,717</u>
Other Income	15	128,934	133,827
		<u>11,780,098</u>	<u>9,943,544</u>
EXPENDITURE			
Materials Consumed	16	7,608,303	6,291,534
Expenses	17	2,888,007	2,505,724
Interest	18	82,881	52,771
Depreciation		178,016	173,923
		<u>10,757,207</u>	<u>9,023,952</u>
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM		1,022,891	919,592
Exceptional Item (Expenditure Under Voluntary Retirement Scheme)		550	3,159
PROFIT BEFORE TAXATION		<u>1,022,341</u>	<u>916,433</u>
Provision for Taxation			
Current Tax	19	177,920	198,729
Deferred Tax	20	158	-3,171
Fringe Benefit Tax		13,589	17,948
PROFIT AFTER TAXATION		<u>830,674</u>	<u>702,927</u>
Profit brought forward		250,000	180,000
AVAILABLE FOR DISTRIBUTION		<u>1,080,674</u>	<u>882,927</u>
Transfer to :			
General Reserve		463,292	178,447
Dividend			
– Interim		191,323	199,290
– Final		127,549	199,290
Tax on distributable profit		48,510	55,900
Balance carried to Balance Sheet		250,000	250,000
		<u>1,080,674</u>	<u>882,927</u>
Earnings per share - Basic and diluted (in Rupees)		2.61	2.20
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.

Kolkata
Dated : 12th June, 2007

Prabal Kr. Sarkar
Partner
Membership Number 52340
For and on behalf of
LOVELOCK & LEWES
Chartered Accountants

On behalf of the Board of Directors

Kuldip Singh Dhingra — Chairman
G S Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director
Gurcharan Das — Director
K.R. Das — Director
Aniruddha Sen — Vice President &
Company Secretary

SCHEDULES

	31st March, 2007 <u>Rs. '000</u>	31st March, 2006 <u>Rs. '000</u>
1. CAPITAL - Equity		
Share Capital		
Authorised :		
325,000,000 (2005-06 : 200,000,000) Ordinary Shares of Rs. 2 each	650,000	400,000
Issued :		
318,918,204 (2005-06 : 199,341,030) Ordinary Shares of Rs. 2 each	637,836	398,682
Subscribed :		
318,872,464 (2005-06 : 199,289,790) Ordinary Shares of Rs. 2 each fully paid - up	637,745	398,580
Less : Calls unpaid - by others	—	26
	<u>637,745</u>	<u>398,554</u>

Notes : Of the above Equity Shares -

- (a) 3,151,187 shares of Rs. 10/- each allotted as fully paid-up pursuant to a contract without payment being received in cash before the buy-back of shares.
- (b) 257,660 shares of Rs. 10/- each allotted as fully paid-up pursuant to a contract in full redemption of Mortgage Debentures before the buy-back of shares.
- (c) 26,972,214 shares of Rs. 10/- each allotted as fully paid Bonus Shares by capitalisation of General Reserve and Share Premium before the buy-back of shares.
- (d) The authorised and paid-up face value of the Company's Ordinary (Equity) Shares of Rs. 10/- each were subdivided into authorised and paid-up face value of Rs. 2/- per share with effect from 1st September, 2004.
- (e) The Company has issued 5,500 Ordinary (Equity) Shares of Rs. 2/- each during the financial year out of the issue of Right Shares in 1996 kept in abeyance.
- (f) 119,577,174 shares of Rs. 2/- each allotted as fully paid Bonus Shares by capitalization of Share Premium and General Reserve during the financial year.

2. RESERVES AND SURPLUS

	Balance at 31st March, 2006 <u>Rs. '000</u>	Additions <u>Rs.'000</u>	Deductions <u>Rs.'000</u>	Balance at 31st March, 2007 <u>Rs.'000</u>
Revaluation Reserve	15,188	—	1,417 *	13,771
General Reserve	1,440,397	463,292	47,465	1,856,224
Share Premium	191,690	111	191,690	111
Profit and Loss Account	250,000	250,000	250,000	250,000
Capital Reserve	200	—	—	200
Capital Redemption Reserve	408	—	—	408
	<u>1,897,883</u>	<u>713,403</u>	<u>490,572</u>	<u>2,120,714</u>

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

SCHEDULES

	31st March, 2007	31st March, 2006
	Rs.'000	Rs.'000
3. SECURED LOANS		
Loans from Banks - Cash Credit	860,288	76,201
	860,288	76,201
Note :		
Loans from Banks - Cash Credit are secured by hypothecation of stock-in-trade and book debts.		
4. UNSECURED LOANS		
Fixed Deposits *	879	1,501
Short Term Loans		
Banks	271,950	—
Others	20,001	350,001
	292,830	351,502
* Includes unclaimed matured fixed deposits	669	1,291
5. DEFERRED TAXATION		
Liability		
Depreciation	80,668	79,320
Amortisation of expenses in accounts	881	1,141
	81,549	80,461
Less : Asset		
Amortisation of expenses allowed as per Income Tax Act	4,303	6,151
Others	9,228	6,450
	13,531	12,601
	68,018	67,860

SCHEDULES

6. FIXED ASSETS



	Original Cost/ Professional Valuation at 31st March, 2006***		Original Cost/ Professional Valuation at 31st March, 2007		Depreciation			Net Book value at 31st March, 2007****	Net Book value at 31st March, 2006
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	For the Year **	On deletions (Accumulated upto the date of sale)	Upto 31st March, 2007	Rs. '000	Rs. '000
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Land :									
Freehold	33,069	—	33,069	—	—	—	—	33,069	33,069
Leasehold **	13,268	—	13,268	—	159	—	1,560	11,708	11,867
Buildings :									
Freehold *	459,723	17,083	444,050	32,756	13,762	9,025	106,890	337,160	357,570
Leasehold **	33,114	—	33,114	—	468	—	7,732	25,382	25,850
Plant and Machinery	1,267,579	165,091	1,416,393	16,277	122,403	3,935	825,483	590,910	560,564
Furniture and Fittings	47,513	6,256	53,329	440	3,437	416	26,021	27,308	24,513
Equipment	344,802	49,313	389,998	4,117	30,947	3,302	241,887	148,111	130,560
Motor Cars and Other Vehicles	63,491	16,103	66,155	13,439	8,257	10,994	31,819	34,336	28,935
	<u>2,262,559</u>	<u>253,846</u>	<u>2,449,376</u>	<u>67,029</u>	<u>179,433</u>	<u>27,672</u>	<u>1,241,392</u>	<u>1,207,984</u>	<u>1,172,928</u>
Previous year	<u>1,888,961</u>	<u>386,093</u>	<u>2,262,559</u>	<u>12,495</u>	<u>175,339</u>	<u>10,424</u>	<u>1,089,631</u>	<u>1,172,928</u>	

* Partly on Leasehold Land.

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

*** Year of Revaluation

Asset Type
Leasehold Land, Freehold Building

1989
Freehold Building

1985
Freehold Land, Freehold Building

1993
Refer to note (ii) (a) in Schedule 21.

**** Net of assets destroyed by fire.

SCHEDULES

	31st March, 2007	31st March, 2006
	<u>Rs.'000</u>	<u>Rs.'000</u>
7. INVESTMENTS		
Long Term - Unquoted		
In wholly owned subsidiary companies-		
Beepee Coatings Private Limited - at cost		
25,00,000 Equity Shares of Rs. 10/- each fully paid-up	25,000	25,000
Berger Jenson & Nicholson (Nepal) Private Limited - at cost		
105,421 Equity Shares of NRs 100 each fully paid-up	29,622	29,622
Berger Paints (Cyprus) Limited - at cost		
369,830 Equity Shares of CYP £ 1 each fully paid-up	33,959	33,959
Other Investments		
Government Security - 7 years National Savings Certificate (Under Lien)	1	1
Trade		
270,850 Equity Shares of M/s Berger Becker Coatings Private Limited of Rs. 100/- each fully paid-up	27,085	27,085
Other Than Trade		
Pnb Principal Insurance Advisory Company Private Limited - at cost		
125,000 Equity Shares of Rs. 100/- each fully paid-up	12,500	12,500
1,498 Shares of Re. 1 each fully paid-up in Shantikunj Apartments Limited	<u>1</u>	<u>1</u>
	<u>128,168</u>	<u>128,168</u>

Note :

The following investments were purchased and sold during the year :

<u>Description of Investment</u>	<u>No. of Units/Bonds</u>	<u>Purchase Cost</u>
		Rs. '000
J M Money Manager Fund-Growth Super Plus	<u>1,492,373.97</u>	<u>15,000</u>

8. INVENTORIES (including in transit)

Stores and Spare Parts	32,855	28,260
Raw Materials	877,087	669,593
Containers	64,799	56,820
Work-in-Process	136,207	120,645
Finished Goods	1,409,746	1,120,475
	<u>2,520,694</u>	<u>1,995,793</u>

SCHEDULES

	31st March, 2007 <u>Rs.'000</u>	31st March, 2006 <u>Rs.'000</u>
9. SUNDRY DEBTORS - Unsecured - Considered Good		
Debts Outstanding - for a period exceeding six months	44,754	31,619
Other Debts	1,390,464	1,063,472
	<u>1,435,218</u>	<u>1,095,091</u>
10. CASH AND BANK BALANCES		
Cash and cheques in hand	5,442	8,971
With Standard Chartered Bank Chittagong (at pre-1966 devaluation rate of Indian Rupees), Rs. 36, fully written off	—	—
With Scheduled Banks -		
On Current Accounts	209,598	243,020
On Fixed Deposit Account	2,387	1,362
	<u>217,427</u>	<u>253,353</u>
11. LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received -		
Secured - Considered Good	18	18
Unsecured - Considered Good*	311,240	134,020
	<u>311,258</u>	<u>134,038</u>
Advance payment of Tax (net of provision Rs. 193,979)	11,481	—
Balance with Customs, Central Excise etc.		
Unsecured - Considered Good **	85,392	104,039
Deposits		
Unsecured - Considered Good		
Security and Tender *** (including Deposits in Government Securities - Unquoted at cost - pledged with Government Authorities Rs. 6)	58,512	58,352
	<u>466,643</u>	<u>296,429</u>
* Includes interest accrued on deposits and others	1,784	77
Includes loans and advances made to subsidiaries	88,215	19,025
** Includes excise duty deposited for subsidiary	3,697	1,850
*** Includes amount due from a private company in which directors of the Company are directors	—	832
12. LIABILITIES		
Acceptances	475,456	729,576
Sundry Creditors -		
Total Outstanding Dues to Small Scale Industrial Undertakings	37,263*	27,429*
Total Outstanding Dues to Other Sundry Creditors	888,402	887,008
Security Deposits	7,855	8,489
Other Liabilities	572,826*	357,687*
Interest accrued but not due on loans	1,440	1,199
	<u>1,983,242</u>	<u>2,011,388</u>

*Refer Note V (i & ii) in Schedule 14

SCHEDULES

	31st March, 2007	31st March, 2006
	Rs.'000	Rs.'000
13. PROVISIONS		
Provision for Taxation (net of advance payment of tax : 2005-06 Rs. 214,633)	—	21,966
Provision for Fringe Benefit Tax	1,982	1,497
Tax on distributable profit	21,677	27,950
Proposed Dividend	127,549	199,290
	151,208	250,703

14. NOTES ON THE BALANCE SHEET

- I. Estimated amount of Contracts remaining to be executed on Capital Account not provided for 31,868 36,150
- II. The Company had been determining the assessable value for Excise purpose based on the adjudication order of the assessing authority as also appellate orders of the earlier years and various decisions of the Hon'ble Tribunal and of various Hon'ble High Courts as also of the Hon'ble Supreme Court. The Excise Authorities have disputed some of the abatements and the matter is sub-judice. However, in view of the decision of the Hon'ble Supreme Court in May, 1995 while determining the assessable value for Excise purpose, there may arise an additional excise duty liability for the years 1988-89 to 1993-94 which is not quantifiable at present as both the price lists as also the assessments for the said period are pending final adjudication.
- III. Claims against the Company not acknowledged as debts: The Sales Tax, Excise, Income Tax and Provident Fund Authorities have made certain claims totalling Rs. 312,856 (2005-06: Rs. 309,099), Rs. 21,453 (2005-06: Rs. 4,708), Rs. 62,280 (2005-06: Rs. 61,639), Rs. 865 (2005-06: Rs. 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.
- IV. In respect of the insurance claim for the assets lost by fire in the Company's Goa Plant on 28th April, 2006, the Company has received Rs. 30,000 as on account payment during the year. Pending full disposal of the claim, the Company has considered the difference between such amount received and the book value of such assets as claims receivable.
- V. Liabilities in Schedule 12 include :
- (i) The following SSI undertakings have outstandings over 30 days -
- | | | |
|---------------------------------------|--------------------------------------|------------------------------------|
| Anupam Colours & Chemicals Industries | Coastal Paints Ltd. | A G Gasochem (P) Ltd. |
| Anupam Colours Pvt. Ltd. | Fozdar Products | Aakar India |
| Aditya Varna Pvt. Ltd. | Evergreen drums & Cans Pvt. Ltd. | Auro Chemicals |
| Astral Paints Pvt. Ltd. | Gemini Paints | Balajee Rosin Industries |
| Ashok Tin Works | ICMC Metal Pvt. Ltd. | Chopra Stearates (P) Ltd. |
| Aurum Pharmachem Pvt. Ltd. | Indian Tin Box Mfg Co. Pvt. Ltd. | Dimple Chemicals |
| Akross Synthetics Pvt. Ltd. | Lintas Packaging Pvt. Ltd. | Maydeep Industries |
| Calcutta Paper Industries | Manish Plastics | Narchem Industries |
| Marigold Paints Pvt. Ltd. | Tulsiyan Cans & Cardboards Pvt. Ltd. | Vega Chemicals |
| Metal Products & Engineering Co. | Tulsiyan Enterprise Pvt. Ltd. | Pradeep Metal |
| National Moulding Co. Ltd. | Unicat Chemicals Pvt. Ltd. | Soham Packaging |
| Plasticizer & Polymer Products | Channel Plastics Pvt. Ltd. | A. P. Polyplast |
| Sahjanand Trading Co. | Citizen Containers Ltd. | Pearson Drums and Barrels (P) Ltd. |
| Techcon India Pvt. Ltd. | Colour India | |

The above information regarding Small Scale Industrial Undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company.

SCHEDULES

- (ii) Payable to a subsidiary company - Rs. 3,416 (2005-06 : Rs.1,612).
- (iii) Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006 is applicable in respect of those parties which are registered under the Act. In the absence of information being available with the Company of such registration, if any, no disclosure could be made.

	31st March, 2007 Rs.'000	31st March, 2006 Rs.'000
	<u> </u>	<u> </u>
VI. Miscellaneous Expenditure (to the extent not written off or adjusted) represent:		
(i) Expenses on issue of shares and debentures	—	314
(ii) Technical Fees	764	1,527
	<u> </u>	<u> </u>
	764	1,841
VII. (i) Secured Loans from Bank taken by wholly owned subsidiaries and outstanding as at 31st March, 2007, guaranteed by the Company	6,460	2,892
(ii) Secured Loans taken by a joint venture company M/s Berger Becker Coatings Private Limited and outstanding as at 31st March, 2007 guaranteed by the Company	95,069	49,703
<p>M/s Becker Industrial Coatings (HK) Limited, the joint venture partner holding 51.02% shares has in turn indemnified the Company against any loss on account of these guarantees to the extent of its shareholding in the joint venture.</p>		

VIII. All figures are in Rupees thousands.

IX. Previous Year's figures have been regrouped wherever necessary.

SCHEDULES

	For the year ended 31st March, 2007	For the year ended 31st March, 2006
	Rs.'000	Rs.'000
15. OTHER INCOME		
Discount	4,261	842
Bad Debts Recovered	417	535
Hire of Machinery	1,119	2,004
Consultancy fees	1,349	1,329
Profit on sale of Fixed Assets(net)	910	699
Income from investment in Mutual Fund	21	31
Miscellaneous *	120,857	128,387
	<u>128,934</u>	<u>133,827</u>
* Includes net profit on contracts executed - Rs. 3,503 (2005-06: Rs. 1,835)		
16. MATERIALS CONSUMED		
Opening Stocks -		
Raw Materials	669,593	497,540
Containers	56,820	46,258
Work-in-Process	120,645	119,519
Finished Goods	1,120,475	983,039
	<u>1,967,533</u>	<u>1,646,356</u>
Add : Purchases -		
Raw Materials	6,449,797	5,165,629
Containers	1,033,390	889,450
Finished Goods	662,970	586,479
	<u>8,146,157</u>	<u>6,641,558</u>
Less : Cost of materials sold [including cost of containers and others Rs. 15,117 (2005-06: Rs. 35,580)] and consumed in painting contracts	42,479	50,882
	<u>8,103,678</u>	<u>6,590,676</u>
Deduct : Closing Stocks -		
Raw Materials	877,087	669,593
Containers	64,799	56,820
Work-in-Process	136,207	120,645
Finished Goods	1,409,746	1,120,475
	<u>2,487,839</u>	<u>1,967,533</u>
Stock destroyed in Fire	28,807	—
	<u>7,554,565</u>	<u>6,269,499</u>
(Decrease) / Increase in Excise Duty on Stock of Finished Goods	53,738	22,035
	<u>7,608,303 **</u>	<u>6,291,534 **</u>
** Includes		
Raw Materials Consumed	6,214,941	4,978,274
Others Consumed	1,393,362	1,313,260
Materials Consumed	<u>7,608,303</u>	<u>6,291,534</u>

SCHEDULES

	For the year ended 31st March, 2007	For the year ended 31st March, 2006
	Rs.'000	Rs.'000
17. EXPENSES		
Salaries, Wages, Bonus and Commission	396,222	343,148
Contribution to Provident, Superannuation and Gratuity Funds	63,702	54,415
Staff Welfare	120,675	101,902
Freight, Octroi and Delivery	583,016	471,874
Power & Fuel	132,007	123,180
Consumption of Stores and Spare Parts	26,895	26,385
Repairs to Buildings (a)	1,024	1,945
Repairs to Machinery (a)	19,533	16,474
Repairs to Other Assets (a)	9,790	6,934
Rent	61,452	50,862
Rates & Taxes	16,711	24,112
Travelling	105,819	95,115
Advertisement and Sales Promotion Expenses	455,850	386,375
Insurance	13,489	9,442
Cash Discount	475,429	415,651
Commission to Stockists, Distributors etc.	5,233	4,576
Bad Debts written off	7,733	8,359
Directors' Fees	126	120
Auditors' Remuneration :	2006-07	2005-06
	Rs.'000	Rs.'000
Audit Fee	1,310	760
Other Services :		
Tax Audit	225	175
Miscellaneous Certificates and Other Matters	727	711
Reimbursement of Expenses	187	77
Other expenses (b)	390,852	363,132
	2,888,007	2,505,724
(a) Includes :		
Consumption of Stores and Spare Parts	8,556	6,665
(b) Includes :		
Processing Charges	150,712	141,502
Amortisation of :		
(a) Expenses on Technical Fees	764	1,177
(b) Expenses on issue of ordinary shares and debentures	314	314

SCHEDULES

	For the year ended 31st March, 2007		For the year ended 31st March, 2006	
	Rs.'000		Rs.'000	
18. INTEREST				
Interest expenditure :				
On Fixed Loan	53		1,609	
On Others	101,080	101,133	64,074	65,683
Less : Interest income- [Tax deducted at source : Rs. 3,940 (2005-06 : Rs. 2,805)]		18,252		12,912
		<u>82,881</u>		<u>52,771</u>
19. PROVISION FOR TAXATION				
Income Tax :				
- Provision for the year		177,920		198,729
		<u>177,920</u>		<u>198,729</u>
20. DEFERRED TAXATION				
Liability :				
Depreciation		1,348		—
Amortisation of expenses in Accounts		1,848		1,541
		<u>3,196</u>		<u>1,541</u>
Less : Asset :				
Depreciation		—		3,211
Amortisation of expenses allowed as per Income Tax Act		260		396
Others		2,778		1,105
		<u>3,038</u>		<u>4,712</u>
		<u>158</u>		<u>-3,171</u>

SCHEDULES

21. (i) SIGNIFICANT ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared in accordance with the historical cost convention as modified by revaluation of certain fixed assets.

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) 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.

c) Investments

Investments are stated at cost less amounts written off where appropriate.

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 cost or net realisable value. Provision is made for damaged, defective or obsolete stocks where necessary. All inventories are valued according to weighted average cost 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.

In the case of fixed assets acquired from outside India, exchange differences are adjusted in the carrying costs.

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) Miscellaneous Expenditure

Debenture issue expenses are amortised over the period of such debenture. Share issue expenses are amortised over ten years. Technical fees are amortised over a period of 6 years.

i) Retirement Benefits

Liabilities in respect of retirement gratuities for employees of the Company are funded in terms of a scheme of Life Insurance Corporation of India.

Other retirement benefits are accounted for on an accrual basis with contributions to recognised funds.

Leave encashment benefits are calculated on actuarial basis at the end of the year and provided for.

j) 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 are capitalised as cost of the assets.

SCHEDULES

k) 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).

21. NOTES ON PROFIT AND LOSS ACCOUNT

- (ii) (a) Gross depreciation for the year amounts to Rs. 179,433 (2005-06 : Rs. 175,339) from which has been deducted Rs. 1,417 (2005-06: Rs. 1,416) 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 Rs. 2,215 (2005-06: Net Loss Rs. 1,297).
- (c) Calculation of Earnings per Share of Rs. 2.61 (2005-06: Rs. 2.20) (Face Value Rs. 2) :
The numerator (net profit for the year) and denominator (number of equity shares) are Rs. 830,674 (2005-06: Rs. 702,927) and 318,871,454 (2005-06: 318,864,469) shares respectively.

Figure for the corresponding period last year has been restated based on the current increased equity as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

(iii) (a) Raw Materials Consumed	For the year ended 31st March, 2007		For the year ended 31st March, 2006	
	Quantity	Value	Quantity	Value
	MT	Rs. '000	MT	Rs. '000
Acids and Chemicals	20,711	977,237	15,645	696,439
Resins	14,392	989,379	13,375	869,404
Pigments	14,094	1,297,270	12,445	1,024,253
Solvents	41,043	1,740,338	37,819	1,346,449
Oils	9,671	401,420	10,230	402,219
Extenders	54,096	330,306	46,959	266,429
Others		478,991		373,081
		<u>6,214,941</u>		<u>4,978,274</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, 2007		For the year ended 31st March, 2006	
	% of Total Consumption	Value Rs. '000	% of Total Consumption	Value Rs. '000
(1) Raw Materials				
(i) Imported	15.29	950,092	11.84	589,366
(ii) Indigenous	84.71	5,264,849	88.16	4,388,908
	<u>100.00</u>	<u>6,214,941</u>	<u>100.00</u>	<u>4,978,274</u>
(2) Stores and Spare Parts				
(i) Imported	0.99	350	5.20	1,718
(ii) Indigenous	99.01	35,101	94.80	31,332
	<u>100.00</u>	<u>35,451</u>	<u>100.00</u>	<u>33,050</u>

SCHEDULES

(iv) Details of each Class of Goods Manufactured, Purchased, Sold and Stocks during the year ended 31st March, 2007

Class of Goods	Installed Capacity per annum	Opening Stocks	Production	Closing Stocks	Sales	
					Quantity	Value Rs. '000
(a) Synthetic Resin						
2006-07 (MT)	21,396	1,014	16,984	1,122	236	15,376
2005-06 (MT)	16,896	993	15,424	1,014	82	7,642
(b) Paints, Varnishes, Enamels, etc.						
2006-07						
Liquid (KL)		13,708	100,688	15,513	119,206	
Non-Liquid (MT)		4,872	28,630	5,631	56,071	
Total	157,946	19,914	138,179	22,509	185,767	13,204,904
(all expressed in MT)						
Value (Rs. '000)		1,120,475		1,409,746		
Others Value (Rs. '000)						182
Grand Total						13,220,462
2005-06						
Liquid (KL)		12,065	86,118	13,708	102,683	
Non-Liquid (MT)		3,921	21,353	4,872	51,731	
Total	154,133	17,150	114,986	19,914	164,457	11,155,310
(all expressed in MT)						
Value (Rs. '000)		983,039		1,120,475		
Others Value (Rs. '000)						1,355
Grand Total						11,164,307

- 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) 2006-07: 16640 MT (2005-06:15321 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 49,049 MT (2005-06: 47,989 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, 2007		For the year ended 31st March, 2006	
	Quantity	Value Rs. '000	Quantity	Value Rs. '000
(c) Purchase for Resale				
Paints, Enamels, Varnishes etc.				
Liquid (KL)	2,892		2,029	
Non-Liquid (MT)	16,773		15,908	
All expressed in MT	19,920	662,509	18,116	584,345
Others		461		2,134
Total		662,970		586,479

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	For the year ended 31st March, 2007	For the year ended 31st March, 2006
	Rs. '000	Rs. '000
(v) C.I.F. value of Direct Imports		
(a) Raw Materials	947,234	633,623
(b) Capital Goods	33,012	36,856
(c) Stores and Spare Parts	644	1,275
	<u>980,890</u>	<u>671,754</u>
(vi) Remittance in Foreign Currency on account of dividend to non-resident shareholders		
(a) Financial Year for which the dividend was remitted	2005-06	2004-05
(b) Number of non-resident shareholders to whom remittance was made	1	1
(c) Number of shares on which remittance was made	16,158,600	16,158,600
(d) Dividend remitted	16,159	11,311
Remittance in Foreign Currency on account of interim dividend to non-resident shareholders		
(a) Financial Year for which the dividend was remitted	2006-07	2005-06
(b) Number of non-resident shareholders to whom remittance was made	1	1
(c) Number of shares on which remittance was made	25,853,760	16,158,600
(d) Dividend remitted	15,512	16,159
(vii) Expenditure in Foreign Currency during the year		
Travelling	1,295	3,144
Royalty	2,355	1,533
Shade Card	2,258	—
Consultancy Fees	656	—
Technical Knowhow	1,015	2,261
Interest	3,122	3,393
Others	457	1,278
	<u>11,158</u>	<u>11,609</u>
(viii) Earnings in Foreign Exchange during the year		
(a) F O B value of Export	12,167	13,934
(b) Consultancy Fees	1,349	1,329
(c) Royalty Income	2,042	—
	<u>15,558</u>	<u>15,263</u>

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	For the year ended 31st March, 2007	For the year ended 31st March, 2006
	Rs. '000	Rs. '000
(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	830,674	702,927
Add : Provision for Taxation -current and deferred	178,078	195,558
Depreciation	178,016	173,923
Directors' Fees	126	120
Share and Debenture Issue Expenses	314	314
Voluntary Retirement Scheme (refer to note xiii)	550	3,159
Wealth Tax	238	201
Managing Director's Remuneration (Note)	6,082	6,467
	<u>1,194,078</u>	<u>1,082,669</u>
Less : Depreciation at rates specified under Sec 350 of the Companies Act, 1956	137,315	142,105
Profit on Sale of Fixed Assets (Net)	910	699
Net Profit for the purpose of Director's Commission	<u>1,055,853</u>	<u>939,865</u>
Director's Commission payable thereon at 1%	<u>10,559</u>	<u>9,399</u>
Director's Commission restricted to	<u>1,631</u>	<u>1,556</u>
Note : Managing Director's Remuneration includes		
(i) Salary	3,263	3,112
(ii) Commission	1,631	1,556
(iii) Allowances and estimated benefits in kind	307	959
(iv) Contribution to Provident, Superannuation and Gratuity Funds	881	840
	<u>6,082</u>	<u>6,467</u>
(x) Particulars of information in relation to the Company's interest in the joint venture company :-		
(a) Description of interest in the joint venture company		
(i) Name of the Company	Berger Becker Coatings Private Limited	
(ii) Proportion of interest	48.98%	
(iii) Country of incorporation	India	
(b) The aggregate amount of assets, liabilities, income and expenses related to the Company's interest in the joint venture company as at 31st March, 2007 are as follows :		
	<u>2006-07</u>	<u>2005-06</u>
Assets	313,497	213,723
Liabilities	175,497	115,472
Income	442,831	353,813
Expenses	403,600	316,113

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

SCHEDULES

(xii) Disclosures on Related Parties

							For the year ended 31st March, 2007	For the year ended 31st March, 2006
Related Party	Relationship	Outstanding as on 31.3.2007 (Rs in '000)	Outstanding as on 31.3.2006 (Rs in '000)	Payable/Receivable	Nature of transaction	Value of transaction (Rs in '000)	Value of transaction (Rs in '000)	
(A) U. K. Paints India Private Ltd.	Holding Company	15,364	29,040	Payable	1. Clearing & Forwarding Agency Commission 2. Charges for Processing of Goods 3. Purchase of Goods 4. Sale of Goods 5. Rent Expense 6. Purchase of Fixed Assets 7. Sale of Fixed Assets	3,144 120,712 69,255 1,524 2,675 — 282	5,815 89,474 38,441 5 249 33,953 —	
(B) Berger Becker Coatings Private Ltd.	Joint Venture Company	1,461	2,318	Receivable	1. Services rendered 2. Purchase of Goods 3. Sale of Goods 4. Purchase of Fixed Assets 5. Rent Income 6. Advance Received	— — 19 — — 175	697 29 87 1,829 1,477 —	
(C) Berger Jenson & Nicholson (Nepal) Private Ltd.	Wholly owned Subsidiary Company	17,750	11,129	Receivable	1. Sale of Goods 2. Royalty Income	31,318 911	18,557 —	
(D) Beepee Coatings Private Limited	Wholly owned Subsidiary Company	12,301	1,612	Receivable	1. Charges for Processing of Goods 2. Machinery Rental Income 3. Building Rent Paid 4. Unsecured Loan Given 5. Interest receivable on Loan	63,600 1,164 48 15,448 270	57,459 2,004 48 — —	
(E) Berger Paints (Cyprus) Ltd.	Wholly owned Subsidiary Company	55,908	7,896	Receivable	1. Equity Contribution 2. Share Application	— 48,044	33,882 7,807	
(F) Berger Paints Overseas Ltd.	Wholly owned Indirect Subsidiary Company	7,086	6,358	Receivable	1. Sale of Goods 2. Sale of Machinery	13,610 155	16,121 —	
(G) U K Paints (Overseas) Ltd.	Fellow Subsidiary Company	77	79	Payable				
(H) Mr. Subir Bose	Key Management Personnel	36	36	Receivable	1. Rent Paid	72	72	
(I) Mrs. Chandrika Bose	Relative of Key Management Personnel	186	204	Receivable	1. Rent Paid	164	210	

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 them have had any transactions with the Company other than sitting fees (refer schedule 17 to Profit and Loss Account) received for attendance of board meetings or remuneration received as per contract (refer note 21(ix) to Profit and Loss Account) of employment with the Company.

- (xiii) Exceptional item consists of Rs. 550 (2005-06:Rs. 3,159) for Voluntary Retirement Scheme.
- (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 - Rs. 66 (2005-06: Rs. 56).
- (xv) All figures are in Rupees thousands.
- (xvi) Previous year's figures have been regrouped wherever necessary.

On behalf of the Board of Directors

Kuldip Singh Dhingra — Chairman
G S Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director
Gurcharan Das — Director
K.R. Das — Director
Aniruddha Sen — Vice President & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007
(Pursuant to the requirement of clause 32 of listing agreement with Stock Exchanges)

	For the year ended 31st March, 2007 Rs. '000	For the year ended 31st March, 2006 Rs.'000
A. Cash flow from operating activities		
Net profit before income tax and exceptional items	1,022,891	919,592
Adjusted for :		
Depreciation	178,016	173,923
Interest Income	-18,252	-12,912
Interest Charged	101,133	65,683
Profit on sale of fixed assets	-910	-699
Misc. expenditure amortised	1,078	1,491
Expenditure under Voluntary Retirement Scheme	-550	-3,159
Operating profit before working capital changes	<u>1,283,406</u>	<u>1,143,919</u>
Changes in :		
Trade & other receivables	-497,259	-308,268
Inventories	-524,901	-327,433
Trade & other payables	-23,471	763,196
Cash generated from operations	<u>237,775</u>	<u>1,271,414</u>
Direct taxes paid (net of income tax refund received)	-279,218	-224,002
Net cash from / used in operating activities	<u>-41,443</u>	<u>1,047,412</u>
B. Cash Flow from investing activities		
Purchase of fixed assets	-290,098	-389,312
Sale of fixed assets	40,267	2,770
Interest received	16,545	14,142
Proceeds from liquidation of investments	—	14,823
Purchase of investments	—	-33,882
Net cash used in investing activities	<u>-233,286</u>	<u>-391,459</u>
C. Cash flow from financing activities		
Proceeds from share issue & buy-back	147	-200
Proceeds from/Repayments of long term borrowings	-58,672	-225,414
Proceeds from/ Repayments of other loans	784,087	9,422
Interest paid	-100,787	-69,803
Dividend paid	-3,85,972	-336,262
Net cash from / used in financing activities	<u>238,803</u>	<u>-622,257</u>
Net changes in cash & cash equivalents (A+B+C)	<u>-35,926</u>	<u>33,696</u>
Cash & cash equivalents - opening balance	253,353	219,657
Cash & cash equivalents - closing balance	217,427	253,353

- Notes : 1. Cash and cash equivalents represent cash and bank balances only.
2. Bank overdraft and other short term loans have been treated as part of financing activities.
3. 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.
4. Previous year's figures have been regrouped, wherever necessary.

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

Prabal Kr. Sarkar
Partner
Membership Number 52340

For and on behalf of
LOVELOCK & LEWES
Chartered Accountants

Kolkata
Dated : 12th June, 2007

On behalf of the Board of Directors
Kuldip Singh Dhingra — Chairman

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
2.	The Financial Year of the Subsidiary Company Ended	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007
3.	Holding Company's Interest as at 31.03.07 :				
	a. No. of Equity Shares held	25,00,000 Shares of Rs. 10/- each	1,05,421 Shares of NRs. 100/- each	3,69,830 Shares of CYP £ 1 each	The Charter Capital of Roubles 1,38,86,300 is held by Berger Paints (Cyprus) Ltd., the wholly owned subsidiary of the Company
	b. Percentage of shareholding	100%	100%	100%	100%
4.	Net aggregate amount of Profits/Losses of the Subsidiary so far as it concerns the members of the Company	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	a. Not dealt with in the Accounts of the Company for the financial year ended 31st March, 2007				
	i) for the financial year of the Subsidiary	(-) 42	(+) 6,870	(-) 313	(+) 198
	ii) for previous financial years of the Subsidiary since it became Subsidiary of the Company	(+) 8,982	(+)10,786	(-) 1,060	(+) 976
	b. Dealt with in the accounts of the Company				
	i) for the financial year of the Subsidiary	Nil	Nil	Nil	Nil
	ii) for previous financial years of the Subsidiary since it became Subsidiary of the Company	(+) 20,114	Nil	Nil	Nil

On behalf of the Board of Directors

Kuldip Singh Dhingra — Chairman
G S Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director
Gurcharan Das — Director
K.R. Das — Director
Aniruddha Sen — Vice President &
Company Secretary

Kolkata
Dated : 12th June, 2007

SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2007

Subsidiary Name	Original Currency	Share Capital	Reserves & Surplus	Total Liabilities	Total Assets	Net Sales	Profit Before Tax	Provision For Tax	Profit After Tax
Berger Jenson & Nicholson (Nepal) Private Limited	Nepali Rupees	6,583	29,817	53,256	89,656	113,939	8,984	2,114	6,870
Beepee Coatings Private Limited	Indian Rupees	25,000	3,166	41,866	70,032	63,600 *	286	328	-42
Berger Paints (Cyprus) Limited	US Dollars	33,642	-1,493	54,053	86,202	—	-313	—	-313
Berger Paints Overseas Limited	Roubles	23,304	1,255	63,337	87,896	22,220	552	354	198

All Figures in Rupees Thousand

* Consists of Processing Income

Notes :

1. Capital, Reserves, Total Assets and Total Liabilities have been translated at the exchange rates prevailing at the end of the financial year.
2. Net Sales, Profit before Tax, Provision for Tax and Profit after Tax have been translated at average exchange rates during the financial year.

FINANCIAL SUMMARY

	2006-07	2005-06	2004-05##	2003-04	2002-03
	Rs. '000				
Sales	13,220,462	11,164,307	9,475,702	7,702,955	6,684,248
Net Sales (Sales net of Excise Duty)@	11,651,164	9,809,717	8,245,778	6,706,043	5,822,801
% Growth	18.77	18.97	22.96	15.17	10.92
Other Income	128,934	133,827	124,828	104,000	67,171
Materials Consumed	7,608,303	6,291,534	5,296,872	4,197,108	3,655,938
Employee Cost	580,599	499,465	466,099	393,243	335,408
Other Expenses	2,307,408	2,006,259	1,694,646	1,437,702	1,276,125
Operating Profit (PBDIT & Exceptional Item)	1,283,788	1,146,286	912,989	781,990	622,501
% to Net Sales	11.02	11.69	11.07	11.66	10.69
Depreciation	178,016	173,923	156,869	139,292	131,227
Interest	82,881	52,771	36,382	27,932	38,514
Profit Before Tax & Exceptional Item	1,022,891	919,592	719,738	614,766	452,760
Exceptional Item *	550	3,159	56,957	550	500
Profit Before Tax	1,022,341	916,433	662,781	614,216	452,260
Tax	191,667	213,506	141,544	173,880	118,049
Profit After Tax	830,674	702,927	521,237	440,336	334,211
Return On Net Worth (%) **	30.27	30.84	25.68	23.76	20.26
Dividend -including Tax on Distributable Profit	367,382	454,480	317,113	239,817	179,859
Retained Earnings	463,292	248,447	204,124	200,519	154,352
Fixed Assets	2,586,523	2,373,047	2,004,693	1,573,400	1,346,578
Less : Depreciation	1,241,392	1,089,631	924,716	758,534	623,108
Net Fixed Assets	1,345,131	1,283,416	1,079,977	814,866	723,470
Investments	128,168	128,168	109,109	171,715	167,821
Current Assets	4,639,982	3,640,666	2,989,111	2,388,102	2,131,359
Less : Current Liabilities	2,134,450	2,262,091	1,416,797	1,037,403	883,359
Net Current Assets	2,505,532	1,378,575	1,572,314	1,350,699	1,248,000
Misc. Exp. not written off or adjusted	764	1,841	3,332	6,274	9,249
Net Assets Employed	3,979,595	2,792,000	2,764,732	2,343,554	2,148,540
Share Capital	637,745 ***	398,554	398,561 ***	265,691	265,688
Reserves & Surplus	2,120,714	1,897,883	1,651,045	1,612,039	1,412,927
Shareholders' Equity	2,758,459	2,296,437	2,049,606	1,877,730	1,678,615
Borrowings	1,153,118	427,703	644,095	387,149	384,984
Deferred Tax Liability	68,018	67,860	71,031	78,675	84,941
Net Capital Employed	3,979,595	2,792,000	2,764,732	2,343,554	2,148,540
Debt - Equity Ratio	0.42:1	0.19:1	0.31:1	0.21:1	0.23:1
Cash Earnings Per Share (Rs.)#	3.16	2.75	2.13	1.82	1.46
Earnings Per Share (Rs.)#	2.61	2.20	1.63	1.38	1.05
Book Value Per Share (Rs.) **/#	8.61	7.15	6.37	5.81	5.17
Dividend Per Share (Rs.)	1.00 ****	2.00	1.40	1.30	1.20
Number of employees	2045	1966	1937	1818	1732

* Exceptional Item represents expenditure under Voluntary Retirement Scheme and past service Gratuity.

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

@ Excise Duty on stock of Finished Goods has been included in Material Consumption for FY 2006-07 & 2005-06. However the same were included in Excise Duty in earlier years and hence not comparable.

*** The authorised and paid up face value of the Company's Ordinary (Equity) Shares of Rs. 10 each were subdivided into authorised and paid up face value of Rs. 2 per share with effect from 1st September, 2004.

The equity share capital had been increased by issue of 1:2 bonus shares on 12th April, 2004 and 3:5 bonus shares on 13th October, 2006 respectively.

**** Interim Dividend - Re. 0.60 per share. Proposed Final Dividend - Re. 0.40 per share.

Figures for the corresponding period's last year have been restated based on the current increased equity as per Accounting Standard 20.

The scheme of amalgamation of Berger Auto and Industrial Coatings Limited, a wholly owned Subsidiary, with the Company had been sanctioned by the Hon'ble High Court at Calcutta on 3rd March, 2005.

In view of the amalgamation effective 1st April, 2004 the figures for the year 2004-05 are not comparable with the previous years.

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF BERGER PAINTS INDIA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BERGER PAINTS INDIA LIMITED AND ITS SUBSIDIARIES AND A JOINT VENTURE COMPANY

We have audited the attached consolidated Balance Sheet of Berger Paints India Limited and its subsidiaries and a joint venture company as at 31st March 2007, the consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the consolidated Cash Flow Statement for the year ended on that date, 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.

We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 and the report of other auditors provide a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries and a joint venture company whose financial statements reflect total assets of Rs. 501,228 (in '000) as at 31st March, 2007 and total revenues of Rs. 645,097 (in '000) for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and joint venture company is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements' and Accounting Standard 27 on 'Financial Reporting of Interests in Joint Ventures' issued by the Institute of Chartered Accountants of India, on the basis of the separate financial statements of Berger Paints India Limited and its subsidiaries and joint venture company included in the consolidated financial statements.

Based on our audit and on consideration of the reports of other auditors on separate financial statements, in our opinion and to the best of our information and according to the explanations given to us, 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 consolidated Balance Sheet, of the consolidated state of affairs of Berger Paints India Limited and its subsidiaries and joint venture company as at 31st March, 2007,
- (b) In the case of the consolidated Profit and Loss Account, of the consolidated results of operations of Berger Paints India Limited and its subsidiaries and joint venture company for the year ended on that date
and
- (c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Berger Paints India Limited and its subsidiaries and joint venture company for the year ended on that date.

**CONSOLIDATED BALANCE SHEET OF BERGER PAINTS INDIA LIMITED AND ITS
SUBSIDIARY AND JOINT VENTURE COMPANIES
AS AT 31ST MARCH, 2007**

	Schedule	31st March, 2007 Rs. '000	31st March, 2006 Rs. '000
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	637,745	398,554
Reserves and Surplus	2	2,250,459	1,982,978
		<u>2,888,204</u>	<u>2,381,532</u>
Loan Funds			
Secured Loans	3	975,304	142,250
Unsecured Loans	4	308,548	351,502
		<u>1,283,852</u>	<u>493,752</u>
Deferred Taxation	5	76,596	75,728
TOTAL		<u>4,248,652</u>	<u>2,951,012</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2,655,378	2,429,341
Less : Depreciation / Amortisation		<u>1,297,371</u>	<u>1,136,294</u>
Net Block		1,358,007	1,293,047
Capital Work-in-Progress - at Cost [Includes share of Joint Venture Rs. 44,879 (2005-2006 : Rs. 2,760)]		<u>219,605</u>	<u>114,287</u>
		<u>1,577,612</u>	<u>1,407,334</u>
Investments	7	12,507	12,507
Current Assets, Loans and Advances			
Inventories	8	2,677,957	2,116,629
Sundry Debtors	9	1,542,758	1,155,836
Cash & Bank Balances	10	230,108	291,050
Loans and Advances	11	450,157	306,388
		<u>4,900,980</u>	<u>3,869,903</u>
Less : Current Liabilities and Provisions			
Liabilities	12	2,088,107	2,093,064
Provisions	13	<u>155,913</u>	<u>248,661</u>
		<u>2,244,020</u>	<u>2,341,725</u>
Net Current Assets		<u>2,656,960</u>	<u>1,528,178</u>
Miscellaneous Expenditure (To the extent not written off or adjusted) [Includes share of Joint Venture Rs. Nil (2005-06 : Rs. Nil)]		1,573	2,993
TOTAL		<u>4,248,652</u>	<u>2,951,012</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

Kuldip Singh Dhingra — Chairman
G S Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director
Gurcharan Das — Director
K.R. Das — Director
Aniruddha Sen — Vice President &
Company Secretary

Prabal Kr. Sarkar
Partner
Membership Number 52340
For and on behalf of
LOVELOCK & LEWES
Chartered Accountants

Kolkata
Dated : 12th June, 2007

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF BERGER PAINTS INDIA LIMITED AND ITS SUBSIDIARY AND JOINT VENTURE COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	For the year ended 31st March, 2007 Rs. '000	For the year ended 31st March, 2006 Rs. '000
INCOME			
Gross Turnover [Includes share of Joint Venture Rs. 508,939 (2005-06 : Rs. 400,071)]		13,836,418	11,652,869
Less: Excise Duty [Includes share of Joint Venture Rs. 70,634 (2005-06 : Rs. 50,194)]		1,639,932	1,404,784
Net Turnover		<u>12,196,486</u>	<u>10,248,085</u>
Other Income	14	134,349	137,328
		<u>12,330,835</u>	<u>10,385,413</u>
EXPENDITURE			
Materials Consumed	15	8,007,136	6,591,258
Expenses	16	2,977,081	2,588,659
Interest	17	87,874	56,187
Depreciation/ Amortisation [Includes share of Joint Venture Rs. 3,438 (2005-06 : Rs. 3,727)]		187,363	182,283
		<u>11,259,454</u>	<u>9,418,387</u>
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM			
		1,071,381	967,026
Exceptional Item (Expenditure Under Voluntary Retirement Scheme)		550	3,159
PROFIT BEFORE TAXATION			
		<u>1,070,831</u>	<u>963,867</u>
Provision for Taxation			
Current Tax	18	179,190	205,927
Deferred Tax	19	868	-4,067
Fringe Benefit Tax [Includes share of Joint Venture Rs. 280 (2005-06: Rs. 278)]		13,887	18,257
PROFIT AFTER TAXATION			
		<u>876,886</u>	<u>743,750</u>
Profit brought forward		250,000	180,000
		<u>1,126,886</u>	<u>923,750</u>
Transfer to :			
General Reserve		509,504	219,270
Dividend			
– Interim		191,323	199,290
– Final		127,549	199,290
Tax on distributable profit		48,510	55,900
Balance carried to Balance Sheet		<u>250,000</u>	<u>250,000</u>
		<u>1,126,886</u>	<u>923,750</u>
Earnings per share - Basic and diluted (in Rupees)		2.75	2.33
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.

Kolkata
Dated : 12th June, 2007

Prabal Kr. Sarkar
Partner
Membership Number 52340
For and on behalf of
LOVELOCK & LEWES
Chartered Accountants

On behalf of the Board of Directors

Kuldip Singh Dhingra — Chairman
G S Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director
Gurcharan Das — Director
K.R. Das — Director
Aniruddha Sen — Vice President &
Company Secretary

SCHEDULES

	31st March, 2007 Rs. '000	31st March, 2006 Rs. '000
1. CAPITAL - Equity		
Share Capital		
Authorised :		
325,000,000 (2005-06:200,000,000) Ordinary Shares of Rs. 2 each	650,000	400,000
Issued :		
318,918,204 (2005-06:199,341,030) Ordinary Shares of Rs. 2 each	637,836	398,690
Subscribed :		
318,872,464 (2005-06:199,289,790) Ordinary Shares of Rs. 2 each fully paid-up	637,745	398,580
Less : Calls unpaid - by others	—	26
	637,745	398,554

Notes : Of the above Equity Shares -

- (a) 3,151,187 shares of Rs. 10/- each allotted as fully paid-up pursuant to a contract without payment being received in cash before the buy-back of shares.
- (b) 257,660 shares of Rs. 10/- each allotted as fully paid-up pursuant to a contract in full redemption of Mortgage Debentures before the buy-back of shares.
- (c) 26,972,214 shares of Rs. 10/- each allotted as fully paid Bonus Shares by capitalisation of General Reserve and Share Premium before the buy-back of shares.
- (d) The authorised and paid up face value of the Company's Ordinary (Equity) Shares of Rs. 10/- each were subdivided into authorised and paid up face value of Rs. 2/- per share with effect from 1st September, 2004.
- (e) The Company has issued 5,500 Ordinary (Equity) Shares of Rs. 2/- each during the financial year out of the issue of Right Shares in 1996 kept in abeyance.
- (f) 119,577,174 shares of Rs. 2/- each allotted as fully paid Bonus Shares by capitalization of Share Premium and General Reserve during the financial year.

2. RESERVES AND SURPLUS

	Balance at 31st March, 2006 Rs. '000	Additions Rs.'000	Deductions Rs.'000	Balance at 31st March, 2007 Rs.'000
Revaluation Reserve	15,188	—	1,417 *	13,771
General Reserve	1,523,014	509,504	47,465	1,985,053 **
Share Premium	191,690	111	191,690	111
Profit and Loss Account	250,000	250,000	250,000	250,000
Capital Reserve	1,877	—	—	1,877
Capital Redemption Reserve	408	—	—	408
Foreign Currency Translation Reserve	801	1,430	2,992	-761
	1,982,978	761,045	493,564	2,250,459

* Refer to note (7) in Schedule 20

** Includes Rs. 116,591 on account of 48.98% holding in the joint venture company M/s Berger Becker Coatings Private Limited as per proportionate consolidation principle.

3. SECURED LOANS

	31st March, 2007 Rs.'000	31st March, 2006 Rs.'000
Loans from Banks	975,304	142,250
	975,304 *	142,250 *
	95,069	49,703

* Includes share of Joint Venture

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

SCHEDULES

	31st March, 2007	31st March, 2006
	Rs.'000	Rs.'000
4. UNSECURED LOANS		
Fixed Deposits *	879	1,501
Short Term Loans		
Banks	271,950	—
Others	35,719	350,001
	<u>308,548</u>	<u>351,502</u>
* Includes unclaimed matured fixed deposits	669	1,291
5. DEFERRED TAXATION		
Liability		
Depreciation	89,559	87,441
Amortisation of expenses in accounts	881	1,141
	<u>90,440</u>	<u>88,582</u>
Less : Asset		
Amortisation of expenses allowed as per Income Tax Act	4,276	6,124
Others	9,568	6,730
	<u>13,844</u>	<u>12,854</u>
	<u>76,596</u> *	<u>75,728</u> *
* Includes share of Joint Venture	3,184	2,792

6. FIXED ASSETS

	Original Cost/ Professional Valuation at 31st March, 2006***	Additions	Deletions	Original Cost/ Professional Valuation at 31st March, 2007	Depreciation				Net Book Value at 31st March, 2007****	Net Book Value at 31st March, 2006
					Upto 31st March, 2006	For the Year ***	On deletions (Accumulated upto the date of sale)	Upto 31st March, 2007		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Tangible Assets										
Goodwill ****	10,198	—	—	10,198	—	—	—	—	10,198	10,198
Land :										
Freehold	37,382	20	—	37,402	—	—	—	—	37,402	37,382
Leasehold	17,221	—	—	17,221	2,658	362	—	3,020	14,201	14,563
Buildings :										
Freehold *	513,039	40,875	32,756	521,158	116,675	15,678	9,025	123,328	397,830	396,364
Leasehold **	40,800	11	—	40,811	10,289	701	—	10,990	29,821	30,511
Plant and Machinery	1,323,500	179,689	16,277	1,486,912	724,119	127,543	3,935	847,727	639,185	599,381
Furniture and Fittings	50,831	6,771	440	57,162	25,621	3,793	416	28,998	28,164	25,210
Equipment	359,011	49,536	4,117	404,430	224,097	31,677	3,302	252,472	151,958	134,914
Motor Cars and Other Vehicles	66,795	16,610	13,683	69,722	32,521	8,687	11,025	30,183	39,539	34,274
Intangible Assets										
Trade Mark	8,868	—	202	8,666	—	—	—	—	8,666	8,868
Software	1,696	—	—	1,696	314	339	—	653	1,043	1,382
	<u>2,429,341</u>	<u>293,512</u>	<u>67,475</u>	<u>2,655,378</u>	<u>1,136,294</u>	<u>188,780</u>	<u>27,703</u>	<u>1,297,371</u>	<u>1,358,007</u> #	<u>1,293,047</u> #
Previous year	<u>2,036,406</u>	<u>413,967</u>	<u>18,636</u>	<u>2,429,341</u>	<u>965,864</u>	<u>183,699</u>	<u>13,269</u>	<u>1,136,294</u>	<u>1,293,047</u>	<u>45,296</u>
# Includes share of Joint Venture									45,296	44,688

* Partly on Leasehold Land.

** Represents payments made and costs incurred in connection with acquisition of leasehold rights in certain properties for 87, 90 and 99 years and are being 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 (7) in Schedule 20.

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

***** Net of assets destroyed by fire.

SCHEDULES

	31st March, 2007 <u>Rs.'000</u>	31st March, 2006 <u>Rs.'000</u>
7. INVESTMENTS		
Long Term		
Unquoted - Other Investments		
Pnb Principal Insurance Advisory Company Private Limited -at cost		
125,000 Equity Shares of Rs.100 each fully paid-up	12,500	12,500
1,498 Shares of Re. 1 each fully paid up in Shantikunj Apartments Limited	1	1
Government Security - 7 Years National Savings Certificate (Under Lien)	1	1
10 Shares of Charotar Gas Co. @ Rs. 500 per share fully paid up	5	5
	<u>12,507</u>	<u>12,507</u>
Note :		
The following investments were purchased and sold during the year :		
<u>Description of Investment</u>	<u>No. of Units/Bonds</u>	<u>Purchase Cost</u> Rs. '000
J. M. Money Manager Fund-Growth Super Plus	1,492,373.969	15,000
8. INVENTORIES (including in transit)		
Stores and Spare Parts	35,074	30,585
Raw Materials	939,028	719,882
Containers	69,399	60,105
Work-in-Process	161,251	137,869
Finished Goods	1,473,205	1,168,188
	<u>2,677,957 *</u>	<u>2,116,629 *</u>
* Includes share of Joint Venture	101,155	70,567
9. SUNDRY DEBTORS - Unsecured - Considered Good		
Debts Outstanding - for a period exceeding six months	41,218	28,398
Other Debts	1,501,540	1,127,438
	<u>1,542,758 *</u>	<u>1,155,836 *</u>
* Includes share of Joint Venture	93,748	51,832
10. CASH AND BANK BALANCES		
Cash in hand (including cheques and remittances in transit)	5,947	9,408
With Standard Chartered Bank Chittagong (at pre-1966 devaluation rate of Indian Rupees), Rs. 36, fully written off	—	—
With Scheduled Banks		
On Current Accounts	221,774	280,280
On Fixed Deposit Account	2,387	1,362
	<u>230,108*</u>	<u>291,050*</u>
* Includes share of Joint Venture	7,836	31,148

SCHEDULES

	31st March, 2007	31st March, 2006
	Rs.'000	Rs.'000
11. LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received		
Secured - Considered Good	18	18
Unsecured - Considered Good*	267,422	133,333
	267,440	133,351
Advance payment of Tax (net of provision Rs. 195,249)	29,230	—
Balance with Customs, Central Excise etc.		
Unsecured - Considered Good	90,215	111,787
Deposits		
Unsecured - Considered Good		
Security and Tender (including Deposits in Government Securities - Unquoted at cost - pledged with Government Authorities Rs. 6)	63,272	61,250
	450,157 #	306,388 #
# Includes share of Joint Venture	20,621	12,766
* Includes interest accrued on deposits and others	1,784	77
 12. LIABILITIES		
Acceptances	475,456	729,576
Sundry Creditors -		
Total Outstanding Dues to Small Scale Industrial Undertakings	50,419	27,429
Total Outstanding Dues to Other Sundry Creditors	954,548	953,154
Security Deposits	7,744	8,378
Other Liabilities	598,500	373,328
Interest accrued but not due on loans	1,440	1,199
	2,088,107 *	2,093,064 *
* Includes share of Joint Venture	77,244	62,852
 13. PROVISIONS		
Provision for Taxation (net of advance payment 2005-06: Rs. 221,831)	4,705	19,924
Provision for Fringe Benefit Tax	1,982	1,497
Tax on distributable profit	21,677	27,950
Proposed Dividend - Final	127,549	199,290
	155,913 *	248,661 *
* Includes share of Joint Venture	—	125

SCHEDULES

	For the year ended 31st March, 2007	For the year ended 31st March, 2006
	Rs.'000	Rs.'000
14. OTHER INCOME		
Discount	4,261	843
Bad Debts Recovered	417	535
Consultancy fees	1,349	1,329
Profit on sale of Fixed Assets(net)	910	743
Income from investment in Mutual Fund	3,791	1,534
Miscellaneous **	123,621	132,344
	<u>134,349*</u>	<u>137,328*</u>
* Includes share of Joint Venture	4,526	3,936
** Includes net profit on contracts executed - Rs. 3,503 (2005-06: Rs. 1,835)		
15. MATERIALS CONSUMED		
Opening Stocks -		
Raw Materials	719,882	540,994
Containers	60,105	48,907
Work-in-Process	137,869	136,262
Finished Goods	1,167,585	995,556
	<u>2,085,441</u>	<u>1,721,719</u>
Add : Purchases -		
Raw Materials	6,883,837	5,480,767
Containers	1,033,463	898,886
Finished Goods	662,970	602,129
	<u>8,580,270</u>	<u>6,981,782</u>
Less : Cost of materials sold [including cost of containers and others Rs. 15,117 (2005-06: Rs. 35,580)] and consumed in painting contracts	42,479	50,882
	<u>8,537,791</u>	<u>6,930,900</u>
Deduct : Closing Stocks -		
Raw Materials	939,028	719,882
Containers	69,399	60,105
Work-in-Process	161,251	137,869
Finished Goods	1,473,205	1,167,585
	<u>2,642,883</u>	<u>2,085,441</u>
Stock destroyed in Fire	28,807	—
	<u>7,951,542</u>	<u>6,567,178</u>
(Decrease)/Increase in Excise Duty on Stock of Finished Goods	55,594	24,080
	<u>8,007,136*</u>	<u>6,591,258*</u>
* Includes Raw Materials Consumed	6,637,329	5,286,577
Others	1,369,807	1,304,681
Materials Consumed	<u>8,007,136**</u>	<u>6,591,258**</u>
** Includes share of Joint Venture	347,552	265,518

SCHEDULES

	For the year ended 31st March, 2007	For the year ended 31st March, 2006
	Rs.'000	Rs.'000
16. EXPENSES		
Salaries, Wages, Bonus and Commission	440,508	379,193
Contribution to Provident, Superannuation and Gratuity Funds	67,610	57,056
Staff Welfare	122,089	106,179
Freight, Octroi and Delivery	591,490	479,019
Power & Fuel	154,061	145,588
Consumption of Stores and Spare Parts	33,815	31,590
Repairs to Buildings (a)	1,402	2,501
Repairs to Machinery (a)	23,695	19,023
Repairs to Other Assets (a)	11,798	9,996
Rent	62,402	52,175
Rates & Taxes	18,931	24,472
Travelling	111,864	101,013
Advertisement and Sales Promotion Expenses	471,462	406,551
Insurance	15,953	11,443
Cash Discount	483,756	426,964
Commission to Stockists, Distributors etc.	5,233	4,576
Bad Debts written off	8,445	8,542
Directors' Fees	141	133
Auditors' Remuneration :	<u>2006-07</u>	<u>2005-06</u>
	Rs.'000	Rs.'000
Audit Fee	1,649	1,034
Other Services :		
Tax Audit	284	216
Miscellaneous Certificates and Other Matters	766	726
Reimbursement of Expenses	192	80
Other Expenses (b)	<u>349,535</u>	<u>320,589</u>
	<u>2,977,081</u> *	<u>2,588,659</u> *
* Includes share of Joint Venture	48,820	43,819
(a) Includes :		
Consumption of Stores and Spare Parts	8,556	6,665
(b) Includes :		
Processing Charges	87,112	84,043
Amortisation of :		
(a) Expenses on Technical Fees	764	1,177
(b) Expenses on issue of ordinary shares and debentures	314	314
(c) Preliminary Expenses	—	5
(d) Deferred Revenue Expenditure	329	345

SCHEDULES

	For the year ended 31st March, 2007	Rs.'000	For the year ended 31st March, 2006	Rs.'000
17. INTEREST				
Interest expenditure :				
On Fixed Loan	53		1,609	
On Others	106,542	106,595	68,002	69,611
Less : Interest income- [Tax deducted at source Rs. 3,940 (2005-06 : Rs. 2,805)]		18,720		13,014
Interest on Income Tax Refund		1		410
		87,874 *		56,187 *
* Includes share of Joint Venture		3,790		3,049
 18. PROVISION FOR TAXATION				
Income Tax				
Provision for the year		184,919		206,064
Less : Provision in respect of earlier years no longer required written back		5,729		137
		179,190 *		205,927 *
* Includes share of Joint Venture		-1,190		3,982
 19. DEFERRED TAXATION				
Liability				
Depreciation		1,712		3,885
Amortisation of expenses in Accounts		1,848		1,541
Others		392		140
		3,952		5,566
Less : Asset				
Depreciation		—		8,039
Amortisation of expenses allowed as per Income Tax Act		260		396
Others		2,824		1,198
		3,084		9,633
		868 *		-4,067 *
* Includes share of Joint Venture		392		-662

SCHEDULES

20. NOTES TO THE CONSOLIDATED ACCOUNTS

1. Principles of consolidation

- 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, 2007
Direct Subsidiaries		
Berger Jenson & Nicholson (Nepal) Private Limited	Nepal	100
Beepee Coatings Private Limited	India	100
Berger Paints (Cyprus) Limited	Cyprus	100
Indirect Subsidiary		
Berger Paints Overseas Limited	Russia	100
Joint Venture		
Berger Becker Coatings Private Limited	India	48.98

- 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 company, M/s Berger Becker Coatings Private Limited, has been consolidated using the proportionate consolidation principle based on the audited financial statements drawn upto 31st March, 2007.

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

- ii) The excess / deficit of the cost to the Company of its investments over its share in the equity of the subsidiaries and joint venture company 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).
- c) The consolidated financial statements have been prepared using the same accounting policies as that of Berger Paints India Limited except for gratuity and leave encashment for Berger Jenson & Nicholson (Nepal) Private Limited which are accounted for on cash basis and valuation of inventory for Berger Becker Coatings Private Limited & Berger Paints Overseas Limited which has been carried out on FIFO basis. The value of inventory carried at FIFO is Rs. 122,754 (2005-06:Rs. 91,077). The accounting policies of Berger Paints India Limited are given separately in the financial statements of the Company.

2. The Company had been determining the assessable value for Excise purpose based on the adjudication order of the assessing authority as also appellate orders of the earlier years and various decisions of the Hon'ble Tribunal and of various Hon'ble High Courts as also of the Hon'ble Supreme Court. The Excise Authorities have disputed some of the abatements and the matter is sub-judice. However, in view of the decision of the Hon'ble Supreme Court in May, 1995 while determining the assessable value for excise purpose, there may arise an additional excise duty liability for the years 1988-89 to 1993-94 which is not quantifiable at present as both the price lists as also the assessments for the said period are pending final adjudication.

3. Claims against the Company not acknowledged as debts :

The Sales Tax, Excise, Income Tax & Provident Fund Authorities have made certain claims totalling Rs. 312,856 (2005-06:-Rs. 309,099), Rs. 21,453 (2005-06: Rs. 4,708), Rs. 63,900 (2005-06: Rs. 64,226), Rs. 865 (2005-06: Rs. 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.

4. In respect of the insurance claim for the assets lost by fire in the Company's Goa Plant on 28th April, 2006, the Company has received Rs. 30,000 as on account payment during the year. Pending full disposal of the claim, the Company has considered the difference between such amount received and the book value of such assets as claims receivable.
5. Miscellaneous Expenditure (to the extent not written off or adjusted) represent:

	31st March, 2007 Rs. '000	31st March, 2006 Rs. '000
(i) Expenses on issue of shares and debentures	—	314
(ii) Technical Fees	764	1,527
(iii) Deferred Revenue Expenditure – others	809	1,152
	<u>1,573</u>	<u>2,993</u>

SCHEDULES

- | | 31st March,
2007 | 31st March,
2006 |
|---|---------------------|---------------------|
| | Rs. '000 | Rs. '000 |
| 6. Estimated amount of Contracts remaining to be executed on Capital Account not provided for
[includes 2006-07: Rs. 3,985 (2005-06: Rs. Nil) pertaining to the joint venture company] | 44,098 | 47,767 |
| 7. Gross depreciation for the year amounts to Rs.188,780 (2005-06: Rs. 183,699) from which has been deducted Rs. 1,417 (2005-06: Rs. 1,416) being extra depreciation for the year arising on revaluation of fixed assets withdrawn from Revaluation Reserve. | | |
| 8. Calculation of Earnings per Share of Rs. 2.75 (2005-06: Rs. 2.33) (Face Value Rs. 2) :
The numerator (net profit for the year) and denominator (number of equity shares) are Rs. 876,886 (2005-06: Rs. 743,750) and 318,871,454 (2005-06: 318,864,469) shares respectively.
Figure for the corresponding period last year has been restated based on the current increased equity as per Accounting Standard 20. | | |
| 9. Disclosures on Related Parties | | |

							For the year ended 31st March, 2007	For the year ended 31st March, 2006
	Related Party	Relationship	Outstanding as on 31.3.2007 (Rs. '000)	Outstanding as on 31.3.2006 (Rs. '000)	Payable/ Receivable	Nature of transaction	Value of transaction (Rs. '000)	Value of transaction (Rs. '000)
(A)	U. K. Paints India Private Ltd.	Holding Company	15,364	29,040	Payable	1. Clearing & Forwarding Agency Commission 2. Charges for Processing of Goods 3. Purchase of Goods 4. Sale of Goods 5. Rent Expense 6. Purchase of Fixed Assets 7. Sale of Fixed Assets	3,144 120,712 69,255 1,524 2,675 — 282	5,815 89,474 38,441 5 249 33,953 —
(B)	U K Paints (Overseas) Ltd.	Fellow Subsidiary	77	79	Payable			
(C)	Mr. Subir Bose	Key Management Personnel	36	36	Receivable	1. Rent Paid	72	72
(D)	Mrs. Chandrika Bose	Relative of Key Management Personnel	186	204	Receivable	1. Rent Paid	164	210

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 received for attendance of board meetings or remuneration received as per contract of employment with the Company.

10. 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 - Rs. 66 (2005 - 2006 : Rs. 56).
11. The Company has only one business segment, namely Paints with almost the entire sales being made in the domestic market.
12. Exceptional Item consists of Rs. 550 (2005-06 : Rs. 3,159) for Voluntary Retirement Scheme.
13. All figures are in Rupees thousands.
14. Previous Year's figures have been regrouped wherever necessary.

On behalf of the Board of Directors

Kuldip Singh Dhingra — Chairman
G S Dhingra — Vice Chairman
Subir Bose — Managing Director
Anil Bhalla — Director
Gurcharan Das — Director
K.R. Das — Director
Aniruddha Sen — Vice President &
Company Secretary

Kolkata
Dated : 12th June, 2007

CONSOLIDATED CASH FLOW STATEMENT OF BERGER PAINTS INDIA LIMITED AND ITS SUBSIDIARY AND JOINT VENTURE COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2007

	For the year ended 31st March, 2007	For the year ended 31st March, 2006
	Rs. '000	Rs.'000
A. Cash flow from operating activities		
Net profit before income tax & exceptional items	1,071,381	967,026
Adjusted for :		
Depreciation	187,363	182,283
Interest Income	-18,721	-13,424
Interest Charged	106,595	69,611
Profit on sale of fixed assets	-910	-743
Miscellaneous expenditure amortised	1,407	1,841
Foreign Currency Translation	-1,562	801
Expenditure under Voluntary Retirement Scheme	-550	-3,159
Operating profit before working capital changes	1,345,003	1,204,236
Changes in :		
Trade & other receivables	-499,858	-305,371
Inventories	-561,328	-371,050
Trade & other payables	-283	787,058
Cash generated from operations	283,534	1,314,873
Miscellaneous expenditure	13	-1,102
Direct taxes paid (net of income tax refund received)	-291,788	-231,413
Net cash from /used in operating activities	-8,241	1,082,358
B. Cash flow from investing activities		
Purchase of fixed assets	-408,423	-419,430
Sale of fixed assets	40,682	6,110
Interest received	17,014	14,654
Proceeds from liquidation of investments	—	15,000
Purchase of investments	—	-5
Net cash used in investing activities	-350,727	-383,671
C. Cash flow from financing activities		
Proceeds from share issue	147	-200
Proceeds from/Repayments of long term borrowings	-42,954	-225,414
Proceeds from/ Repayments of other loans	833,054	1,431
Interest paid	-106,249	-73,731
Dividend paid	-385,972	-336,262
Net cash from / used in financing activities	298,026	-634,176
Net changes in cash & cash equivalents (A+B+C)	-60,942	64,511
Cash & cash equivalents - opening balance	291,050	226,539
Cash & cash equivalents - closing balance	230,108	291,050

- Notes :
1. Cash and cash equivalents represent cash and bank balances only.
 2. Bank overdraft and other short term loans have been treated as part of financing activities.
 3. 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.
 4. Previous year's figures have been regrouped, wherever necessary.

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

Prabal Kr. Sarkar
Partner
Membership Number 52340

For and on behalf of
LOVELOCK & LEWES
Chartered Accountants

Kolkata
Dated : 12th June, 2007

On behalf of the Board of Directors

Kuldip Singh Dhingra — Chairman

BERGER PAINTS INDIA LIMITED

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

Phone : 2229 9724-28; Fax : 91-33-2249 9009/9729/2227 7288

Website : www.bergerpaints.com; E-mail : bpilcorp@vsnl.net

BERGER FACTORIES

HOWRAH

14 & 15 Swarnamoyee Road
 Shibpur
 Howrah - 711 103
 Phone : 033-2668 4706 (4 lines)
 Fax : 033-2668 2956

PONDICHERRY

53-56 Pandasozhanallur Village
 Nettapakkam Commune
 Pondicherry - 605 106
 Phone : 0413 2699 574/171
 Fax : 0413-2699171

GOA

316-317 Kundaim Industrial
 Estate, Kundaim
 North Goa
 Phone : 0832-2395610/6407
 Fax : 0832-2395663/2395610

SIKANDRABAD

38A, Industrial Area
 Bulandshar Road
 Sikandarabad (U.P.)
 Phone : 05735 222384, 222249

JAMMU

SIDCO Industrial Growth
 Centre
 Sambha, Distt. Jammu
 Jammu & Kashmir - 184 121
 Phone : 09123 246451/58/59

RISHRA

103, G. T. Road
 Rishra
 Hooghly - 712 248
 Phone : 033 2672 0641/42

BERGER SUBSIDIARIES

BEEPEE COATINGS PRIVATE LIMITED

Gujarat, India

BERGER PAINTS (CYPRUS) LIMITED

Cyprus

BERGER JENSON & NICHOLSON (NEPAL) PRIVATE LIMITED

Bhaktapur, Nepal

BERGER PAINTS OVERSEAS LIMITED

Russia

BERGER DEPOTS

« 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

P-1, Transport Depot Road, Kolkata 700 088
 Phone : 033 2456 8019/021

100A & B, Kabir Subhanta Sarani
 Beliaghata, Kolkata 700 085
 Phone : 033 6453 6437

I SILIGURI

Bansal Tea Warehouse
 2nd Mile, Sevoke Road
 Siliguri 734 401
 Phone : 0353-254 8886/5391

I GUWAHATI

Hanuram Boro Path, Kachari Basti
 Dispur, Guwahati 781 005
 Phone : 0361 234 8381/259 5169

I PATNA

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

I RANCHI

Near Railway Over-Bridge,
 Adjacent Lala Lajpat Rai School
 Kadru Road
 Ranchi 834 001
 Phone : 0651 233 1033/233 0487
 Fax : 0651 233 0639 (PP)

I BHUBANESWAR

Plot No. 146, Sector-A, Zone-B
 Mancheswar Industrial Estate
 Near Mancheswar Police Station
 Bhubaneswar 751 010
 Phone : 0674-258 8719/8720
 Fax : 0674-2588 721

I CUTTACK

Burdhwan Compound
 P.O. College Square
 Cuttack 753 003
 Phone : 0671-264 9616/7584
 Fax : 0671-264 7584

I RAIPUR

Ground Floor & First Floor
 Saraswati Kutir
 Behind Aligarh Safe Steel
 Jeevan Bima Marg, Pandri
 Raipur 492 005
 Phone : 0771-242 6361/2250.
 Fax : 0771-2422250

I AGARTALA

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

I SHILLONG

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

« MUMBAI

“APEEJAY HOUSE”
 Dinsha Vatcha Road

Mumbai 400 020

Phone : 022-2282 1067/1116, 2284 2964/3010

Fax : 022-6634 0278

M.S. Lad Industrial Estate
 87, Saki Vihar Road, Powai
 Mumbai 400 072
 Phone : 022-2857 4186
 Fax : 022-2857 9867

I KALYAN

Survey No. 202,
 Water Supply Road
 Navi Koliwada
 At Post Konegaon
 Taluka : Bhiwandi Kalyan
 Dist : Thane 421 301

I NAGPUR

Khasra 18, Plot No. 4 & 5
 Pandey Layout
 Khadgaon Road, Wadi
 Nagpur 440 023
 Phone : 07104-221529/221512
 Fax : 07104-221512

I PUNE

C/o. Jai Bhavani Mata Ware Housing Company
 Phursungi Village Road
 Phursungi, Pune 410 308
 Phone : 020-2698 0031/0949
 Fax : 020-2698 0338

I NASHIK

Baphana Warehousing
 Gate Nos. 102 & 103
 Ambe Hill, 10th Mile
 Mumbai - Agra Highway
 Jaulke, Dindori
 Dist. : Nashik, Maharashtra

I AURANGABAD

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

I GOA

“Shriniwas Estate”, Arlem Junction
Chalta No. 39 P.T. Sheet No. 27
Fatorda, Margao, Goa 403 601
Phone : 0832 274 9758/59
Fax : 0832 274 97607

I AHMEDABAD

2A, B & C, Tirupati Estate
Opp. Bansidhar Engineering Works
Narol Cross Road
N. H. No. 8, Narol
Ahmedabad 382 405
Phone : 079-2571 0802/3486
Fax : 079-2571 5867
Godown Nos. 7 to 11, Popular Estate
Opp. Aslali Police Station
Aslali, Ahmedabad
Phone : 079 2689 1300/1333

I RAJKOT

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

I VADODARA

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

I SURAT

Survey No. 94/5, B/h
Manav Daya Trust 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

178/1, Piplia Rao, A. B. Road
Opp. Bhopal Motors
Indore 452 001
Phone : 0731-236 4207/402 3635
Fax : 0731-246 6175

I BHOPAL

12-B, Industrial Estate
Govindpura, Bhopal
Phone : 0755 426 1495/426 7374
Fax : 0755 426 1495

I GWALIOR

39/2322-23, Sakhia Vilas
Jhansi Road, Lashkar
Gwalior 474 001
Phone : 0751 401 3001/3, Fax : 0751 231 0109(pp)

I JABALPUR

Plot No. 4/7, Block 12
Namak Kothi Compound
Kanchghar Road
North Civil Lines
Jabalpur 482 001
Phone : 0761-262 0532/9563
Fax : 0761-2629563

« **NEW DELHI**

D-14/2, Okhla Industrial Area, Phase II
New Delhi 110 020
Phone : 011-2638 4714/4796/7256
Fax : 011-26385644
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 1985/1422,
Fax : 011-2211 8880
102 & 103 DDA Transport Centre
Punjabi Bagh Chowk
New Rohtak Road
New Delhi 110 035
Phone : 011-2511 7460/7461, 2831 6922/6923
Fax : 011-2543 8880
Industrial Plot No. E-12, SMA,
Industrial Estate,
G.T. Karnal Road,
New Delhi - 110 033

« **LUCKNOW**

6, Hal Ancillary Complex
Ismailganj, Faizabad Road
Lucknow 226 016
Phone : 0522 272 1726/27
Fax : 0522-272 1729
E-126 Transport Nagar
Kanpur Road, Lucknow 226 010
Phone : 0522-243 6846/243 9377

I GHAZIABAD

100 New Arya Nagar, Patel Marg
Ghaziabad 201 001
Phone : 0120 285 2093/285 1081
Tele Fax : 0120-285 2093
41-44, New Arya Nagar
Patel Marg
Ghaziabad 201 001

I DEHRADUN

108/3 Chander Nagar
Dehradun 248 001
Phone : 0135-2629809
Fax : 0135 2722366

I VARANASI

Pama Complex, DLW Road
Shivadaspur, Lehartara
Varanasi 221 002
Phone : 0542-2371041/42
Fax : 0542-237 1042

I AGRA

1/2, Mau Road,
Opp. Ganapati Apartments
Khandari, Bye Pass Road
Agra
Phone : 0562 253 0422/253 1688

I KANPUR

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

I BAREILLY

Clutter Buck Ganj
Opp. GTI 7th Km. Stone
Bareilly (UP)-243502
Phone : 0581-248 0340/0940
Fax : 0581 255 0481

I HALDWANI

Jai Singh Farm
Aonla Choki Road
Gaujajali
Uttar Haldwani
Phone : 05946-245 648/245 652
Fax : 05946 234 006

I NOIDA

B-20, Sector-3, Noida
Phone : 0120-2533 681/2544 164
Fax : 0120-2545 776

I LUDHIANA

4B-Extension Industrial Area-A
Ludhiana 141 003
Phone : 0161-222 3581/5216
Fax : 0161-266 1216

I GURGAON

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

I GORAKHPUR

Bindra Complex, S-1
Transport Nagar,
Gorakhpur 273001
Phone : 0551-2334244/4245

I PARWANOO

Village Dhaggar
P.O. : Taksal , Near Sector - 4
Parwanoo, Himachal Pradesh
Phone : (01792) 645012

I PANCHKULA

Plot No. 60
Industrial Area
Phase-1, Panchkula

- I MOHALI**
 421, Industrial Area,
 Phase - IX
 Mohali, Punjab 160 059
 Phone : 0172 509 5105/06
- I BHATINDA**
 SCF : 35 & 36 Model Town
 Bhatinda 151 002, (Punjab)
 Phone : 0164-2240 239/5000 131
 Fax : 0164-221 5124
- I JALANDHAR**
 C/o. Handa Ice Factory
 Santokhpura
 Hoshiarpur
 Jalandhar 144 044
 Phone : 0181 265 1096/0049
 Fax : 0181-2641 056 (PP)
- I CHANDIGARH**
 Village Dariya, Ut Chandigarh
 (opp. Chandigarh Rly Stn.)
 Phone : 0172 645 0261
- I JAIPUR**
 Plot No. 39-40
 Sharma Colony Extension
 Road No. 4
 Bias Godam Industrial Area
 Jaipur 302 004
 Phone : 0141 221 7498/221 6396
 Fax : 0141 221 7973 (PP)
- I JODHPUR**
 7-A(I), Heavy Industrial Area
 Shastri Circle, Jodhpur
 Rajasthan - 342 003
 Phone : 0291 274 4792/262
 Fax : 0291 263 9341
- I FARIDABAD**
 Plot No. 7A, Sector 24
 Industrial Area
 Faridabad 121 005
 Phone : 0129 2230 936/223 7036
 Fax : 0129 2233 436
- I JAMMU**
 Krystal Ice Factory
 Kunjwani, By-pass Crossing
 Jammu 180 010
 Phone : 0191-2483 455/895
 Fax : 0191-2454 095
- « **I CHENNAI**
 126, Peters Road
 Chennai 600 086
 Phone : 044-28353752/2295/0242
 Fax : 044-28350189
 Plot No. D-18
 Ambattur Industrial
 Estate, Ambattur
 Chennai - 600 058
 Phone : 044 2635 7835/6/7/8/9
- I PONDICHERRY**
 8, Main Road,
 Gnanapragasam Nagar
 Pondicherry 605 008
 Phone : 0413-224 9035/8098
 Fax : 0413-224 8098
- I COIMBATORE**
 1/1 Mettupalayam Road
 Cheran Nagar-P.O.
 Coimbatore 641 029
 Phone : 0422-243 4508/243 1132
- I TRICHY**
 No. 249/2B, Opp. Sit Hostel
 Tanjavur Main Road
 Ariyamangalam
 Trichy - 620 208
- I MADURAI**
 'Sundara Bhavanam',
 Door No. 175
 Kamarajar Salai
 Madurai 625 009
 Phone : 0452-262 8274/8312
 Fax : 0452-2629023
- I HOSUR**
 Plot No. 9, Sidco Industrial Estate
 Sipcot Phase -III, Hosur 635 126
 Tamil Nadu
 Phone : 04344-274939/929
- « **I BANGALORE**
 22, Fort, A Street, K R Road
 Bangalore 560 002
 Phone : 080-2670 1315/1815
 Fax : 080-2670 9641
 112/7, Katha No. 116
 Garvebha VIP Alya
 Begur Hobli Hongasandra Gram Panchayat
 Bangalore South Taluk
 Phone : 080-2573 6082/6393
 Fax : 080-2573 6659
 C-1, Compartment,
 Central Warehouse
 APMC Yeshwanthpur
 Bangalore 560 022
 Phone : 080-2337 7643/5762 0954
 Fax : 080-2337 7643
- I MANGALORE**
 No. 20-1085, Nereshwalya Cross Road
 Beside Rosario School & Church
 Bunder, Mangalore 575 001
 Phone : 0824-242 8221/244 3622
 Fax : 0824-2443 622
- I HUBLI**
 Vanashri Traders Compound
 Torvi Hakkal, Mill Road
 Hubli 580 024
 Phone : 0836-2218 025/27
 Fax : 0836-2268 241
- I MYSORE**
 D.No. 92 'A' Layout 'G1'
 Police Station : N. R. Mohalla
 Mysore
- « **I KOCHI**
 Survey No. 616/A, Valath Arcade
 V.P. Marakkur Road
 Edappally Toll Junction
 Edappally
 Kochi 682 024
 Phone : 0484-255 1150/255 0470/394 1695
 Fax : 0484-255 0270
- I TRICHUR**
 Chembukkavu Village
 Survey No. 646/1, 650/6 and
 648, Trichur Taluk,
 Trichur Dist.
- I KOZHIKODE**
 19/1051, Puthiyapalam Road
 Thali
 Kozhikode 673 002
 Phone : 0495-270 0906/3412/4822
- I KOTTAYAM**
 Door No. 456, Goods Shed Road
 Ward No. VIII
 Muttambalam
 Kottayam 686 001
 Phone : 0481-230 2669/2670
 Fax : 0481-230 2669
- I THIRUVANANTHAPURAM**
 TC No. 18/1958
 Soumya Theatre Complex
 Thirumala
 Thiruvananthapuram 695 006
- I SECUNDERABAD**
 Survey No. 133
 Plassey Lanes
 Bowenpally
 Secunderabad 500 011
 Phone : 040-27953677/88/99
 Fax : 040-2795506
- I VISAKHAPATNAM**
 32-1-201, Bowdara Road
 Visakhapatnam 530 004
 Phone : 0891-250 2087, 273 1820
 Fax : 0891-250 2087
- I VIJAYAWADA**
 29-14-25, Prakasham Road
 Governorpert
 Vijayawada 520 002
 Phone : 0866-243 5956/7449
 Fax : 0866-2437449
- I TIRUPATI**
 Do No. 3/95, S No. 240/1
 Srinivasa Puram
 Tiruchanoor Road
 Tirupati
 Phone : 0877-223 9395
 Fax : 0877-223 9200

RAJDOOT DIVISION DEPOTS

I NEW DELHI

A-13, Mayapuri, Phase - II
 New Delhi- 110 064
 Tel No: 011-28115672/28117479/32573141
 Fax: 011-28115672
 3976/80, Ajmeri Gate Corner
 Ajmeri Gate, New Delhi
 Phone : 011-23216792/32573212
 400 Yards, Sultanpur
 Mehrauli Gurgaon Road
 New Delhi
 Phone : 011-26802293/32573398
 Fax: 011-26802293

I FARIDABAD

3D/44 A (B.P), NIT
 Faridabad, Haryana-121 001
 Phone: 0129-2422810/2426440/3209885

I PANIPAT

Uggar Sen Colony
 Assand Road, Panipat
 Phone: 0180-2658388/3209805/5011598

I KANPUR

123/361, Fazal Ganj
 Industrial Area, Kanpur
 Ph: 0512-2236761/2230974/3209738
 Fax: 0512-2230974

I GHAZIABAD

C-213, SITE-I, Bulandsahar Industrial Area
 (Opp.Silver City), G.T. Road
 Ghaziabad, U.P. - 201001
 Ph: 0120-3269987/3292682

I VARANASI

Pama Complex
 Lahartara DLW Road
 Near Vishal Auto Agencies
 Lahartara, Varanasi (UP)
 Phone: 0542-3209989

I HALDWANI

8-182/1, Aish Bagh
 Kaladhungi Road, Ward No.8
 Haldwani
 Phone: 05946-254596/320315

I CHANDIGARH

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

I SOLAN

C/O Nirman Ghar (Basement)
 Near Fire Station
 Sector-3, Parwanoo
 Solan 173220
 Phone: 01792-320757/320498

I JALANDHAR

Asiatic Compound
 Basti Baba Khel
 Kapurthala Road, Jalandhar
 Punjab - 144 001
 Ph: 0181 -2651096/3209989/2650049

I LUDHIANA

Plot No. 270, Industrial Area-A
 Near SBI, Ludhiana
 Punjab
 Phone : 0161-305552/2220270

I JAMMU

Bagh Lala, Mast Ram Vaid
 Sukhsaja, Palace Road
 Baghkhoovala
 Digana, Jammu
 Ph : 0191-2451657/2453816

I PATNA

Behind Reserve Bank of India
 Off Exhibition Road
 Patna - 800 001
 Phone : 0612-3209989/2321279
 Fax : 0612-2321279

I GUWAHATI

Godown Number-1
 Eastern Agro processing & Tea Ware Housing
 Co-operative Society Complex
 Jawahar Nagar
 Near Basistha Chariali
 Bye Pass Road, P.O.: Basistha
 Guwahati-781 029
 Ph: 0361-2307336/338/339
 Fax: 0361-2307339

I RANCHI

Road No. A-1, Hawaii Nagar
 Near Birsa Chowk
 Khunti Road
 Ranchi - 834 002
 Jharkhand
 Ph: 0651-2253746/3209987

I PUNE

C/O. Nath Warehousing Co.
 Survey No. 164, Fursungi Road
 Taluka Haveli
 Pune - 412 308
 Phone : 020-32549910/26980158/82511
 Fax : 020-26980158

I INDORE

20, Navalakha Timber
 Scheme (1st Floor), Lohamandi
 Indore - 452 001
 Ph: 0731-3209486/4002854/4088473
 Fax : 0731-4088473

I AHMEDABAD

R. 1-4, Tirupati Estate
 Opp. Kaydee House
 Near IBP Petrol Pump
 Aslali Bye Pass N.H.No.8
 Aslali,
 Dist. Ahmedabad
 Phone : 02718-261072/32525825
 Fax : 02718-261074

I KOCHI

50/1195, Ponevazhi Road
 Edappally North
 Edappally
 Kochi - 23
 Ph: 0484-3269969/2800376
 Fax : 0484-2801880

I KOZHIKODE

1/90 D & E, Davood Chambers
 Butt Road, Chungam
 P.O. West Hill
 Kozhikode
 Kerala-673 005
 Ph: 0495-3268877/2380455/2380492
 Fax : 0495-238 0492

I BANGALORE

No. 114/16, Patel Puttiah Industrial Estate
 Mysore Road
 Bangalore - 560026
 Phone : 080-32935557/26752865/26752896
 Fax : 080-26752865

I JAIPUR

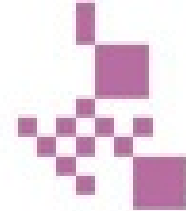
35-A, Tagore Nagar
 Near D.C.M.
 Ajmer Road
 Jaipur-302 024
 Phone : 0141-2353741/3216285
 Fax : 0141-2356426

I SECUNDERABAD

Plot No. 17-18, Bhel Colony
 Rasoolpura
 Secunderabad - 500 003
 Andhra Pradesh
 Ph : 040-27904495/32999779
 Fax: 040-2790 99202

I VADODARA

M/S.Banker's Brothers
 Estate No. 1
 N.H.No. 8
 AT & PO Padamla
 Dist. Vadodara - 391 350
 Phone : 0265 - 2243170/ 3209987/0040
 Fax: 0265-2243170



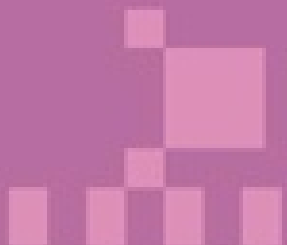
Innovations from Lewis Berger

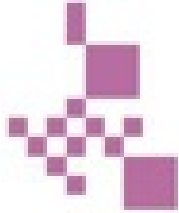


Breathe Easy is a zero smell paint from Lewis Berger which gets the room ready for occupancy just an hour after it has been painted. Its low VOC content also eases the health problems caused by pungent smell of paints. It's the first and only brand of paint in India to receive the Singapore Green Label Certification.

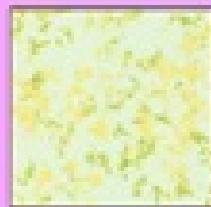


Easy Clean is one of the most washable interior wall paints in the country. Even the most stubborn oil stain or grease stain can be removed with ease and your walls continue to look good and fresh for years.

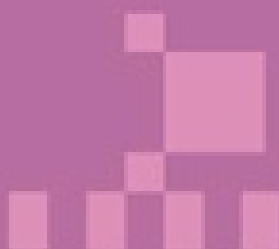


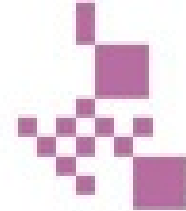


Galaxy is a great innovation meant for children. Galaxy is applied on the ceiling of a kid's room. The paint glows in the night giving your child's room a galaxy-like feel.



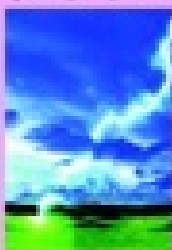
With an amazing array of textured and patterned paints, Illusions turns walls into masterpieces. Now there's no need to hang paintings or bric-a-brac to make the walls more attractive. Because the walls can be a piece of art by themselves.



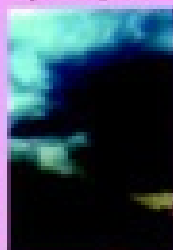


WeatherCoat All Guard, a premium acrylic emulsion for exterior walls provides enhanced dirt, fungus and water resistance and protects your home against every critical weather element.

• fungus guard



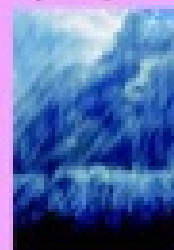
• dust guard



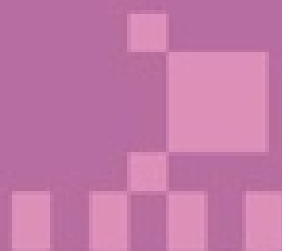
• sun guard



• rain guard



Unlike other enamels, Luxol One Coat Enamel requires just one coat to get shining doors and windows. It results in great savings, both in terms of time and labour.



The advertisement features a central graphic with a purple and blue circular background. At the top left, the text "JOHNNY BRAVO" is written in a stylized, orange font with a blue outline. To the right, the three Powerpuff Girls (Blossom, Bubbles, and Buttercup) are depicted in their characteristic style. In the center, a white rectangular logo for "Berger Paints" is shown, with the tagline "Paint your imagination" below it. To the right of this logo is a yellow speech bubble containing the text "DEXTER'S LABORATORY". Below the central logo is a blue rectangular logo with the word "KIDZ" in colorful, block letters. At the bottom left, the text "THE POWERPUFF GIRLS" is written in a red, stylized font. At the bottom right, a cartoon scientist character is shown in a white lab coat, holding a test tube and a beaker, with a yellow starburst effect next to him. A yellow paint roller is positioned at the bottom right of the central graphic.

Wall full of surprises!

With Lewis Berger Kidz, you can paint your kid's favourite Cartoon Network characters like Powerpuff Girls, Johnny Bravo and Dexter on the walls.



BERGER PAINTS INDIA LIMITED

Berger House, 129 Park Street, Kolkata 700 017, Ph: 2229 9724-28, 2249 9754-57,
 Fax: 91-33-2249 9729/9009, www.bergerpaints.com